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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)

**SHARE PURCHASE PURSUANT TO SHARE AWARD SCHEME
AND
GRANT OF AWARDED SHARES PURSUANT
TO
SHARE AWARD SCHEME
AND
GRANT OF SHARE OPTIONS UNDER SHARE OPTION SCHEME**

SHARE PURCHASE PURSUANT TO SHARE AWARD SCHEME

On 26 September 2016, the Company granted and paid an amount of HK\$10,408,194 to the Trustee to purchase the Company's existing Shares pursuant to the Share Award Scheme. Following the Company's instruction, the Trustee purchased an aggregate of 3,960,500 Shares from the Seller for the purpose of the Share Award Scheme.

GRANT OF AWARDED SHARES PURSUANT TO SHARE AWARD SCHEME

On 26 September 2016, the Board has resolved to grant an aggregate of 7,197,000 Shares to 18 Selected Employees at no consideration pursuant to the Share Award Scheme, partially by way of purchase an aggregate of 3,960,500 Shares from the Seller, representing approximately 0.734% of the Company's issued share capital as at the date of this announcement.

* *For identification purpose only*

GRANT OF SHARE OPTIONS UNDER SHARE OPTION SCHEME

On 26 September 2016, the Board has resolved to grant a total of 7,890,000 Share Options to selected participants, representing approximately 0.804% of the issued share capital of the Company as at the date of this announcement or approximately 0.798% of the issued share capital as enlarged upon fully exercise of the Share Options pursuant to the Share Option Scheme. The grant of the Share Options will be subject to acceptance by the grantees.

Reference is made to the announcement of the Company dated 29 June 2016 in relation to the adoption of the Share Award Scheme by the Board.

SHARE PURCHASE PURSUANT TO THE SHARE AWARD SCHEME

On 26 September 2016, the Company granted and paid an amount of HK\$10,408,194 to the Trustee to purchase the Company's existing Shares pursuant to the Share Award Scheme. Following the Company's instruction, the Trustee purchased an aggregate of 3,960,500 Shares (the "**Share Purchase**") from the Seller for the purpose of the Share Award Scheme. Details of the Share Purchase and the latest information about the Shares held by the Trustee are as follows:

Trade date:	26 September 2016
Settlement date:	28 September 2016
Total number of Shares purchased:	3,960,500 Shares, representing approximately 0.404% of the issued share capital of the Company as at the date of this announcement.
Purchase price per Share:	HK\$2.628
	The purchase price is based on the average closing price of HK\$2.628 per Share as quoted on the Stock Exchange for the five(5) business days immediately preceding the date of the Share Purchase.
Total consideration:	HK\$10,408,194

Number of Shares held by the Trustee immediately prior to the Share Purchase:	11,072,000 Shares, representing approximately 1.129% of the issued share capital of the Company as at the date of this announcement.
Number of Shares held by the Trustee immediately after the Share Purchase:	15,032,500 Share, representing approximately 1.533% of the issued share capital of the Company as at the date of this announcement.
Number of Shares held by the Trustee after the grant of Awarded Shares:	7,835,500 Share, representing approximately 0.799% of the issued share capital of the Company as at the date of this announcement.

The Shares held by the Trustee shall constitute part of the Trust Fund and be held by the Trustee for the benefit of the Eligible Participants under the Trust.

REASONS FOR AND BENEFITS OF ENTERING INTO THE SHARE PURCHASE

The Directors consider that the Share Purchase is in the interest of the Share Award Scheme primarily due to (i) the Company wishes to set aside a larger pool of Trust Shares available for allocation to the Selected Employees under the Share Award Scheme; (ii) the purchase of such Shares from the Seller offers an opportunity to purchase a relatively large amount of Shares for the Share Award Scheme at a more certain purchase price; (iii) the liquidity of the Shares on the market is currently low; and (iv) the concentration of shareholding in our Controlling Shareholder can be diluted as a result of the Share Purchase. Taking into account the benefits of the Share Purchase and having considered the basis of the purchase price of the Shares under the Share Purchase, the Directors consider that the terms of the Share Purchase are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

GRANT OF AWARDED SHARES PURSUANT TO SHARE AWARD SCHEME

On 26 September 2016, the Board resolved to grant an aggregate of 7,197,000 Shares to 18 Selected Employees at no consideration pursuant to the Share Award Scheme, partially by way of purchase an aggregate of 3,960,500 Shares from the Seller, representing approximately 0.734% of the Company's issued share capital as at the date of this announcement.

The Awarded Shares are held on trust for the Selected Employees by the Trustee which shall transfer the Awarded Shares to the Selected Employees upon satisfaction of the relevant vesting criteria and conditions specified by the Board in the grant notices issued to each Selected Employee. Upon satisfaction of the relevant vesting criteria and conditions, the Awarded Shares shall be transferred and released from the Trust to the Selected Employees upon expiry of the relevant vesting period (the “**Vesting Date**”):

Vesting Date	Number of Awarded Shares subject to vesting
28 September 2016	4,521,000
3 January 2017	728,992
2 January 2018	698,992
2 January 2019	664,016
2 January 2020	584,000

Pursuant to the Share Award Scheme, the aggregate number of Awarded Shares granted by the Board throughout the duration of the Share Award Scheme shall not result in the nominal value of the Shares awarded by the Board under the Share Award Scheme exceeding 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 Share Award Scheme shall not exceed 1% of the issued shares capital of the Company from time to time. Based on the closing price of HK\$2.56 per Share as quoted on the Stock Exchange as at the date of this announcement, the market value of the 7,197,000 Awarded Shares in aggregate is approximately HK\$18,424,320.

