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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 ACQUISITION OF OBSTETRICS AND GYNAECOLOGY BUSINESS**

This announcement is made by Union Medical Healthcare Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis.

#### **ACQUISITION OF OBSTETRICS AND GYNAECOLOGY BUSINESS**

The board (the “**Board**”) of directors (“**Directors**”) of the Company is pleased to announce that on 20 October 2020 (after trading hours), the Group entered into a conditional sale and purchase agreement (the “**Agreement**”) with a registered medical practitioner in obstetrics and gynaecology (“**O&G**”) in Hong Kong (the “**Specialist**”), pursuant to which the Group has conditionally agreed to acquire and the Specialist has conditionally agreed to sell 51% of the entire issued share capital of the target company wholly-owned by the Specialist (the “**Target Company**”), at a total consideration of HK\$85,249,000 in cash (the “**Acquisition**”). Subject to the terms of the Agreement, the Specialist guarantees to the Group that, among others, the aggregate of the audited net profit after taxation of the Target Company for the eight years ending 31 March 2028 shall be no less than HK\$163,433,000.

Upon Completion, the financial information of the Target Company will be consolidated into the consolidated financial statements of the Group.

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, the Specialist is a third party independent of the Company and its connected person (as defined under the Rules of Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

#### **INFORMATION ABOUT THE SPECIALIST AND THE TARGET COMPANY**

The Target Company is principally engaged in the provision of medical services in the areas of O&G. Based on the unaudited financial information of the Target Company for the year ended 31 March 2020, the unaudited profit after taxation for the year ended 31 March 2020 and unaudited net asset value as at 31 March 2020 were approximately HK\$16.5 million and HK\$28.7 million, respectively.

As at the date of this announcement, the Target Company operates 4 clinics in Hong Kong with 8 registered medical practitioners specialised in O&G in Hong Kong. The Target Company is also offering in vitro fertilization (“**IVF**”) referral services out of Hong Kong.

## **REASONS AND BENEFITS FOR THE ACQUISITION**

In order to refine the medical service offering of the Group, the Group has been actively engaged in inviting medical practitioners qualified in various specialties as approved by the Medical Council of Hong Kong and registered on the Specialist Register kept by the Registrar of Medical Practitioners to join the Group. The Board considers that there has been market demand for medical and ancillary services with respect to O&G in recent years and is of the view that the acquisition of O&G business not only provides high synergy to facilitate our female clients and employees in maintaining their health and wellness and facilitates the strategy of medical tourism of the Group, but also extends the Group's capability to, inter alia, invest in and/or operate IVF laboratory and offer reproductive medication .

Having considered the above, the Directors believe that the terms of the Sale and Purchase Agreement and the Acquisition are fair and reasonable and in the interests of the shareholders of the Company as a whole.

## **LISTING RULES IMPLICATIONS**

As all of the applicable percentage ratios in respect of the Acquisition are less than 5%, the Acquisition does not constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules.

**Completion of the Acquisition is conditional upon the fulfilment or waiver (as the case maybe) of the conditions pursuant to the Agreement, 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.**

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

Hong Kong, 21 October 2020

*As at the date of this announcement, the board of Directors comprises four executive Directors, namely Mr. Tang Chi Fai, Mr. Lee Gabriel, Mr. Lee Heung Wing and Mr. Wong Chi Cheung; 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.*