

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of the Company.



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)

ISSUE AND SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

The Board announces that on 24 September 2020 (after trading hours), the Subscriber and the Company have entered into the Subscription Agreement, pursuant to which the Company has conditionally agreed to allot and issue, and the Subscriber has conditionally agreed to subscribe for, 4,805,410 Subscription Shares at the Subscription Price of HK\$4.25 per Subscription Share. The total consideration payable by the Subscriber amounts to HK\$20.4 million. The Subscription Shares represent approximately 0.469% of the existing issued share capital of the Company as at the date of this announcement and approximately 0.466% of the enlarged issued share capital of the Company immediately after issuing the Subscription Shares.

The parties to the Subscription Agreement have agreed that the consideration for the Subscription shall be fully and effectually satisfied by setting off against the Rental Payment. Subject to the fulfilment or waiver (if applicable) of the conditions precedent set out in the Subscription Agreement, completion of the Subscription shall take place on the Completion Date. The Subscription Shares will be allotted and issued pursuant to the General Mandate. Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

Completion of the Subscription is subject to the fulfilment (or waiver, where applicable) of the conditions set out in the Subscription Agreement, which may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

The Board announces that on 24 September 2020 (after trading hours), the Subscriber and the Company have entered into the Subscription Agreement, pursuant to which the Company has conditionally agreed to allot and issue, and the Subscriber has conditionally agreed to subscribe for, 4,805,410 Subscription Shares at the Subscription Price of HK\$4.25 per Subscription Share.

SUBSCRIPTION AGREEMENT

Date: 24 September 2020 (after trading hours)

Parties: (1) the Subscriber; and
(2) the Company

The Subscriber is a wholly-owned subsidiary of Champion REIT. To the best of the Board's knowledge, information and belief, having made all reasonable enquiries, the Subscriber, Champion REIT and its controlling shareholder(s) (as defined under the Listing Rules) are third parties independent of the Company and its connected persons as at the date of this announcement.

Subscription

Pursuant to the Subscription Agreement, the Company has conditionally agreed to issue to the Subscriber, and the Subscriber has conditionally agreed to subscribe for, 4,805,410 Subscription Shares at the Subscription Price of HK\$4.25 per Subscription Share. The total consideration payable by the Subscriber amounts to HK\$20.4 million. The aggregate nominal value of the Subscription Shares is HK\$48.05. The Subscription Shares represent approximately 0.469% of the existing issued share capital of the Company as at the date of this announcement and approximately 0.466% of the enlarged issued share capital of the Company immediately after issuing the Subscription Shares.

Subscription Prices

The Subscription Price of HK\$4.25 per Subscription Share was negotiated on an arm's length basis between Subscriber and the Company and determined with reference to the average of the prevailing market prices of the Shares as quoted on the Stock Exchange, represents:

- (i) a discount of approximately 6.59% to the closing price of HK\$4.55 per Share as quoted on the Stock Exchange on the date of the Subscription Agreement; and
- (ii) a discount of approximately 8.80% to the average closing price of approximately HK\$4.66 per Share as quoted on the Stock Exchange for the last five trading days up to and including the last trading day immediately before the date of the Subscription Agreement.

Settlement of Considerations

The parties to the Subscription Agreement have agreed that the consideration for the Subscription shall be fully and effectually satisfied by setting off against the Rental Payment, which is payable by the subsidiaries of the Company to the Subscriber under several lease agreements in the total amount of approximately HK\$20.4 million.

Conditions Precedent

Completion of the Subscription is conditional upon:

- (i) the Subscriber's warranties remaining true and accurate in all material respects and not misleading in any material respect as at the date of the Subscription Agreement and at Completion as if repeated at Completion;
- (ii) the Company's warranties remaining true and accurate in all material respects and not misleading in any material respect on the date of the Subscription Agreement and at Completion as if repeated at Completion; and
- (iii) the Stock Exchange granting listing of, and permission to deal in, the Subscription Shares and not subsequently revoked prior to Completion.

