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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)

CONNECTED TRANSACTION IN RELATION TO THE ACQUISITION OF FURTHER 24% EQUITY INTEREST IN TARGET GROUP INVOLVING THE ISSUE OF CONSIDERATION SHARES AND UNLISTED WARRANTS TO A CONNECTED PERSON UNDER SPECIFIC MANDATE

The Board is pleased to announce that on 17 July 2020 (after trading hours), the Company, the Purchaser, an indirect wholly-owned subsidiary of the Company, and the Sellers entered into the Sale and Purchase Agreement, pursuant to which the Purchaser has agreed to purchase and the Sellers have agreed to sell the Sale Shares at the consideration of HK\$94.6 million, comprising of (i) the allotment and issue of 22,524,000 Consideration Shares; and (ii) the issue of 10,000,000 Warrants, by the Company to the Sellers, subject to the terms and upon the conditions as set out in the Sale and Purchase Agreement.

As at the date of this announcement, the Purchaser, the First Seller and the Second Seller are the legal and beneficial owners of 5,100 shares, 2,280 shares and 120 shares in the Target Company respectively, representing 51.00%, 22.80% and 1.20% of the total issued shares of the Target Company, respectively.

The Consideration Shares represent approximately 2.25% of the issued share capital of the Company as at the date of this announcement and approximately 2.20% of the issued share capital of the Company as enlarged by the Consideration Shares (assuming there will be no change in the total number of issued Shares of the Company between the date of this announcement and the allotment and issue of the Consideration Shares).

Upon full exercise of the Warrants at the initial Warrant Exercise Price, a maximum of 10,000,000 Warrant Shares will be issued, representing approximately 1.00% of the issued share capital of the Company as at the date of this announcement and approximately 0.99% of the issued share capital of the Company as enlarged by the Warrant Shares (assuming there will be no change in the total number of issued Shares of the Company between the date of this announcement and the allotment and issue of the Warrant Shares).

Specific Mandate

The Directors will seek specific mandate from the Shareholders for the allotment and issue of (i) the Consideration Shares; and (ii) the Warrants and the Warrant Shares, to the Sellers. Applications will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares and the Warrant Shares which may fall to be allotted and issued upon exercise of the subscription rights attaching to the Warrants, respectively.

LISTING RULES IMPLICATIONS

As at the date of this announcement, the First Seller is the substantial shareholder of the Target Company, a subsidiary of the Company, and the spouse of a director of certain subsidiaries of the Group, the First Seller is therefore a connected person of the Company. As such, the Acquisition constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules and is subject to the reporting, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL

The EGM will be convened and held for the purpose of considering and, if thought fit, approving the Sale and Purchase Agreement and the transactions contemplated thereunder (including the grant of the specific mandates to allot and issue the Consideration Shares, the Warrants and the Warrant Shares). As at the date of this announcement, the First Seller holds 1,608,668 Shares and the First Seller and his associate will abstain from voting on such resolution at the EGM

The Independent Board Committee comprising all the independent non-executive Directors has been formed to advise the Shareholders on, among other things, the terms of the Sale and Purchase Agreement and the transactions contemplated thereunder. An independent financial adviser has been appointed to advise the Independent Board Committee and the Shareholders regarding, among other things, the terms of the Sales and Purchase Agreement and transactions contemplated thereunder.

A circular containing, among other things, (i) further details of the Acquisition; (ii) the recommendations of the Independent Board Committee in relation to the Acquisition; (iii) a letter of advice from an independent financial adviser in relation to the Acquisition; (iv) the notice convening the EGM; and (v) other information as required under the Listing Rules, will be despatched by the Company to the Shareholders in accordance with the requirements of the Listing Rules. The circular is expected to be despatched by the Company to the Shareholders by 6 August 2020.

Completion of the Acquisition is conditional upon the fulfilment of the conditions set out under the paragraph headed "Conditions precedent" in this announcement, which may or may not be fulfilled. Accordingly, the Acquisition may or may not proceed. Shareholders and potential investors of the Company should exercise caution when they deal or contemplate dealing in the Shares and other securities of the Company.

INTRODUCTION

On 17 July 2020, the Company, the Purchaser, an indirect wholly-owned subsidiary of the Company, and the Sellers entered into the Sale and Purchase Agreement, pursuant to which the Purchaser has agreed to purchase and the Sellers have agreed to sell the Sale Shares subject to the terms and upon the conditions as set out in the Sale and Purchase Agreement.

