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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



建泉融資有限公司
VBG Capital Limited

SUBSCRIPTIONS OF NEW SHARES UNDER GENERAL MANDATE

The Board is pleased to announce that, on 24 March 2023 (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 111,258,272 Subscription Shares at the Subscription Price of HK\$0.12 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 111,258,272 Shares, representing 20% of the number of issued Shares 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.

The gross proceeds from the Subscriptions are expected to be approximately HK\$13.4 million. The estimated net proceeds from the Subscriptions after deduction of expenses, will amount to approximately HK\$13.1 million. The Company intends to apply such net proceeds for general working capital for the Group, including but not limited to, (i) daily operation of physical retail chain stores; (ii) inventory replenishment; and (iii) e-commerce sales.

Completion of each one of the Subscriptions is subject to fulfillment 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 : 24 March 2023 (after trading hours)

Parties : 1. the Company as issuer; and
2. Li Jiaxu (李佳旭) (“**Subscriber (1)**”).

Number of Subscription Shares (1) to be subscribed by Subscriber (1) : 29,000,000 Subscription Shares (1)

Consideration payable by Subscriber (1) : HK\$3,480,000

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 5.21% of the existing issued share capital of the Company as at the date of this announcement; and
- (b) approximately 4.95% 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\$290,000.

Subscription Agreement (2)

Date : 24 March 2023 (after trading hours)

Parties : 1. the Company as issuer; and
2. Chen Jing (陳晶) (“**Subscriber (2)**”).

Number of Subscription Shares (2) to be subscribed by Subscriber (2) : 28,000,000 Subscription Shares (2)

Consideration payable by Subscriber (2) : HK\$3,360,000

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 5.03% of the existing issued share capital of the Company as at the date of this announcement; and

- (b) approximately 4.79% 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\$280,000.

Subscription Agreement (3)

- Date : 24 March 2023 (after trading hours)
- Parties : 1. the Company as issuer; and
2. Sun Shanlu (孫善璐) (“**Subscriber (3)**”).
- Number of Subscription Shares (3) to be subscribed by Subscriber (3) : 27,258,272 Subscription Shares (3)
- Consideration payable by Subscriber (3) : HK\$3,270,993

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 4.90% of the existing issued share capital of the Company as at the date of this announcement; and
- (b) approximately 4.67% 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\$272,583.

Subscription Agreement (4)

Date : 24 March 2023 (after trading hours)

Parties : 1. the Company as issuer; and
2. Hu Jing (胡靜) (“**Subscriber (4)**”).

Number of Subscription Shares (4) to be subscribed by Subscriber (4) : 27,000,000 Subscription Shares (4)

Consideration payable by Subscriber (4) : HK\$3,240,000

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 4.85% of the existing issued share capital of the Company as at the date of this announcement; and
- (b) approximately 4.63% 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\$270,000.

Subscription Price

The Subscription Price for each one of the Subscriptions is HK\$0.12, which represents:

- (a) a discount of approximately 0.83% to the closing price of HK\$0.121 per Share as quoted on the Stock Exchange on the date of the Subscription Agreements; and
- (b) a discount of approximately 2.44% to the average closing price of HK\$0.123 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\$0.12 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 fulfillment 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 deal in, the Subscription Shares and such approval has not been revoked prior to Completion;
- (b) the necessary consents and approvals granted by the related stock exchanges, other administrative, governmental or regulatory institutions in relation to the relevant Subscription Agreement and the transactions contemplated thereunder having been obtained under the General Mandate; and
- (c) there not having come to the attention of the Subscribers 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 Agreements; and (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.

The Subscribers may waive any conditions, except the condition referred to in (a) above which shall 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 22 June 2023 (or such other date as the parties may agree on 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 others in respect of the Subscription, save for any antecedent breaches thereof.

Completion

Completion of each one of the Subscriptions will take place within 15 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 111,258,272 Shares, representing 20% of the issued share capital of the Company, 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 THE SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this announcement, the Company has 556,291,360 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>Approx. % of shareholding</i>	<i>Number of Shares</i>	<i>Approx. % of shareholding</i>
Directors and substantial Shareholders				
Asia Health Century International Inc. (<i>Note i</i>)	90,701,495	16.30%	90,701,495	13.59%
Chu Chuanfu (<i>Note i and ii</i>)	7,990,201	1.44%	7,990,201	1.20%
Zhao Zehua (<i>Note ii</i>)	723,400	0.13%	723,400	0.11%
Jin Dongkun (<i>Note ii</i>)	580,000	0.10%	580,000	0.09%
Cheng Sheung Hing (<i>Note ii</i>)	50,000	0.01%	50,000	0.01%
Chiang Su Hui Susie (<i>Note ii</i>)	50,000	0.01%	50,000	0.01%
Zou Haiyan (<i>Note ii</i>)	50,000	0.01%	50,000	0.01%