The Company may in its absolute discretion at any time waive in writing the condition set out in (i) (or any part thereof) above and the Subscriber may in its absolute discretion at any time waive in writing the condition set out in (ii) (or any part thereof) above.

Completion

Subject to the fulfilment or waiver (if applicable) of the conditions precedent set out in the Subscription Agreement, completion of the Subscription shall take place on the Completion Date, or at such other time or place as the parties to the Subscription Agreement may agree.

RANKING OF THE SUBSCRIPTION SHARES

The Subscription Shares when issued and fully paid, shall rank *pari passu* among themselves in all respects and with the other Shares in issue as at the Completion Date including the rights to all dividends and other distributions declared, made or paid at any time on or after the Completion Date. The Subscription Agreement does not contain any restrictions on the subsequent sale of the Subscription Shares.

GENERAL MANDATE

The Subscription Shares will be allotted and issued pursuant to the General Mandate. As at the date of this announcement, the General Mandate has not been utilised. As such, the allotment and issue of the Subscriptions Shares are not subject to Shareholders' approval.

APPLICATION FOR LISTING

Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this announcement, the total number of issued Shares is 1,025,611,195. For illustrative purpose only, the following table sets out the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately upon Completion (assuming there is no other change in the shareholding structure of before the allotment and issue of the Subscription Shares):

Shareholders	As at the date of this announcement		Immediately upon Completion	
	Number of Shares	%	Number of Shares	%
Tang Chi Fai (“Mr. Tang”) ¹	728,988,230	71.08	728,988,230	70.75
Core Connected Persons of the Company	39,753,968	3.87	39,753,968	3.86
	768,742,198	74.95	768,742,198	74.61
OrbiMed Asia Partners III, L.P. ²	63,806,686	6.22	63,806,686	6.19
Subscriber	8,078,927	0.79	12,884,337	1.25
Other public shareholders	184,983,384	18.04	184,983,384	17.95
	256,868,997	25.05	261,674,407	25.39
Total issued shares	1,025,611,195	100.00	1,030,416,605	100.00

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 Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (“SFO”).

INFORMATION OF THE PARTIES TO THE SUBSCRIPTION AGREEMENT

Information of the Subscriber

Renaissance City Development Company Limited, is a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of Champion REIT. It is principally engaged in property investment. Renaissance City Development Company Limited, together with another subsidiary of Champion REIT, as landlords, have entered into several lease agreements with two subsidiaries of the Company respectively, as tenants of certain units of Langham Place Office Tower Property.

Champion REIT is a Hong Kong collective investment scheme authorised under section 104 of the SFO and its units are listed on the Stock Exchange (stock code:2778). The principal activity of Champion REIT and its subsidiaries is to own and invest in income-producing commercial properties in Hong Kong.

Information of the Company

The Company is incorporated in the Cayman Islands with limited liability and its shares are listed on the Main Board of the Stock Exchange. The Group is principally engaged in the provision of medical and healthcare services. To the best knowledge of the Directors, as at the date of this announcement, there is no material adverse change to the cash position of the Company since 31 March 2020.

FUND RAISING ACTIVITIES OF THE COMPANY DURING THE PAST TWELVE MONTHS

The following is the equity fund raising activity conducted by the Company in the past 12 months immediately preceding the date of this announcement:

Date of announcement	Fund raising activities	Gross proceeds	Net proceeds	Intended use of net proceeds	Actual use of net proceeds
29 April 2020	Issue and subscription of new Shares under the General Mandate	Approximately HK\$33.9 million	Approximately HK\$33.8 million	The net proceeds will be fully applied to set off the rental payment	The net proceeds has been fully applied to set off rental payment
18 May 2020, 13 July 2020	Issue and subscription of new Shares under the General Mandate	Approximately HK\$20.0 million	Approximately HK\$19.9 million	The net proceeds will be fully applied to acquire the New Medical Center Limited	The net proceeds has been fully applied to acquire the New Medical Center Limited
20 July 2020	Issue and subscription of new Shares and unlisted warrants under the Specific Mandate	Approximately HK\$94.6 million	Approximately HK\$94.5 million	The net proceeds will be fully applied to acquire 24% equity interest in Hong Kong Pain and Wellness Solution Limited	The net proceeds has been fully applied to acquire 24% equity interest in Hong Kong Pain and Wellness Solution Limited