THE SALE AND PURCHASE AGREEMENT

The key terms of the Sale and Purchase Agreement are set out as follows:

Date: 17 July 2020

Parties: (1) the Company;
(2) the Purchaser;
(3) First Seller; and
(4) Second Seller.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the First Seller is a connected person of the Company while the Second Seller is a third party independent of the Company and its connected person.

Consideration

The total consideration payable by the Purchaser to the Sellers for the Sale Shares is payable in the following manner:

- (a) by the allotment and issue of the Consideration Shares at the Issue Price by the Company and the respective amount of Consideration Shares to be allotted and issued to each of the Sellers as set out in the table below; and
- (b) by the issue of the Warrants by the Company and the respective amount of Warrants to be issued to each of the Sellers as set out in the table below.

Consideration Shares and Warrants

First Seller 21,397,800 Consideration Shares and 9,500,000 Warrants

Second Seller 1,126,200 Consideration Shares and 500,000 Warrants

Total: 22,524,000 Consideration Shares and 10,000,000 Warrants

The Consideration Shares

The Consideration Shares represent approximately 2.25% of the issued share capital of the Company as at the date of this announcement and approximately 2.20% of the issued share capital of the Company as enlarged by the Consideration Shares (assuming there will be no change in the total number of issued Shares of the Company between the date of this announcement and the allotment and issue of the Consideration Shares).

The Issue Price of HK\$4.20 per Consideration Share was negotiated on an arm's length basis between the parties of the Sale and Purchase Agreement and determined with reference to the average of the prevailing market prices of the Shares as quoted on the Stock Exchange, and it represents:

- (i) a premium of approximately 4.2% to the closing price of HK\$4.03 per Share as quoted on the Stock Exchange on the date of the Sale and Purchase Agreement; and
- (ii) a discount of approximately 1.18% to the average closing price of HK\$4.25 per Share per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day.

The Directors (excluding the independent non-executive Directors, who shall provide their views after taking into account of the advice of an independent financial adviser) consider that the Issue Price is fair and reasonable.

Basis of consideration

The Consideration was determined on arm's length negotiations between the Purchaser and the Sellers with reference to (i) the business of the Target Company, the net assets value of the Target Company and prospects of the Target Company, (ii) the medical capability and Profit Guarantee (as defined below) of the Sellers, and (iii) the expertise of the management of the Target Company.

Conditions precedents

Completion of the Sale and Purchase Agreement is conditional upon satisfaction (or otherwise waived by the Purchaser) of the following conditions (“**Conditions Precedents**” and each as a “**Condition Precedent**”):

- (a) all requisite consents, license and approvals from any relevant government authorities, regulatory bodies or other relevant third parties in Hong Kong or elsewhere which are required or appropriate for the Acquisition having been obtained;
- (b) the warranties, representations and/or undertakings provided by each of the Sellers under the Sale and Purchase Agreement remaining true and accurate and not misleading in all respects;
- (c) approval being obtained from the Shareholders in accordance with the Listing Rules approving the transactions contemplated by the Sale and Purchase Agreement and the specific mandates for the issue of the Consideration Shares, Warrants and Warrant Shares; and
- (d) the Stock Exchange granting listing of and permission to deal in the Consideration Shares and the Warrant Shares and not subsequently revoked prior to Completion.

Each of the Sellers shall use his best endeavour to procure the fulfilment of the Conditions Precedent set out in Conditions Precedent (a) and (b) and above shall furnish such information, supply such document, give such undertakings and do all such acts and things as may reasonably be required in connection with the fulfilment of the Conditions Precedent.

The Purchaser may in its absolute discretion at any time waive in writing Condition Precedent (b) set out above (or any part thereof).

Completion

Subject to the fulfilment (or where applicable, waiver) of the Conditions Precedent, Completion shall take place at 4:00 p.m. (Hong Kong time) on the Completion Date or such other time to be agreed by the Sellers and the Purchaser.

As at the date of this announcement, the Purchaser is the legal and beneficial owner of 5,100 shares in the Target Company, representing 51.00% of the total number of issued shares of the Target Company. Upon Completion, the Purchaser will hold 75.00% equity interest of the Target Company and the financial information of the Target Group shall continue to be consolidated into the consolidated financial statements of the Group.

