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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)

VOLUNTARY ANNOUNCEMENT

**FULLY EXEMPT CONNECTED TRANSACTION –
ACQUISITION OF 97% EQUITY INTEREST IN
A TRAVEL AGENCY**

ACQUISITION OF THE TARGET COMPANY

The Board hereby announces that, on 25 November 2016 (after trading hours), the Purchaser, an indirectly wholly-owned subsidiary of the Company, has completed the acquisition of 97% equity interests in the Target Company from the Sellers at a total consideration of HK\$1. Target Company is a private company incorporated in Hong Kong and is a licensed travel agency under the Travel Agents Ordinance. The Target Company is principally engaged in provision of travelling packages, accommodation and other travel-related services and products.

The Board believes that the acquisition of the Target Company would (i) complement and provide professional support to medical tourism services currently offered by the Group; (ii) enable us to perform customer database marketing and enhance the customer experience to be offered by the Group; and (iii) by widening the customer spectrum of the Group, potential customers from Mainland China and other Asia countries looking for premium medical service in Hong Kong has now direct access to the medical services of the Group.

LISTING RULES IMPLICATIONS

Immediately prior to the Acquisition, the Target Company was owned as (i) 3.00% by Ms. Lam; (ii) 47.53% by Mr. Kwok; and (iii) 49.47% by the spouse of Mr. Tang, Mr. Tang is the chairman, executive Director and the chief executive officer of the Group. The Target Company is therefore connected person of the Group. Each of the Target Company and the spouse of Mr. Tang is regarded as an associate of a controller of the Company under Rule 14A.28 of the Listing Rules. As such, the Acquisition constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

As none of the applicable percentage ratios in respect of the Acquisition exceeds 5% and the Consideration is below HK\$3 million, the Acquisition is exempt from the relevant requirements of reporting, announcement and approval of the independent Shareholders under Chapter 14A of the Listing Rules.

INFORMATION ON THE ACQUISITION

On 25 November 2016 (after trading hours), the Purchaser acquired and the Sellers sold 776,000 ordinary shares of the Target Company, representing 97% equity interests in the Target Company.

Date	25 November 2016 (after trading hours)
Parties	(1) Team Expert Investment Limited (an indirectly wholly-owned subsidiary of the Company) as Purchaser (2) The spouse of Mr. Tang, who held 395,760 ordinary shares, representing 49.47% equity interest, of the Target Company (3) Mr. Kwok, who held 380,240 ordinary shares, representing 47.53% equity interest, of the Target Company
Consideration	The Consideration for the Acquisition is HK\$1 has been fully satisfied by cash. The Consideration has been agreed between the Purchaser and the Sellers after arm's length negotiations and has made reference to the Target Company's net liabilities position of HK\$115,604 based on the audited financial statements for the year ended 31 March 2016. The Consideration will be funded by internal resources of the Group
Information on the Target Company	The Target Company is a limited liability company incorporated in Hong Kong on 31 March 1999 with principal business activities covering provision of travelling packages, accommodation and other travel-related services and products. The Target Company is a licensed travel agency under the Travel Agents Ordinance

Upon Completion, the Target Company will become an indirect non-wholly owned subsidiary of the Company and the financial results, assets and liabilities of the Target Company will be consolidated into the financial statements of the Group.

FINANCIAL INFORMATION OF THE TARGET COMPANY

The following table sets forth the financial information of the Target Company as extracted from the audited financial statements for the year ended 31 March 2016 prepared in accordance with Hong Kong Financial Reporting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants.

	For the year ended 31 March	
	2015	2016
	HK\$	HK\$
	(audited)	(audited)
Revenue	1,887,606	2,425,453
Profit/(loss) before tax	(419,386)	147,742
Profit/(loss) after tax	(419,386)	147,742

As at 31 March 2016, the total assets and net liabilities of the Target Company were HK\$821,170 and HK\$115,604 respectively.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Company has endeavored in exploring opportunities for potential investments with a view to generating revenue and achieving better returns for its Shareholders. Since the listing of the Company's Shares on the Stock Exchange in March 2016 and as disclosed in the annual report of the Company for the year ended 31 March 2016, the Group has been striving to enrich its products offerings and services ranges to satisfy diverse customers' needs.

The Board believes that the acquisition of the Target Company would (i) complement and provide professional support to medical tourism services currently offered by the Group; (ii) enable us to perform customer database marketing and enhance the customer experience to be offered by the Group; and (iii) by widening the customer spectrum of the Group, potential customers from Mainland China and other Asia countries looking for premium medical service in Hong Kong has now direct access to the medical services of the Group.

In view of the reasons mentioned above and future prospects of the Target Company, the Board is of the view that the Acquisition is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

Immediately prior to the Acquisition, the Target Company was owned as (i) 3.00% by Ms. Lam; (ii) 47.53% by Mr. Kwok; and (iii) 49.47% by the spouse of Mr. Tang, Mr. Tang is the chairman, executive Director and the chief executive officer of the Group. The Target Company is therefore connected person of the Group. Each of the Target Company and the spouse of Mr. Tang is regarded as an associate of a controller of the Company under Rule 14A.28 of the Listing Rules. As such, the Acquisition constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

As none of the applicable percentage ratios in respect of the Acquisition exceeds 5% and the Consideration is below HK\$3 million, the Acquisition is exempt from the relevant requirements of reporting, announcement and approval of the independent Shareholders under Chapter 14A of the Listing Rules.

DEFINITION

The context otherwise requires, the following terms used in this announcement shall have the following meanings when used herein:

“Acquisition”	the acquisition of 97% equity interests in the Target Company
“associate”	has the meaning ascribed to it in the Listing Rules
“Board”	the board of Directors of the Company
“Company”	Union Medical Healthcare Limited (香港醫思醫療集團有限公司*), a company incorporated in the Cayman Islands with limited liability whose shares are listed on Stock Exchange
“Connected person”	has the meaning ascribed to it in the Listing Rules
“Consideration”	the consideration of HK\$1 for the Acquisition
“Controlling shareholder”	has the meaning ascribed to it in the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	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
“Ms. Lam”	Ms. Lam Mei Ling Holly, a Hong Kong resident who held 3.00% equity interest in the Target Company immediately prior to and upon the Acquisition
“Mr. Kwok”	Mr. Kwok Chung Yin, a Hong Kong resident who held 47.53% equity interest in the Target Company immediately prior to the Acquisition
“Purchaser”	Team Expert Investment Limited, a company incorporated in the British Virgin Islands with limited liability on 3 October 2012, an indirectly wholly-owned subsidiary of the Company

“Seller(s)”	Mr. Kwok and the spouse of Mr. Tang
“Shareholder(s)”	holder(s) of the shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Window-Discovery Tours Limited 麒景旅遊有限公司, a company established with limited liability in Hong Kong on 31 March 1999
“%”	Percentage

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

Hong Kong, 25 November 2016

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, 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*