REASONS FOR THE SUBSCRIPTION AND USE OF PROCEEDS FOR THE COMPANY

The Subscription would strengthen the collaboration between Champion REIT and the Company, as the largest tenant of Langham Place Office Tower Property which is owned by Champion REIT. This strategic arrangement would facilitate the building of Langham Place Office Tower Property as a prominent one-stop healthcare, beauty and lifestyle landmark, and reap the benefits of medical tourism given heightened health awareness of the public.

The gross proceeds from the Subscription amounts to approximately HK\$20.4 million will be fully applied to set off the Rental Payment. Taking into account the professional fee incurred in relation to the Subscription, the net proceeds from the Subscription is expected to amount to approximately HK\$20.4 million and the net price per Subscription Share is expected to be approximately HK\$4.25.

The Board considers that the terms and conditions of the Subscription Agreement are fair and reasonable and are on normal commercial terms and the Subscription is in the interest of the Company and its shareholders as a whole.

Completion of the Subscription is subject to the fulfilment (or waiver, where applicable) of the conditions set out in the Subscription Agreement, which may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

DEFINITION

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

Term	Definition
“Board”	the board of Directors;
“Business Day”	any day (excluding Saturdays, Sundays and public holidays) on which licensed banks are open for normal banking business in Hong Kong;
“Champion REIT”	Champion Real Estate Investment Trust (REIT) is a Hong Kong-based REIT, the units of which are listed on the Stock Exchange (stock code: 2778);
“Company”	Union Medical Healthcare Limited, a company incorporated in the Cayman Islands, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 2138);
"Completion"	completion of the subscription, allotment and issuance of the Subscription Shares;
"Completion Date"	the Business Day immediately following the day on which all the conditions precedents have been fulfilled or waived or such later date as the parties to the Subscription Agreement may agree in writing and Completion is to occur;
“connected person”	has the meaning ascribed to it in Chapter 14A of the Listing Rules;
“Director”	a director of the Company;

“General Mandate”	the general mandate granted to the Directors by the Shareholders at the annual general meeting of the Company held on 21 August 2020 to exercise the power of the Company to allot, issue and deal with up to 200,605,439 new Shares;
“Group”	the Company and its subsidiaries from time to time;
“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;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time;
“Langham Place Office Tower Property”	Langham Place Office Tower (other than levels 35, 36, 37 and 55) and the common areas/facilities);
"Rental Payment"	the aggregate rental payment for the period of three months payable by the subsidiaries of the Company to the Subscriber under several lease agreements, in the total amount of approximately HK\$20.4 million;
“Shareholder(s)”	holder(s) of Shares;
“Shares”	ordinary share(s) in the share capital of the Company; and
“Specific Mandate”	the specific mandate granted to the Directors by the Shareholders at the extraordinary general meeting of the Company held on 25 August 2020 to exercise the power of the Company to allot, issue and deal with 22,524,000 new Shares and 10,000,000 unlisted warrants;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscriber”	Renaissance City Development Company Limited, a company incorporated in Hong Kong with limited liability, a wholly-owned subsidiary of Champion REIT;
"Subscription"	the subscription by the Subscriber for the Subscription Shares at the Subscription Price on the terms and subject to the conditions set out in the Subscription Agreement;
“Subscription Agreement”	the share subscription agreement dated 24 September 2020 entered into between the Company and the Subscriber in relation to, among others, the Subscription;
"Subscription Price"	the subscription price of HK\$4.25 per Subscription Share;
"Subscription Shares"	the new Shares to be issued by the Company and subscribed for by the Subscriber;

"% "

per cent.

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

Hong Kong, 24 September 2020

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

**For identification purpose only*