Profit Guarantee

Each of the First Seller and the Second Seller jointly and severally guarantees to each of the Company and the Purchaser (“**Profit Guarantee**”) that the aggregate net profit of all NYMG Group Members (“**Aggregate Net Profit**”) for the five years ending 31 March 2025 shall be no less than HK\$188.0 million (“**Guaranteed Net Profit**”), representing an approximate compound annual growth rate of 20% of the aggregate net profit of all NYMG Group Members for five years ending 31 March 2025, with reference to the unaudited net profit of the NYMG Group for the year ended 31 March 2020.

In the event that the Aggregate Net Profit is less than the Guaranteed Net Profit, each of the First Seller and the Second Seller jointly and severally undertakes that they shall pay a profit shortfall compensation in accordance with the formula set forth below to the Purchaser within thirty (30) days after the date on which the Aggregate Net Profit is determined.

Amount Payable by	Formula for calculating the profit shortfall compensation mentioned above
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The First Seller	$(\text{Guaranteed Net Profit} - \text{Aggregate Net Profit}) \times 49\% \times 95\%$
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The Second Seller	$(\text{Guaranteed Net Profit} - \text{Aggregate Net Profit}) \times 49\% \times 5\%$
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ISSUE OF THE WARRANTS

According to the Sale and Purchase Agreement, the Company and the Sellers shall execute a warrant instrument at Completion in respect of the issue of the Warrants to the Sellers.

The terms of the Warrants have been negotiated on an arm’s length basis and the principal terms of which are summarised below:

Issuer: the Company

Number of Warrants: 10,000,000 Warrants exercisable into 10,000,000 Warrant Shares

Warrant Exercise Price: The initial Warrant Exercise Price is HK\$4.20 per Warrant Share, subject to adjustments as summarized below.

The Warrant Exercise Price set out above was determined based on the arm’s length negotiations between the Company and the Sellers, taking into account of the prevailing market price of the Shares. The Directors (excluding the independent non-executive Directors, who shall provide their views after taking into account of the advice of an independent financial adviser) consider that the terms of the Warrants, including the Warrant Exercise Price, are on normal commercial terms and are fair and reasonable and in the best interest of the Company and the Shareholders as a whole.

Adjustment to the Warrant Exercise Price: The Warrant Exercise Price shall from time to time be adjusted upon the occurrence of certain events in relation to the Company including the following:

- (i) an alteration of the number of the Shares by reason of consolidation or subdivision;

- (ii) an issue (other than in lieu of a cash dividend) by the Company of Shares credited as fully paid by way of capitalisation of profits or reserves (including any share premium account or contributed surplus account); or
- (iii) a capital distribution being made by the Company to the Shareholders, or a grant by the Company to Shareholders of rights to acquire for cash assets of the Company or any of its subsidiaries.

Exercise Period: Each Warrant carries the right to subscribe for one (1) Warrant Share at the Warrant Exercise Price. The subscription rights attaching to the Warrants (“**Subscription Rights**”) may be exercised at any time between a period from the Completion Date and the last day of the fifth year period following from the Completion Date (both days inclusive) (the “**Exercise Period**”).

Any Subscription Rights which have not been exercised during the Exercise Period will thereafter lapse and the Warrants will cease to be valid for any purpose.

Exercise of the Subscription Rights: Subject to the conditions below, the Warrantholders shall have rights, in his absolute discretion, to subscribe the Warrant Shares at the relevant Warrant Exercise Price no more than or equal to 20% of the Warrants can be exercised in each one-year period from the Completion Date or the anniversary of the Completion Date (as the case maybe) during the Exercise Period.

The Warrantholder or his designated nominee shall not be entitled to exercise the subscription rights attaching to the Warrants to the extent that immediately after such exercise: (i) there will not be sufficient public float of the Shares as required under the Listing Rules; or (ii) the Warrantholder or his designated nominee, whether alone or together with parties acting in concert with him, would be obliged to make a general offer under the Code on Takeovers and Mergers in force from time to time.