	As at the date of this announcement		Immediately after completion of the Subscriptions	
	<i>Number of Shares</i>	<i>Approx. % of shareholding</i>	<i>Number of Shares</i>	<i>Approx. % of shareholding</i>
Public Shareholders				
Subscriber (1)	–	–	29,000,000	4.34%
Subscriber (2)	–	–	28,000,000	4.19%
Subscriber (3)	–	–	27,258,272	4.08%
Subscriber (4)	–	–	27,000,000	4.04%
Other public Shareholders	<u>456,146,264</u>	<u>82.00%</u>	<u>456,146,264</u>	<u>68.33%</u>
Total	<u><u>556,291,360</u></u>	<u><u>100.00%</u></u>	<u><u>667,549,632</u></u>	<u><u>100.00%</u></u>

Note:

- (i) Mr. Chu Chuanfu, the chairman of the Board and the executive Director of the Company, directly holds 7,990,201 Shares. The issued share capital held by Asia Health Century International Inc., 90,701,495 Shares, is wholly-owned by Mr. Chu Chuanfu. Mr. Chu Chuanfu aggregately holds 98,691,696 Shares.
- (ii) Mr. Chu Chuanfu, Mr. Zhao Zehua and Mr. Jin Dongkun are the executive Directors of the Company. Mr. Cheng Sheung Hing, Ms. Chiang Su Hui Susie and Mr. Zou Haiyan are the independent non-executive Directors of the Company.

INFORMATION ON THE GROUP

The Group principally engaged in the distribution and retail of drugs, healthcare products and other pharmaceutical products in the northeastern region of the People’s Republic of China. The Company operates its business through three segments: Distributions, Retails and Others. The “Others” segment mainly comprises investment companies. Through its subsidiaries, the Company is also engaged in e-commerce and trading of health-care products.

INFORMATION ON THE SUBSCRIBERS

Subscriber (1), aged 32, is an independent third party. Subscriber (1) currently serves as chief risk officer in the financial industry.

Subscriber (2), aged 44, is an independent third party. Subscriber (2) currently serves as deputy general manager in the technology industry.

Subscriber (3), aged 25, is an independent third party. Subscriber (3) currently serves as project manager in the investment management industry.

Subscriber (4), aged 37, is an independent third party. Subscriber (4) currently serves as general manager in the operation management 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.

REASONS FOR THE SUBSCRIPTIONS AND USE OF PROCEEDS

Assuming all the Subscription Shares are fully subscribed, the gross proceeds from the Subscriptions are expected to be approximate HK\$13.4 million. The estimated net proceeds from the Subscriptions after the deduction of expenses, will amount to approximately HK\$13.1 million. The Company intends to apply such net proceeds for general working capital for the Group, including but not limited to, (i) daily operation of physical retail chain stores; (ii) inventory replenishment; and (iii) e-commerce sales.

The expected time and usage of the net proceeds will be as follows, (i) approximately an aggregate of HK\$11.1 million of the net proceeds to procure inventory in April, May and June, in relation to the purchase of pharmaceutical and healthcare products (including influenza A viruses prevention) for daily operations; and (ii) approximately HK\$1.0 million and HK\$1.0 million of the net proceeds to pay off rental expenses for physical retail chain stores and carry out live commerce respectively in June.

The Group anchors in and focuses on the pharmaceutical healthcare field, and has been actively promoting the development of traditional physical retail chain stores and distribution networks while facing more intensive competition. In the future, the Company will continue to launch online publicity and marketing on the mobile Internet, comprehensive promotion by Internet celebrities, online pharmacies and cooperation with third-party online service organizations in some areas, providing basic support for the Company's strategic transformation.

The Directors consider that the net proceeds of the Subscription will increase the Group's liquidity and provide additional capital to support the Group's future development. The issue of Subscription Shares will also broaden the shareholder base and capital base of the Company.

Accordingly, 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 FUNDRAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE MONTHS

Set out below is the fund-raising activities of the Company in the past twelve months immediately preceding the date of this announcement:

Date of announcement	Fund-raising activity	Gross proceeds	Intended use of proceeds	Actual use of proceeds as at the date of this announcement
23 May 2022 and 1 June 2022	Issue of 92,715,226 new Shares to 4 subscribers at HK\$0.15 per Share.	Approximately HK\$13.9 million	General working capital	Fully applied as intended.

Save as disclosed above, the Company had not conducted any equity fund-raising activities during the past twelve (12) months immediately preceding the date of this announcement.

WARNING

Completion of each one of the Subscriptions is subject to fulfillment 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 12 December 2022
“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 mandate granted to the Directors by the Shareholders at the AGM to issue, allot and deal with 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 Jiaxu (李佳旭), an Independent Third Party
“Subscriber (2)”	Chen Jing (陳晶), an Independent Third Party
“Subscriber (3)”	Sun Shanlu (孫善璐), an Independent Third Party
“Subscriber (4)”	Hu Jing (胡靜), 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 24 March 2023 between the Company and Subscriber (1) for the subscription of Subscription Shares (1); (ii) the subscription agreement dated 24 March 2023 between the Company and Subscriber (2) for the subscription of Subscription Shares (2); (iii) the subscription agreement dated 24 March 2023 between the Company and Subscriber (3) for the subscription of Subscription Shares (3); and (iv) the subscription agreement dated 24 March 2023 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\$0.12 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
Chu Chuanfu
Chairman

Hong Kong, 24 March 2023

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