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UNIVERSAL HEALTH INTERNATIONAL GROUP HOLDING LIMITED
大健康國際集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2211)

PROPOSED SHARE CONSOLIDATION
AND
PROPOSED CHANGE IN BOARD LOT SIZE

PROPOSED SHARE CONSOLIDATION

The Board proposes to implement the Share Consolidation pursuant to which every ten (10) issued and unissued Existing Shares of US\$0.001 each in the share capital of the Company will be consolidated into one (1) Consolidated Share of US\$0.01 each in the share capital of the Company.

PROPOSED CHANGE IN BOARD LOT SIZE

As at the date of this announcement, the Existing Shares are traded on the Stock Exchange in board lot size of 1,000 Existing Shares. The Board proposes to change the board lot size for trading on the Stock Exchange from 1,000 Existing Shares to 5,000 Consolidated Shares conditional upon the Share Consolidation becoming effective.

GENERAL

The Share Consolidation is conditional upon, among other things, the passing of an ordinary resolution by the Shareholders at the AGM and the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares.

The AGM will be convened and held for the Shareholders to consider and, if thought fit, approve, among other things, the Share Consolidation. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as none of the Shareholders or their associates would have a material interest in the Share Consolidation and the Change in Board Lot Size, no Shareholder is required to abstain from voting on the resolution relating to the proposed Share Consolidation.

A circular containing, among other things, further details of the Share Consolidation and the notice convening the AGM and related proxy form is expected to be despatched to the Shareholders on or about Friday, 16 October 2020.

Shareholders and potential investors should note that the Share Consolidation is conditional upon satisfaction of the conditions as set out in the paragraphs headed "Conditions of the proposed Share Consolidation" below. Accordingly, the Share Consolidation and the Change in Board Lot Size may or may not proceed.

Shareholders or potential investors should also note that (i) significant number of odd lots will be created after the Share Consolidation and the Change in Board Lot Size; (ii) odd lots arrangements do not guarantee successful matching of all odd lots at the relevant market price; and (iii) odd lots might be sold below the market price in the market.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares. If they are in any doubt, they should consult their professional advisers.

PROPOSED SHARE CONSOLIDATION

The Board proposes to implement the Share Consolidation on the basis that every ten (10) issued and unissued Existing Shares of US\$0.001 each in the share capital of the Company will be consolidated into one (1) Consolidated Share of US\$0.01 each in the share capital of the Company:

Conditions of the proposed Share Consolidation

The Share Consolidation is conditional upon the following conditions:

- (i) the passing of an ordinary resolution to approve the Share Consolidation by the Shareholders at the AGM;
- (ii) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Consolidated Shares; and
- (iii) the compliance with the relevant procedures and requirements under the laws of the Cayman Islands (where applicable) and the Listing Rules to effect the Share Consolidation.

Subject to the satisfaction of all the above conditions, it is expected that the Share Consolidation will become effective on the Effective Date, i.e. being the second Business Day immediately after the date of passing of the ordinary resolution approving the Share Consolidation at the AGM.

Effects of the proposed Share Consolidation

As at the date of this announcement, the authorised share capital of the Company is US\$10,000,000 divided into 10,000,000,000 Existing Shares with par value of US\$0.001 each.

Upon the Share Consolidation becoming effective and assuming that no changes on the authorized share capital of the Company from the date hereof until the Effective Date, the authorised share capital of the Company will become US\$10,000,000 divided into 1,000,000,000 Consolidated Shares with par value of US\$0.01 each.

As at the date of this announcement, 3,863,134,451 Existing Shares have been allotted and issued as fully paid or credited as fully paid. Upon the Share Consolidation becoming effective and assuming that no new Existing Shares will be issued or repurchased from the date hereof until the Effective Date, 386,313,445 Consolidated Shares will be in issue.

Status of the Consolidated Shares

Upon the Share Consolidation becoming effective, the Consolidated Shares shall rank *pari passu* in all respects with each other in accordance with the Company's articles of association. Other than the expenses to be incurred in relation to the Share Consolidation, the implementation of the Share Consolidation will not alter the underlying assets, business operations, management or financial position of the Company or the shareholdings, proportionate interests or rights of the Shareholders, save for any fractional Consolidated Shares that arise from the Share Consolidation which will not be allocated to the Shareholders otherwise entitled thereto and will be aggregated and sold for the benefit of the Company.