Rights to dividend: If the record date for entitlement to the payment of any dividend or other distribution in respect of any Warrant Shares in respect of which the Warrantholder is exercising his Subscription Rights represented by the Warrants (the “**Subscribed Securities**”) falls on or after the date of exercise but before the date on which the Warrantholder is registered in the register of members of the Company in respect of such Subscribed Securities, with the effect that the Warrantholder is not entitled to such dividend or distribution, the Company shall forthwith on demand of the Warrantholder pay to the Warrantholder an amount equal to such dividend or other distribution to which the Warrantholder would have been entitled had he been a holder of record of such Subscribed Securities on that record date.

Right of the Warrantholder on liquidation of the Company: In the event of a voluntary winding-up of the Company, the Warrantholders shall be entitled to exercise the Subscription Rights represented by the Warrants not later than two business days prior to the proposed Shareholders’ meeting to approve the voluntary winding-up, and the Company shall no later than the day immediately prior to the date of the proposed Shareholders’ meeting, issue such number of Warrant Shares which fall to be issued pursuant to the exercise of the Subscription Rights represented by such Warrant.

If an effective resolution is passed during the Exercise Period for the purpose of reconstruction or amalgamation pursuant to a scheme of arrangement to which the Warrantholder, or some person designated by them for such purpose by special resolution, shall be a party or in conjunction with which a proposal is made to the Warrantholder and is approved by special resolution, the terms of such scheme of arrangement or (as the case may be) proposal will be binding on all the Warrantholder.

If Issuer is wound up, all Subscription Rights which have not been exercised at the commencement of the winding-up will lapse.

Transferability: The Warrants are non-transferable no matter in whole or in part to any person or entity.

Non-redeemable Warrants: Each Warrant outstanding as at the last day of the Exercise Period is not redeemable by the Company and the Company has no obligation to purchase or otherwise acquire the outstanding Warrant at any time.

Listing: No listing of the Warrants will be sought on the Stock Exchange or other stock exchanges.

Warrant Shares and Warrant Exercise Price

Upon full exercise of the Warrants, a maximum of 10,000,000 Warrant Shares will be issued, representing approximately 1.00% of the issued share capital of the Company as at the date of this announcement and approximately 0.99% of the issued share capital of the Company as enlarged by the Warrant Shares (assuming there will be no change in the total number of issued Shares of the Company between the date of this announcement and the allotment and issue of the Warrant Shares).

The Warrant Exercise Price of HK\$4.20 was negotiated on an arm's length basis between the Company and the Sellers and determined with reference to the average of the prevailing market prices of the Shares as quoted on the Stock Exchange, an represents:

- (i) a premium of approximately 4.2% to the closing price of HK\$4.03 per Share as quoted on the Stock Exchange on the date of the Sale and Purchase Agreement; and
- (ii) a discount of approximately 1.18% to the average closing price of HK\$4.25 per Share per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day.

The Directors (excluding the independent non-executive Directors, who shall provide their views after taking into account of the advice of an independent financial adviser) consider that the Warrant Exercise Price is fair and reasonable.

EFFECT OF THE ACQUISITION ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this announcement, the Company had 999,818,820 Shares in issue. For reference and illustration purposes only, the following table sets out the effect of the allotment and issuance of the Consideration Shares and the Warrant Shares on the shareholding structure of the Company assuming that (i) the Completion having taken place; (ii) 22,524,000 Consideration Shares will be allotted and issued pursuant to the Sale and Purchase Agreement; (iii) 10,000,000 Warrant Shares will be allotted

and issued after the full exercise of the Warrants at the initial Warrant Exercise Price; and (iv) there is no change in the shareholding structure of the Company.

Shareholders	As at the date of this announcement		Immediately upon the allotment and issuance of the Consideration Shares		Immediately upon the allotment and issuance of (i) the Consideration Shares and (ii) the Warrant Shares after the exercise of the Warrants at the initial Warrant Exercise Price in full	
	Number of shares	%	Number of shares	%	Number of shares	%
Tang Chi Fai (“Mr. Tang”) ¹	728,988,230	72.912	728,988,230	71.306	728,988,230	70.615
Core Connected Persons of the Company	13,369,813	1.337	13,369,813	1.308	13,369,813	1.295
The First Seller	1,608,668	0.161	23,006,468	2.250	32,506,468	3.149
	743,966,711	74.410	765,364,511	74.864	774,864,511	75.059
OrbiMed Asia Partners III, L.P. ²	63,806,686	6.382	63,806,686	6.241	63,806,686	6.181
The Second Seller	-	-	1,126,200	0.110	1,626,200	0.157
Other public Shareholders	192,045,423	19.208	192,045,423	18.785	192,045,423	18.603
	255,852,109	25.590	256,978,309	25.136	257,478,309	24.941
Total issued shares	999,818,280	100.000	1,022,342,280	100.000	1,032,342,280	100.000

Notes:

1. 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.
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 of the Company which are owned by OrbiMed Asia Partners III, L.P. under Part XV of the SFO.