Among the 7,197,000 Awarded Shares, three (3) of the Selected Employees are Directors and accordingly, are connected persons (as defined in Chapter 14A of the Listing Rules) of the Company. The award of 5,610,500 Awarded Shares to them under the Share Award Scheme will form part of their remuneration package under their respective service contracts and is therefore, fully exempt from the reporting, announcement and independent Shareholders’ approval requirements under Rules 14A.73(6) and 14A.95 of the Listing Rules. Details of 5,610,500 Awarded Shares granted to these Directors are as follows:

Name of Directors	No. of Awarded Shares granted
Lee Gabriel	3,593,000
Luk Kun Shing Ben	1,837,500
Yeung Chin Wan	180,000

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Selected Employees who were granted the Awarded Shares on 26 September 2016 are either Directors or employees of members of the Group. Mr. Lee Gabriel, Mr. Luk Kun Shing Ben and Mr. Yeung Chin Wan abstained from voting on the relevant resolutions in the Board meeting to approve the grant of the Awarded Shares to themselves.

GRANT OF SHARE OPTIONS UNDER SHARE OPTION SCHEME

This announcement is made pursuant to Rule 17.06A of the Listing Rules.

On 26 September 2016, the Company granted an aggregate of 7,890,000 share options (the “**Share Options**”) to the selected participants (including 2 Directors and 18 Employees and consultants of the Company), subject to acceptance by the relevant selected participants, to subscribe for up to 7,890,000 Shares representing approximately 0.804% of the issued share capital of the Company as at the date of this announcement or approximately 0.798% of the issued share capital as enlarged upon fully exercise of the Share Options pursuant to the Share Option Scheme. Details of Share Options granted are as follows:

Date of Grant: 26 September 2016

Exercise price of Share Options granted: HK\$3.03 per Share, which is higher than:

- (i) the closing price of HK\$2.56 per Share as stated in the daily quotation sheets issued by the Stock Exchange on the date of grant of the Share Options, i.e. 26 September 2016;
- (ii) the average closing price of HK\$2.628 per Share as stated in the daily quotation sheets issued by the Stock Exchange for the five (5) business days immediately preceding the date of grant of the Share Options; and
- (iii) the nominal value of HK\$0.00001 per Share.

Number of Share Options granted:	7,890,000 (each Share Option shall entitle the holder thereof to subscribe for one (1) Share)
Validity period of the Share Options:	(i) Consisting of 540,000 Share Options which shall be exercisable in four equal tranches from 1 January 2017 to 31 December 2020; and (ii) Consisting of 7,350,000 Share Options which shall be exercisable in ten equal tranches from 1 January 2017 to 31 December 2026

Among the Share Options granted above, 7,430,000 Share Options were offered to 2 Directors as follows:

Name of Director	Number of Share Options granted
Lee Gabriel	7,350,000
Yeung Chin Wan	80,000

Pursuant to Rule 17.04(1) of the Listing Rules and the Share Option Scheme, the grant of Share Options by the Company to any Director, chief executive or substantial shareholder of the Company or any of their respective associates must be approved by the independent non-executive Directors (excluding independent non-executive Director who is the grantee of the Share Options concerned). Accordingly, the grant of the Share Options to each of Mr. Lee Gabriel and Mr. Yeung Chin Wan as detailed above has been reviewed and approved by the independent non-executive Directors. Mr. Lee Gabriel and Mr. Yeung Chin Wan abstained from voting on the relevant resolutions in the Board meeting to approve the grant of the Share Options to themselves.

Save as disclosed above, none of the grantees or their respective associates (as defined in the Listing Rules) is a Director, chief executive or substantial shareholder of the Company.

DEFINITIONS

Unless the context otherwise requires, the following expressions shall have the following meanings:

“Award”	an award of the Awarded Shares by the Board to a Selected Employee pursuant to the Share Award Scheme
“Awarded Share(s)”	such Shares awarded pursuant to the Share Award 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
“BVI”	the British Virgin Islands
“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 (Stock Code: 2138)
“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
“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

“Share Award 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 Share Award Scheme adopted by the Board
“Selected Employee(s)”	Employee(s) selected by the Board for participation in the Scheme
“Seller”	Union Medical Care Holding Limited, a company incorporated under the Law of BVI with limited liability on 6 July 2015, and a direct and wholly-owned subsidiary of Mr. Tang Chi Fai, chairman, executive Director and chief executive officer of the Group
“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)
“Share Option Scheme”	the Share Option Scheme adopted by the Company on 19 February 2016
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary(ies)”	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 Share Award 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> <p>(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;</p> <p>(b) any Residual Cash;</p> <p>(c) any Awarded Shares or other property to be vested or not vested with the Selected Employee under these rules of the Share Award Scheme; and</p> <p>(d) all other properties from time to time representing (a), (b) and (c) above</p>
“Trust Period”	shall have the meaning defined in the Trust Deed
“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, 26 September 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.