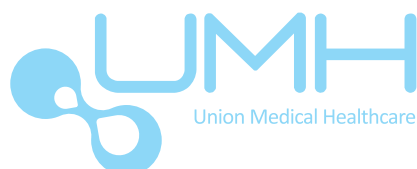


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Union Medical Healthcare Limited

香港醫思醫療集團有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2138)

ADOPTION OF SHARE AWARD SCHEME

The Board is pleased to announce that on 27 June 2016, the Company has adopted the Scheme, pursuant to which Employees (other than Excluded Employees) may be selected by the Board for participation.

The Board will implement the Scheme in accordance with the Scheme Rules including but not limited to providing necessary funds to the Trustee for purchase of not more than ten (10)% of the issued share capital of the Company from time to time with each of the Selected Employees receiving not more than one (1)% of the issued share capital of the Company from time to time. Pursuant to the Scheme Rules, the Board may, in its sole discretion, determine the number of Awarded Shares to be granted to each of the Selected Employees at no consideration.

Given the Scheme does not constitute a share option scheme or an arrangement involving the grant of options to participants over new Shares or other new securities of the Company which is analogous to a share option scheme for the purpose of Chapter 17 of the Listing Rules, it is not required to comply with the rules thereunder. No Shareholders' approval is required to adopt the Scheme. However, where any grant of Awarded Shares is proposed to be made to any person who is a connected person of the Company within the meaning of the Listing Rules, the Company shall comply with such provisions of the Listing Rules as may be applicable, including any reporting, announcement and/or shareholders' approval requirements, unless otherwise exempted under the Listing Rules.

* *for identification purpose only*

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SUMMARY OF THE SCHEME RULES

(1) Purposes and Objectives

The Directors believe that the future success of the Company is closely tied to the commitment and efforts of the Group's personnel including Directors, senior management and employees of the Group. The purposes and objectives of the Scheme are (i) to recognise the contributions by certain Employees and to provide them with incentives in order to retain them for the continual operation and development of the Group; and (ii) to attract suitable personnel for further development of the Group.

(2) Eligible Persons for the Scheme

Pursuant to the Scheme, the Board may, from time to time, in its absolute discretion, select the Employee(s) after taking into consideration various factors as they deem appropriate and determine the number of Awarded Shares to be granted to each of the Selected Employees. The Selected Employee shall cover any employee (including without limitation any Director) of any member of the Group.

(3) Administration

The Scheme shall be subject to the administration of the Board and the Trustee in accordance with the Scheme Rules and the Trust Deed. The decision of the Board with respect to any matter arising under the Scheme (including the interpretation of any provision) shall be final and binding. The Trustee shall hold the Trust Fund in accordance with the terms of the Trust Deed.

(4) Scheme Limit

The Board shall not make any further award of Awarded Shares which will result in the nominal value of the Shares awarded by the Board under the Scheme exceeding ten (10)% of the issued share capital of the Company from time to time and the maximum number of Shares which may be awarded to each of the Selected Employees under the Scheme shall not exceed one (1)% of the issued shares capital from time to time.

(5) Operation

The Board may, from time to time, in its absolute discretion, select the Employee(s) after taking into consideration various factors as they deem appropriate and determine the number of Awarded Shares to be granted to each of the Selected Employees at no consideration.

Pursuant to the Scheme Rules, the Board shall cause to be paid a Contributed Amount to the Trust by way of settlement or otherwise contributed by the Company or any Subsidiary as directed by the Board which shall constitute part of the Trust Fund, for the purchase or subscription (as the case may be) of Shares and other purposes set out in the Scheme Rules and the Trust Deed.

In the event that the Awarded Shares are to be allotted and issued as new Shares under the General Mandate for the purpose of the Trust, the Board shall cause an amount equal to the nominal value of such new Shares to be allotted and issued be transferred from the Company's resources to the Trustee and, subject to the receipt by the Company of such subscription monies from the Trustee, cause to allot and issue such new Shares to the Trustee, which shall be held upon trust for the relevant Selected Employee subject to the terms and conditions set out in the Scheme and in the Trust Deed. The Company shall comply with the relevant Listing Rules when allotting and issuing any new Shares under General Mandate and application shall be made to the Stock Exchange for the granting of the listing of, and permission to deal in, the new Shares to be issued in accordance

with the requirements of the Listing Rules. The Company intends to use the General Mandate available at the time of granting the Shares.

The Board may from time to time instruct the Trustee in writing to purchase Shares on the Stock Exchange. Once purchased, the Shares are to be held by the Trustee for the benefit of Employees under the Trust on and subject to the terms and conditions of the Scheme and the Trust Deed. The Trustee shall keep the Board from time to time informed of the number of Shares purchased and the price at which those Shares have been purchased.

For the avoidance of doubt, the Shares so purchased and the remaining balance of any Residual Cash shall form part of the Trust Fund.

A Selected Employee shall have no rights in the Residual Cash or Shares or such other Trust Fund or property held by the Trust.

(6) Restrictions

No Award shall be made by the Board and no instructions to acquire any Shares shall be given to the Trustee (and, where given, shall not be accepted or deemed to be accepted by the Trustee) under the Scheme where any Director is in possession of unpublished inside information in relation to the Company or where dealings by the Directors are prohibited under any code or requirement of the Listing Rules and all applicable laws from time to time.

(7) Vesting and Lapse

A Selected Employee shall be entitled to receive the Awarded Shares held by the Trustee in accordance with the vesting schedule as determined by the Board in its sole discretion. Vesting of the Shares will be conditional on the Selected Employee remaining as an Employee until and on each of the relevant Vesting Date and his/her execution of the relevant documents to effect the transfer from the Trustee.