Listing Application

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Consolidated Shares upon the Share Consolidation becoming effective.

Subject to the granting of listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange, as well as compliance with the stock admission requirements of the HKSCC, upon the Share Consolidation becoming effective, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All

activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements will be made for the Consolidated Shares to be admitted into CCASS established and operated by HKSCC.

None of the Existing Shares are listed or dealt in on any other stock exchanges other than the Stock Exchange, and at the time when the Share Consolidation becoming effective, the Consolidated Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is proposed to be sought.

Fractional entitlement to Consolidated Shares

Fractional Consolidated Shares, if any, will be disregarded and will not be issued to the Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefits of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Shares regardless of the number of existing share certificates held by such holder.

Arrangement on odd lot trading

In order to facilitate the trading of odd lots of the Consolidated Shares arising from the Share Consolidation, the Company will appoint a securities firm to provide a matching service, on a best efforts basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Shares. Details of the odd lot arrangement will be set out in the circular of the Company.

Holders of odd lots of the Consolidated Shares should note that the matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed. Shareholders who are in any doubt about the odd lots matching arrangement are recommended to consult their own professional advisers.

Exchange of share certificates

Subject to the Share Consolidation becoming effective, which is currently expected to be on Monday, 14 December 2020, being the second Business Day immediately after the date of the AGM, the Shareholders may during the period from Monday, 14 December 2020 and to Thursday, 21 January 2021 (both days inclusive) between 9:00 a.m. and 4:30 p.m. on any business day submit existing share certificates for the Existing Shares (in the colour of blue) to the Hong Kong share registrar and transfer office of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17 Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, to exchange for new share certificates for the Consolidated Shares (in the colour of green) at the expense of the Company.

Thereafter, share certificates for the Existing Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such other amount as may from time to time be specified by the Stock Exchange) by the Shareholders for each share certificate for the Existing Shares submitted for cancellation or each new share certificate issued for the Consolidated Shares, whichever is higher.

After 4:00 p.m. on Thursday, 21 January 2021, trading will only be in Consolidated Shares. Share certificates for the Existing Shares will continue to remain good evidence of legal title and may be exchanged for share certificates for the Consolidated Shares at any time but will not be accepted for delivery, trading and settlement purposes.

PROPOSED CHANGE IN BOARD LOT SIZE

As at the date of this announcement, the Existing Shares are traded on the Stock Exchange in board lot size of 1,000 Existing Shares. The Board proposes to change the board lot size for trading on the Stock Exchange from 1,000 Existing Shares to 5,000 Consolidated Shares conditional upon the Share Consolidation becoming effective.

Based on the closing price of HK\$0.056 per Existing Share (equivalent to the theoretical closing price of HK\$0.56 per Consolidated Share) as at the date of this announcement, (i) the value of each existing board lot of Existing Shares is HK\$56; (ii) the estimated value of each existing board lot of Consolidated Shares would be HK\$560 assuming the Share Consolidation has become effective; and (iii) the estimated value per board lot of 5,000 Consolidated Shares would be HK\$2,800 assuming that the Change in Board Lot Size had also been effective.

The Change in Board Lot Size will not result in change in the relative rights of the Shareholders.

ADJUSTMENTS IN RELATION TO OTHER SECURITIES OF THE COMPANY

As at the date of this announcement, there are outstanding Share Options for subscription of an aggregate of 224,700,000 Shares under the Share Option Scheme. The Share Consolidation may lead to adjustments to the exercise price and/or the number of Consolidated Shares falling to be issued upon exercise of the outstanding Share Options pursuant to the terms and conditions of the Share Option Scheme and the Listing Rules. The Company will make further announcement(s) on such adjustments as and when appropriate.

Save for the aforesaid, the Company has no other outstanding options, warrants or securities in issue which are convertible or exchangeable into Shares as at the date of this announcement.

REASONS FOR THE PROPOSED SHARE CONSOLIDATION AND THE CHANGE IN BOARD LOT SIZE

According to rule 13.64 of the Listing Rules, where the market price of the securities of the issuer approaches the extremities of HK\$0.01 or HK\$9,995.00, the Stock Exchange reserves the right to require the issuer either to change the trading method or to proceed with a consolidation or splitting of its securities. The “Guide on Trading Arrangements for Selected Types of Corporate Actions” issued by the Hong Kong Exchanges and Clearing Limited on 28 November 2008 and updated on 30 August 2019 (the “**Guide**”) has further stated that (i) market price of the shares at a level less than

HK\$0.1 each will be considered as trading at extremity as referred to under Rule 13.64 of the Listing Rules; and (ii) taking into account the minimum transaction costs for a securities trade, the expected value per board lot should be greater than HK\$2,000.

