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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)

SUBSCRIPTIONS OF NEW SHARES UNDER GENERAL MANDATE

Financial adviser to the Company



SUBSCRIPTIONS OF NEW SHARES UNDER GENERAL MANDATE

The Board is pleased to announce that, on 29 October 2021 (after trading hours), the Company (as issuer) entered into the Subscription Agreements with each of the Subscribers (as subscribers) in respect of the Subscriptions of an aggregate of 77,262,689 Subscription Shares at the Subscription Price of HK\$0.135 per Subscription Share.

The issue of the Subscription Shares will not be subject to the approval by the Shareholders and the Subscription Shares will be issued and allotted under the General Mandate granted to the Directors at the AGM. Pursuant to the General Mandate, the total number of new Shares that the Company is authorised to issue up to 77,262,689 Shares, representing 20% of the number of issued Shares as at the date of the AGM (the number of Shares is adjusted based on the share consolidation of every ten (10) issued Shares into one (1) consolidated Share (“**Share Consolidation**”)). Since the date of the AGM and up to the date of this announcement, no new Shares have been allotted and issued by the Company under the General Mandate.

The gross proceeds from the Subscriptions are expected to be approximately HK\$10.4 million. The estimated net proceeds from the Subscriptions after deduction of expenses, will amount to approximately HK\$10.2 million. The Company intends to apply such net proceeds for general working capital of the Group.

Completion of each one of the Subscriptions is subject to fulfilment of the conditions under the relevant Subscription Agreement. As the Subscriptions may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

SUBSCRIPTIONS OF NEW SHARES UNDER GENERAL MANDATE

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THE SUBSCRIPTION AGREEMENTS

Subscription Agreement (1)

Date : 29 October 2021 (after trading hours)

Parties : 1. the Company as issuer; and
2. Li Peng (李鵬) (“**Subscriber (1)**”).

Number of Subscription Shares (1) to be subscribed by Subscriber (1) : 21,247,240 Subscription Shares (1)

Consideration payable by Subscriber (1) : HK\$2,868,377

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, Subscriber (1) is an Independent Third Party. Immediately before entering into of Subscription Agreement (1), Subscriber (1) has no interests in the Shares.

Subscription Shares (1)

Subscription Shares (1) represent:

- (a) approximately 5.50% of the existing issued share capital of the Company as at the date of this announcement; and

- (b) approximately 5.21% of the issued share capital of the Company as enlarged by the allotment and issue of Subscription Shares (1) immediately after completion of the Subscription, assuming that there will be no change in the total number of Shares in issue (other than the issue of Subscription Shares (1)) between the date of this announcement and the date of Completion.

The aggregate nominal value of Subscription Shares (1) will be US\$212,472.

Subscription Agreement (2)

- Date : 29 October 2021 (after trading hours)
- Parties : 1. the Company as issuer; and
2. Cui Tianhao (崔天浩) (“**Subscriber (2)**”).
- Number of Subscription Shares (2) to be subscribed by Subscriber (2) : 21,247,239 Subscription Shares (2)
- Consideration payable by Subscriber (2) : HK\$2,868,377

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, Subscriber (2) is an Independent Third Party. Immediately before entering into of Subscription Agreement (2), Subscriber (2) has no interests in the Shares.

Subscription Shares (2)

Subscription Shares (2) represent:

- (a) approximately 5.50% of the existing issued share capital of the Company as at the date of this announcement; and
- (b) approximately 5.21% of the issued share capital of the Company as enlarged by the allotment and issue of Subscription Shares (2) immediately after completion of the Subscription, assuming that there will be no change in the total number of Shares in issue (other than the issue of Subscription Shares (2)) between the date of this announcement and the date of Completion.

The aggregate nominal value of Subscription Shares (2) will be US\$212,472.

Subscription Agreement (3)

- Date : 29 October 2021 (after trading hours)

Parties : 1. the Company as issuer; and
2. Hu Jian (胡健) (“**Subscriber (3)**”).

Number of Subscription Shares (3) to be subscribed by Subscriber (3) : 17,384,105 Subscription Shares (3)

Consideration payable by Subscriber (3) : HK\$2,346,854

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, Subscriber (3) is an Independent Third Party. Immediately before entering into of Subscription Agreement (3), Subscriber (3) has no interests in the Shares.