In the event of change in control (as specified in the Codes on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission from time to time) of the Company, whether by way of offer, merger, scheme of arrangement or otherwise prior to the Vesting Date, the Board shall determine at its discretion whether such Awarded Shares shall vest in any Selected Employee and the time at which such Awarded Shares shall vest.

If there occurs any circumstances under which a Selected Employee becomes or is found to be an Excluded Employee or is deemed to cease to be an Employee, the relevant Awarded made to such Selected Employee shall automatically lapse.

(8) Voting Rights

The Trustee shall not exercise the voting rights in respect of any Shares held under the Trust (if any) (including but not limited to the Awarded Shares, any bonus Shares and scrip Shares derived therefrom).

(9) Duration and Termination

The Scheme shall be effective from the Adoption Date and shall continue in full force and effect for a term of ten (10) years or such date of early termination as determined by the Board provided that such termination shall not affect any subsisting rights of any Selected Employee.

(10) Alternation of the Scheme

The Scheme may be altered in any respect by a resolution of the Board provided that no such amendment shall operate to affect materially and adversely any subsisting rights of any Selected Employee.

INFORMATION ON THE GROUP

The Company is an exempted company incorporated in the Cayman Islands with limited liability and its Shares are listed on the Main Board of the Stock Exchange since 11 March 2016. The Group is principally engaged in the provision of medical, quasimedical, traditional beauty services, the sale of skincare and beauty products, and investment holding.

DEFINITIONS

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

“Adoption Date”	27 June 2016, being the date on which the Board adopted the Scheme Rules for the establishment of the Scheme
“Award”	an award of the Awarded Shares by the Board pursuant to the Scheme to a Selected Employee pursuant to the Scheme

“Awarded Share(s)”	such Shares awarded pursuant to the Scheme, the maximum number of which shall not exceed ten (10)% of the issued share capital of the Company from time to time and one (1)% of the issued share capital of the Company from time to time to each of the Selected Employees
“Board”	the board of Directors
“Company”	Union Medical Healthcare Limited (香港醫思醫療集團有限公司*), an exempted company incorporated in the Cayman Islands with limited liability, Shares of which are listed on the Main Board of the Stock Exchange
“Contributed Amount”	cash paid or made available to the Trust by way of settlement or otherwise contributed by the Company and/or its Subsidiaries as permitted under the Scheme to the Trust as determined by the Board from time to time
“Director(s)”	director(s) of the Company
“Employee(s)”	any individual being an employee (including without limitation any executive Director) of any member of the Group at any time during the Trust Period
“Excluded Employee(s)”	any Employee who is resident in a place where the award of the Awarded Shares and/or the vesting and transfer of the Awarded Shares pursuant to the Scheme Rules is not permitted under the laws or regulations of such place or where in the view of the Board or the Trustee (as the case may be), compliance with applicable laws or regulations in such place makes it necessary or expedient to exclude such Employee
“General Mandate”	the general mandate granted or to be granted by the Shareholders at general meetings from time to time
“Group”	the Company and its subsidiaries

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Residual Cash”	cash in the Trust Fund (including without limitation (i) any Contributed Amount or any remaining amount thereof; (ii) any cash income or dividends derived from Shares held under the Trust; (iii) other cash income or net proceeds of sale of non-cash and non-scrip distribution derived from or in respect of the Shares held under the Trust; and (iv) all interest or income derived from deposits maintained with licensed banks in Hong Kong) which has not been applied in the acquisition of any Shares
“Scheme”	the share award scheme of the Company adopted by the Board whereby awards of Shares may be made to Selected Employee(s) (such Shares being purchased or subscribed by the Trustee) pursuant to the Trust Deed and the Scheme Rules
“Scheme Rules”	the rules relating to the Scheme adopted by the Board
“Selected Employee(s)”	Employee(s) selected by the Board for participation in the Scheme
“Share(s)”	ordinary share(s) in the share capital of the Company with par value of HK\$0.00001 each
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary”	a company which is for the time being and from time to time a subsidiary (within the meaning given under section 15 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)) of the Company, whether incorporated in Hong Kong or elsewhere

“Trust”	the trust constituted by the Trust Deed
“Trust Deed”	the trust deed entered into between the Company as settlor and the Trustee (as restated, supplemented and amended from time to time) as trustee in respect of the appointment of the Trustee for the administration of the Scheme
“Trustee”	Bank of Communications Trustee Limited (which is independent of and not connected with the Company), being appointed by the Company for the administration of the Scheme, or any additional or replacement trustee(s)
“Trust Fund”	<p>the funds and properties held under the Trust and managed by the Trustee for the benefit of the Employees (other than the Excluded Employees), including without limitation:</p> <ul style="list-style-type: none"> (a) all Shares acquired by the Trustee for the purpose of the Trust out of the Residual Cash and such other scrip income (including but not limited to bonus Shares and scrip dividends declared by the Company) derived from the Shares held upon the Trust; (b) any Residual Cash; (c) any Awarded Shares or other property to be vested or not vested with the Selected Employee under these rules of the Scheme; and (d) all other properties from time to time representing (a), (b) and (c) above
“Trust Period”	shall have the meaning defined in the Trust Deed
“Vesting Date”	in respect of a Selected Employee, the date on which his entitlement to the Awarded Shares is vested in such Selected Employee in accordance with the Scheme Rules

“HK\$” Hong Kong dollars, the lawful currency of Hong Kong

“%” per cent.

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

Hong Kong, 29 June 2016

As at the date of this announcement, the Board 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.