REASONS AND BENEFITS FOR THE ACQUISITION

The Target Group continued to achieve a remarkable performance in the chiropractic, orthopaedic, pain and wellness services and generate recurrent income for the Group. Taking into account of the remarkable business development and financial performance of the Target Group which contributed considerable profits to the Group, the further acquisition of 24% equity interest in the Target Group represents a tremendous opportunity for the Company to further increase and concentrate its stake in the Target Group. The Acquisition can enable the Group to realise a good investment opportunity and utilise its financial resources efficiently.

Having considered the above reasons, the Directors (excluding the independent non-executive Directors, whose view will be included in the circular to be despatched to the Shareholders) believe that the terms of the Sale and Purchase Agreement are fair and reasonable and in the interests of the Shareholders as a whole.

INFORMATION ABOUT THE GROUP

The Group is principally engaged in the provision of medical and healthcare services.

The Purchaser, a company incorporated in Hong Kong with limited liability, is an indirect wholly-owned subsidiary of the Company as at the date of this announcement and is an investment holding company.

INFORMATION ABOUT THE SELLERS AND THE TARGET GROUP

The First Seller is a medical professional and a substantial shareholder of the Target Company, a subsidiary of the Company, and the spouse of a director of certain subsidiaries of the Group, and therefore a connected person of the Company.

The Second Seller is a medical professional and a third party independent of the Company and its connected persons.

The Target Group is principally engaged in the provision of chiropractic, orthopaedic, pain and wellness services. The table below sets out the unaudited consolidated financial information of the Target Group for the years ended 31 March 2019 and 31 March 2020:

	For the year ended 31 March	
	2019	2020
	(unaudited)*	(unaudited)
	<i>HK\$ in million</i>	<i>HK\$ in million</i>
Profit before taxation	28.8	40.4
Profit after taxation	24.6	34.0
Net asset value	31.4	35.5

**The unaudited consolidated financial information represents the aggregate audited financial information of each of the companies comprising the Target Group.*

Each of the Sellers was one of the founding members of the Target Company. The original subscription price for the Sale Shares paid by the Sellers, in aggregate, was approximately US\$2,400 (equivalent to approximately HK\$18,720).

SPECIFIC MANDATE

The Warrants, the Warrant Shares and the Consideration Shares will be allotted and issued under the specific mandate to be approved by the Shareholders at the EGM.

APPLICATION FOR LISTING

Applications will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares and the Warrant Shares which may fall to be allotted and issued upon exercise of the Subscription Rights, respectively. The Consideration Shares and the Warrant Shares, when allotted and issued on Completion, will rank pari passu in all respects with the existing Shares in issue.

LISTING RULES IMPLICATIONS

As at the date of this announcement, the First Seller is the substantial shareholder of the Target Company, a subsidiary of the Company, and the spouse of a director of certain subsidiaries of the Group, the First Seller is therefore a connected person of the Company. As such, the Acquisition constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules and is subject to the reporting, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL

The EGM will be convened and held for the purpose of considering and, if thought fit, approving the Sale and Purchase Agreement and the transactions contemplated thereunder (including the grant of the specific mandates to allot and issue the Consideration Shares, the Warrants and the Warrant Shares). As at the date of this announcement, the First Seller holds 1,608,668 Shares and the First Seller and his associate will abstain from voting on such resolution at the EGM.

The Independent Board Committee comprising all the independent non-executive Directors has been formed to advise the Shareholders on, among other things, the terms of the Sale and Purchase Agreement and the transactions contemplated thereunder. An independent financial adviser has been appointed to advise the Independent Board Committee and the Shareholders regarding, among other things, the terms of the Sales and Purchase Agreement and transactions contemplated thereunder.