Subscription Shares (3)

Subscription Shares (3) represent:

- (a) approximately 4.50% of the existing issued share capital of the Company as at the date of this announcement; and
- (b) approximately 4.31% of the issued share capital of the Company as enlarged by the allotment and issue of Subscription Shares (3) immediately after completion of the Subscription, assuming that there will be no change in the total number of Shares in issue (other than the issue of Subscription Shares (3)) between the date of this announcement and the date of Completion.

The aggregate nominal value of Subscription Shares (3) will be US\$173,841.

Subscription Agreement (4)

Date : 29 October 2021 (after trading hours)

Parties : 1. the Company as issuer; and
2. Gao Rui (高蕊) (“**Subscriber (4)**”).

Number of Subscription Shares (4) to be subscribed by Subscriber (4) : 17,384,105 Subscription Shares (4)

Consideration payable by Subscriber (4) : HK\$2,346,854

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, Subscriber (4) is an Independent Third Party. Immediately before entering into of Subscription Agreement (4), Subscriber (4) has no interests in the Shares.

Subscription Shares (4)

Subscription Shares (4) represent:

- (a) approximately 4.50% of the existing issued share capital of the Company as at the date of this announcement; and
- (b) approximately 4.31% of the issued share capital of the Company as enlarged by the allotment and issue of Subscription Shares (4) immediately after completion of the Subscription, assuming that there will be no change in the total number of Shares in issue (other than the issue of Subscription Shares (4)) between the date of this announcement and the date of Completion.

The aggregate nominal value of Subscription Shares (4) will be US\$173,841.

Subscription Price

The Subscription Price for each one of the Subscriptions is HK\$0.135, which represents:

- (a) a discount of approximately 4.93% to the closing price of HK\$0.142 per Share as quoted on the Stock Exchange on 29 October 2021, being the last trading day immediately before the date of the Subscription Agreements; and
- (b) a discount of approximately 6.25% to the average closing price of HK\$0.144 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Subscription Agreements.

The Subscription Price of HK\$0.135 for each one of the Subscriptions was arrived at after arm's length negotiations between the Company and the Subscribers with reference to the recent market prices of the Shares and current market conditions.

The Directors (including the independent non-executive Directors) consider that the terms and conditions of the Subscription Agreements (including the Subscription Price) were entered into on normal commercial terms after arm's length negotiations and the terms therein are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Ranking of the Subscription Shares

The Subscription Shares, when allotted and issued, will rank pari passu in all respects among themselves and with the Shares in issue on the date of allotment and issue of the Subscription Shares.

Conditions of the Subscriptions

Completion of each one of the Subscriptions is conditional upon the fulfilment or waiver (as the case may be) of the following conditions:

- (a) the Listing Committee of the Stock Exchange having granted the listing of, and permission to dealing, the Subscription Shares and such approval has not been revoked prior to Completion;
- (b) the necessary consents and approvals in relation to the issue of the Subscription Shares pursuant to the General Mandate, the Subscription Agreement and the transactions contemplated thereunder from the relevant stock exchanges, other administrative, governmental or regulatory authorities in accordance and compliance with the Listing Rules or any applicable laws, regulations and any other rules of the government or regulatory bodies having been obtained; and
- (c) there not having come to the attention of the Subscriber at any time prior to Completion (i) any breach of, or any event rendering untrue, incorrect or misleading in any respect, any of the representations, warranties or undertakings made by the Company referred to in the Subscription Agreement or (ii) any breach of, or failure to perform, any of the other obligations of the Company as required to be performed at or before Completion of the subscription.

The Subscribers may waive any conditions, except the condition referred to in (a) above which may not be waived by any party to the relevant Subscription Agreement. If the above conditions are not fulfilled or waived (as the case may be) by 18 November 2021 (or such other date as the parties may agree in writing), the relevant Subscription Agreement will be automatically terminated and lapsed and none of the parties to the Subscription Agreement shall have any claim against the other in respect of the Subscription, save for any antecedent breaches thereof.

Completion

Completion of each one of the Subscriptions will take place within 10 Business Days after the date of fulfillment of the conditions referred to above.

GENERAL MANDATE

The Subscription Shares will be allotted and issued pursuant to the General Mandate. Pursuant to the General Mandate, the total number of new Shares that the Company is authorised to issue up to 77,262,689 Shares, representing 20% of the issued share capital of the Company, after adjustment based on the Share Consolidation, as at the date of the AGM. Since the date of the AGM and up to the date of this announcement, no new Shares have been allotted and issued by the Company under the General Mandate. As such, the issue of the Subscription Shares is not subject to the approval by the Shareholders.