The share price of the Company has been below HK\$0.1 and the existing board lot value of Existing Shares has been below HK\$2,000 for most of the time during the past 12 months. The Board considers that the proposed Share Consolidation and the proposed Change in Board Lot Size, resulting in HK\$0.56 per Consolidated Share and HK\$2,800 per board lot of Consolidated Shares (based on the current closing price of HK\$0.056 per Existing Share as at the date of the announcement), would enable the Company to comply with the trading requirements under the Listing Rules and fulfill the pre-requisite requirement imposed by the Stock Exchange that the Company may be required to implement share consolidation before conducting fund raising activity involving new issue of Shares. When considering the scale of the Share Consolidation and the size of the board lot of the Shares, the Board has also taken into account the possible impact on the liquidity of trading in the Shares. The Board is of the view that if the Share Consolidation is in a smaller scale, the board lot of the Shares is required to be in a larger size so as to comply with the Guide. However, large size of board lot of Shares may repeal potential investors from purchasing the Shares as they are required to pay more for each board lot, and may further lead to less attractive if the price of the Share rises. As such, the Board considered that the proposed Share Consolidation with the proposed board lot of 5,000 Consolidated Shares is a moderate approach.

The Board believes the Share Consolidation will not have any material adverse effect on the financial position of the Company nor result in change in the relative rights of the Shareholders and are in the interests of the Company and the Shareholders as a whole.

As at the date of this announcement, the Company has no intention to carry out other corporate actions in the next 12 months which may have an effect of undermining or negating the intended purpose of the Share Consolidation. At present, the Company is considering certain methods of fund raising activity for its business operation, which may involve issue of new Shares, including but not limited to rights issue and share placing. However, as at the date of this announcement, there is no concrete plan for any fund raising activity. The Company will update its Shareholders by way of announcement as and when required in accordance with the Listing Rules.

Shareholders or potential investors should note that (i) significant number of odd lots will be created after the Share Consolidation and the Change in Board Lot Size; (ii) odd lots arrangements do not guarantee successful matching of all odd lots at the relevant market price; and (iii) odd lots might be sold below the market price in the market.

EXPECTED TIMETABLE

Event	Time and Date
Despatch date of circular with notice of the AGM	on or before Friday, 16 October 2020

Latest date and time for lodging transfer documents in order
to qualify for attending and voting at the AGM 4:30 p.m. on
Friday, 4 December 2020

Closure of the register of members for the entitlement to
attend and vote at the AGM (both days inclusive) Monday, 7 December 2020 to
Thursday, 10 December 2020

Latest date and time for lodging the proxy forms for the AGM 10:00 a.m. on
Tuesday, 8 December 2020

Date and time of the AGM 10:00 a.m. on
Thursday, 10 December 2020

Publication of announcement of voting results of the AGM Thursday, 10 December 2020

Effective date of the Share Consolidation Monday, 14 December 2020

Dealing in the Consolidated Shares commences 9:00 a.m. on
Monday, 14 December 2020

First day of free exchange of existing share certificates
for new share certificates for the Consolidated Shares Monday, 14 December 2020

Original counter for trading in the Existing Shares in board
lots of 1,000 Existing Shares temporarily closes 9:00 a.m. on
Monday, 14 December 2020

Temporary counter for trading in the Consolidated Shares
in board lots of 100 Consolidated Shares (in the form
of existing share certificates) opens 9:00 a.m. on
Monday, 14 December 2020

Original counter for trading in the Consolidated Shares
in board lots of 5,000 Consolidated Shares (in the form
of new share certificates) re-opens 9:00 a.m. on
Tuesday, 29 December 2020

Parallel trading in the Consolidated Shares (in the form of
new share certificates and existing share certificates) commences 9:00 a.m. on
Tuesday, 29 December 2020

Designated broker starts to stand in the market to provide
matching services for odd lots of the Consolidated Shares 9:00 a.m. on
Tuesday, 29 December 2020

Temporary counter for trading in the Consolidated Shares
in board lots of 100 Consolidated Shares (in the form
of existing share certificates) closes 4:10 p.m. on
Tuesday, 19 January 2021