A circular containing, among other things, (i) further details of the Acquisition; (ii) the recommendations of the Independent Board Committee in relation to the Acquisition; (iii) a letter of advice from an independent financial adviser in relation to the Acquisition; (iv) the notice convening the EGM; and (v) other information as required under the Listing Rules, will be despatched by the Company to the Shareholders in accordance with the requirements of the Listing Rules. The circular is expected to be despatched by the Company to the Shareholders by 6 August 2020.

Completion of the Acquisition is conditional upon the fulfilment of the conditions set out under the paragraph headed “Conditions precedent” in this announcement, which may or may not be fulfilled. Accordingly, the Acquisition may or may not proceed. Shareholders and potential investors of the Company should exercise caution when they deal or contemplate dealing in the Shares and other securities of the Company.

Definitions

“Acquisition”	the acquisition of the Sale Shares by the Purchaser from the Sellers pursuant to the Sale and Purchase Agreement
“Board”	the board of Directors
“Company”	Union Medical Healthcare Limited, a company incorporated in the Cayman Islands with limited liability
“Completion”	the completion of the Acquisition in accordance with the terms and conditions of the Sale and Purchase Agreement
“Completion Date”	31 August 2020 or such later date as the Purchaser and the Sellers may agree in writing
“Consideration Shares”	the 22,524,000 new Shares in total to be issued by the Company at the Issue Price to the Sellers
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Core Connected Persons”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company

“EGM”	the extraordinary general meeting of the Company to be convened and held to consider, and if thought fit, to approve, among other things, the Sale and Purchase Agreement and the transactions contemplated thereunder (including the grant of the specific mandate to allot and issue the Consideration Shares, the Warrants and the Warrant Shares)
“First Seller”	Dr. Chu Chun Pu, the legal and beneficial owner of 2,280 shares in the Target Company, representing 22.80% of the total number of issued shares of the Target Company as at the date of the Sale and Purchase Agreement
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	an independent committee of the Board, comprising all the independent non-executive Directors, formed for the purpose of advising the Shareholders on, among other things, the terms of the Sale and Purchase Agreement and the transactions contemplated thereunder
“Issue Price”	HK\$ 4.20 per Consideration Share
“Last Trading Day”	16 July 2020, being the last trading day immediately prior to the entering into of the Sale and Purchase Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“NYMG Group”	such subsidiaries of the Target Company as agreed by the Purchaser and the Sellers whose financial performances are guaranteed by the Sellers pursuant to the Profit Guarantee, and each member as a “NYMG Group Member”
“Purchaser”	Union (Group) Investment Limited, an indirect wholly-owned subsidiary of the Company as at the date of this announcement
“Sale and Purchase Agreement”	the agreement dated 17 July 2020 entered into among the Company, the Purchaser and each of the Sellers in respect of the Acquisition
“Sale Shares”	2,400 ordinary shares of the Target Company, representing 24.00% of the entire issued share capital of the Target Company as at the date of the Sale and Purchase Agreement, comprising (i) 2,280 shares held by the First Seller and (ii) 120 shares held by the Second Seller
“Second Seller”	Dr. Lin Fu Chieh, the legal and beneficial owner of 120 shares in the Target Company, representing 1.20% of the total number of issued shares of the Target Company
“Sellers”	the First Seller and the Second Seller collectively
“Share(s)”	ordinary share(s) in the share capital of the Company with par value of HK\$0.00001 each
“Shareholder(s)”	registered holder(s) of the issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed thereto under the Listing Rules

“ Target Company ”	Hong Kong Pain and Wellness Solution Limited, a company incorporated the British Virgin Islands with limited liability
“ Target Group ”	Target Company and its subsidiaries, and each member as a “ Target Group Member ”
“ US\$ ”	US dollars, the lawful currency of the United States
“ Warrant Exercise Price ”	the sum payable by the Warrantholder(s) for each Warrant Share upon exercise of the Subscription Rights, which shall initially be HK\$4.20 subject to adjustments provided in the warrant instrument
“ Warrant(s) ”	the 10,000,000 unlisted warrants to be issued by the Company to the Sellers, entitling the holder(s) thereof to subscribe for up to a maximum number of 10,000,000 Warrant Shares
“ Warrant Share(s) ”	the Shares(s) which may fall to be allotted and issued upon exercise of the Subscription Right attaching to the Warrant
“ % ”	per cent.

By Order of the Board of
Union Medical Healthcare Limited
Raymond Siu
Company Secretary

Hong Kong, 20 July 2020

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