APPLICATION FOR LISTING OF THE SUBSCRIPTION SHARES

An application will be made by the Company to the Stock Exchange for the listing of, and the permission to deal in, each of Subscription Shares (1), Subscription Shares (2), Subscription Shares (3) and Subscription Shares (4).

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this announcement, the Company has 386,313,445 Shares in issue. The following is a table illustrating the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after Completion, assuming that there will be no change in the total number of Shares in issue (other than the issue of Subscription Shares (1), Subscription Shares (2), Subscription Shares (3) and Subscription Shares (4)) between the date of this announcement and the date of Completion:

	As at the date of this announcement		Immediately after completion of the Subscriptions	
	<i>Number of Shares</i>	<i>Approximate % of shareholding</i>	<i>Number of Shares</i>	<i>Approximate % of shareholding</i>
Substantial Shareholders, Directors and related parties				
Asia Health Century International Inc. (“Asia Health”) (Note i)	90,701,495	23.48%	90,701,495	19.57%
Lee Funglun	24,240,518	6.27%	24,240,518	5.23%
Jin Dongtao (Note ii and Note iii)	7,166,801	1.86%	7,166,801	1.54%
Chen Xiaoyan (Note ii)	723,400	0.19%	723,400	0.16%
Zhao Zehua (Note iii)	723,400	0.19%	723,400	0.16%
Jin Dongkun (Note iii)	580,000	0.15%	580,000	0.13%
Chu Chuanfu (Note iii)	100,000	0.03%	100,000	0.02%
Cheng Sheung Hing (Note iii)	50,000	0.01%	50,000	0.01%
Chiang Su Hui Susie (Note iii)	50,000	0.01%	50,000	0.01%

	As at the date of this announcement		Immediately after completion of the Subscriptions	
	Number of Shares	Approximate % of shareholding	Number of Shares	Approximate % of shareholding
Zou Haiyan (<i>Note iii</i>)	50,000	0.01%	50,000	0.01%
Public Shareholders				
Subscriber (1)	–	–	21,247,240	4.58%
Subscriber (2)	–	–	21,247,239	4.58%
Subscriber (3)	–	–	17,384,105	3.75%
Subscriber (4)	–	–	17,384,105	3.75%
Other public Shareholders	<u>261,927,831</u>	<u>67.80%</u>	<u>261,927,831</u>	<u>56.50%</u>
Total	<u><u>386,313,445</u></u>	<u><u>100.00%</u></u>	<u><u>463,576,134</u></u>	<u><u>100.00%</u></u>

Note:

- (i) Mr. Jin Dongtao, the chairman, the executive Director and the Chief Executive Officer, is the settlor, protector and a beneficiary of a discretionary trust pursuant to a trust deed with Credit Suisse Trust Limited acting as trustee (the “**Family Trust**”), which holds the entire issued share capital of Global Health Century International Group Limited (“**Global Health**”) through 1969 JT Limited. Global Health holds the entire issued share capital of Asia Health Century International Inc. (“**Asia Health**”), which holds 90,701,495 shares. Ms. Chen Xiaoyan, is the spouse of Jin Dongtao who is also the beneficiary of the Family Trust. Tenby Nominees Limited and Brock Nominees Limited are the nominees and Credit Suisse Trust Limited is the trustee of the Family Trust.
- (ii) Mr. Jin Dongtao, directly holds 7,166,801 shares and his spouse, Ms. Chen Xiaoyan, directly holds 723,400 shares.
- (iii) Mr. Jin Dongtao, Mr. Zhao Zehua, Mr. Jin Dongkun and Mr. Chu Chuanfu are the executive Directors of the Company. Mr. Cheng Sheung Hing, Ms. Chiang Su Hui Susie and Mr. Zou Haiyan are the independent nonexecutive Directors of the Company.

INFORMATION ON THE GROUP

The Group principally engaged in the distribution and retail of drugs and other pharmaceutical products in the northeastern region of the People’s Republic of China (the PRC). The Company operates its business through the (i) retails segment, (ii) distributions segment, and (iii) others segment. The Others segment is engaged in investment business. Through its subsidiaries, the Company is also engaged in e-commerce and trading of health-care products.