Parallel trading in the Consolidated Shares (in the form of
new share certificates and existing share certificates) ends 4:10 p.m. on
Tuesday, 19 January 2021

Designated broker ceases to stand in the market to provide
matching services for odd lots of the Consolidated Shares 4:10 p.m. on
Tuesday, 19 January 2021

Last day for free exchange of existing share certificates for
new share certificates for the Consolidated Shares Thursday, 21 January 2021

The expected timetable set out above is subject to the result of relevant resolution of the AGM and is therefore for indicative purpose only. All times and dates in this announcement refer to Hong Kong local times and dates. Any changes to the expected timetable will be announced in a separate announcement by the Company as and when appropriate.

GENERAL

The Share Consolidation is conditional upon, among other things, the passing of an ordinary resolution by the Shareholders at the AGM and the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares.

The AGM will be convened and held for the Shareholders to consider and, if thought fit, approve, among other things, the Share Consolidation and the Change in Board Lot Size. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as none of the Shareholders or their associates would have a material interest in the Share Consolidation and the Change in Board Lot Size, no Shareholder is required to abstain from voting on the resolution relating to the proposed Share Consolidation and the Proposed Change in Board Lot Size.

A circular containing, among other things, details of the Share Consolidation, the Change in Board Lot Size and the notice convening the AGM is expected to be despatched to the Shareholders on or about Friday, 16 October 2020.

Shareholders and potential investors should note that the Share Consolidation is conditional upon satisfaction of the conditions as set out in the paragraphs headed “Conditions of the proposed Share Consolidation” above. Accordingly, the Share Consolidation and the Change in Board Lot Size may or may not proceed.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares. If they are in any doubt, they should consult their professional advisers.

DEFINITIONS

Unless the context requires otherwise, the use of capitalised terms in this announcement shall have the following meanings:

“AGM”	the annual general meeting of the Company to be held at Conference Room, 2nd Floor, No. 14-1 Bei Yi Zhong Road, Tiexi District, Shenyang City, Liaoning Province, PRC at 10:00 a.m. on Thursday, 10 December 2020
“Board”	the board of Directors
“Business Day”	day (excluding Saturday, Sunday, public holiday and any day on which a tropical cyclone warning signal no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for business throughout their normal business hours
“CCASS”	the Central Clearing and Settlement System, a securities settlement system used within the Hong Kong Exchanges and Clearing Limited market system, which is established and operated by the HKSCC
“CCASS Operational Procedures”	the Operational Procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to operations and functions of CCASS, as from time to time
“Change in Board Lot Size”	the proposed change in board lot size of the Shares for trading on the Stock Exchange from 1,000 Existing Shares to 5,000 Consolidated Shares

“Company”	Universal Health International Group Holding Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 2211)
“Consolidated Share(s)”	ordinary share(s) of US\$0.01 each in the share capital of the Company immediately after the Share Consolidation becoming effective
“Director(s)”	the director(s) of the Company
“Effective Date”	the date on which the Share Consolidation shall become effective, being the second Business Day immediately after the date of the passing of the ordinary resolution approving the Share Consolidation at the AGM
“Existing Shares”	ordinary share(s) of US\$0.001 each in the share capital of the Company prior to the Share Consolidation having become effective
“General Rules of CCASS”	the terms and conditions regulating the use of CCASS, as may be amended or modified from time to time and where the context so permits, shall include the CCASS Operational Procedures
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Committee”	the listing sub-committee of the board of directors of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Shares”	Existing Share(s) and/or Consolidated Share(s), as the case maybe
“Shareholders”	holder(s) of the issued Shares
“Share Consolidation”	the share consolidation of every ten (10) issued and unissued Existing Shares into one (1) Consolidated Share

“Stock Exchange”

The Stock Exchange of Hong Kong Limited

“US\$”

United States dollars, the lawful currency of the United States

By order of the Board

Universal Health International Group Holding Limited

Jin Dongtao

Chairman

Hong Kong, 30 September 2020

As at the date of this announcement, the Board comprises four executive directors, namely, Mr. Jin Dongtao, Mr. Jin Dongkun, Mr. Zhao Zehua and Mr. Sun Libo and three independent non-executive directors, namely, Mr. Cheng Sheung Hing, Ms. Chiang Su Hui Susie and Mr. Zou Haiyan.