INFORMATION ON THE SUBSCRIBERS

Subscriber (1), aged 39, is an independent third party. Subscriber (1) is a professional expert in the cultural industry.

Subscriber (2), aged 29, is an independent third party. Subscriber (2) currently serves as an executive director in a company principally engaging in the cultural and creative industry.

Subscriber (3), aged 26, is an independent third party. Subscriber (3) currently serves as a risk control director in an asset management company.

Subscriber (4), aged 38, is an independent third party. Subscriber (4) currently serves as a chief operating officer in a company principally engaging in the cultural and creative industry.

To the best of the Director's knowledge, information and belief, and having made all reasonable enquiries, each of the subscribers is an Independent Third Party and not interested in any Shares immediately before entering into the Subscription Agreement.

USE OF PROCEEDS

Assuming all the Subscription Shares are fully subscribed, the gross proceeds from the Subscriptions are expected to be approximately HK\$10.4 million. The estimated net proceeds from the Subscriptions after deduction of expenses, will amount to approximately HK\$10.2 million. The Company intends to apply such net proceeds for general working capital of the Group.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTIONS

The Directors consider that the proceeds to be generated from the Subscriptions will increase the financial flexibility of the Group and enhance the development of businesses.

The Directors consider that the terms of the Subscription Agreements (including the Subscription Price) are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

EQUITY FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE MONTHS

The Company has not carried out any equity fund raising activities during the 12 months immediately preceding the date of this announcement.

WARNING

Completion of each one of the Subscriptions is subject to fulfilment of the conditions under the relevant Subscription Agreement. As the Subscriptions may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

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

“AGM”	the annual general meeting of the Company held on 10 December 2020
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	any day on which the Stock Exchange is open for the business of dealing in securities
“Company”	Universal Health International Group Holding Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the main board of the Stock Exchange (stock code: 2211)
“Completion”	completion of each one of the Subscriptions in accordance with the terms and conditions of the relevant Subscription Agreement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“General Mandate”	the general mandate granted to the Directors by the Shareholders at the AGM to issue, allot and deal with Shares up to 20% of the then issued share capital of the Company as at the date of the AGM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	third party(ies) independent of the Company and its connected persons

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) with a nominal value of US\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber (1)”	Li Peng, an Independent Third Party
“Subscriber (2)”	Cui Tianhao, an Independent Third Party
“Subscriber (3)”	Hu Jian, an Independent Third Party
“Subscriber (4)”	Gao Rui, an Independent Third Party
“Subscribers”	collectively Subscriber (1), Subscriber (2), Subscriber (3) and Subscriber (4) and the term “Subscriber” shall mean any of them
“Subscriptions”	collectively the subscriptions of (i) Subscription Shares (1) by Subscriber (1) under Subscription Agreement (1); (ii) Subscription Shares (2) by Subscriber (2) under Subscription Agreement (2); (iii) Subscription Shares (3) by Subscriber (3) under Subscription Agreement (3); and (iv) Subscription Shares (4) by Subscriber (4) under Subscription Agreement (4) and the term “Subscription” shall mean any of them
“Subscription Agreements”	collectively (i) the subscription agreement dated 29 October 2021 between the Company and Subscriber (1) for the subscription of Subscription Shares (1); (ii) the subscription agreement dated 29 October 2021 between the Company and Subscriber (2) for the subscription of Subscription Shares (2); (iii) the subscription agreement dated 29 October 2021 between the Company and Subscriber (3) for the subscription of Subscription Shares (3); and (iv) the subscription agreement dated 29 October 2021 between the Company and Subscriber (4) for the subscription of Subscription Shares (4) and the term “Subscription Agreement” shall mean any of them

“Subscription Price”	HK\$0.135 per Subscription Share
“Subscription Shares”	collectively (i) Subscription Shares (1); (ii) Subscription Shares (2); (iii) Subscription Shares (3); and (iv) Subscription Shares (4) and the term “Subscription Share” shall mean any of them
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“US\$”	United States dollars, the lawful currency of the United States
“%”	per cent

By Order of the Board
Universal Health International Group Holding Limited
Jin Dongtao
Chairman and executive Director

Hong Kong, 29 October 2021

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. Chu Chuanfu and three independent non-executive Directors, namely, Mr. Cheng Sheung Hing, Ms. Chiang Su Hui Susie and Mr. Zou Haiyan.