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**If you have sold or transferred** all your shares in UMP Healthcare Holdings Limited, you should at once hand this circular together with the enclosed form of proxy to the purchaser(s) or transferee(s) or to the bank, or stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s). Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, 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 circular.

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**UMP HEALTHCARE HOLDINGS LIMITED**

**聯合醫務集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 722)**

**(1) THE ISSUANCE OF WARRANTS UNDER  
SPECIFIC MANDATE;  
AND  
(2) NOTICE OF EXTRAORDINARY GENERAL MEETING**

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A letter from the Board is set out on pages 5 to 26 of this circular.

A notice convening the EGM to be held at Room 1404-08, 14th Floor, Wing On House, 71 Des Voeux Central, Hong Kong on Thursday, 15 November 2018 at 2:40 p.m. or immediately after the conclusion of the AGM, whichever is later, is set out on pages 46 to 48 of this circular. Form of proxy for use by the Shareholders at the EGM is enclosed. Such form of proxy is also published on the websites of The Stock Exchange of Hong Kong Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.ump.com.hk](http://www.ump.com.hk)).

Whether or not you are able to attend the EGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof (as the case may be) should you so wish and in such event, the relevant form of proxy shall be deemed to be revoked.

29 October 2018

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## DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be held at Room 1404–08, 14th Floor, Wing On House, 71 Des Voeux Road Central, Hong Kong on Thursday, 15 November 2018 at 2:30 p.m.
“Announcements”	the announcements of the Company dated 27 July 2018 and 30 August 2018 in relation to the MOU
“associate(s)”	has the meaning ascribed to it in the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	means a day (other than a Saturday, Sunday or public holiday) on which banks in Hong Kong are open for the transaction of normal business but excluding any day in Hong Kong on which a typhoon signal number 8 or above or a “black” rainstorm warning is hoisted
“Company”	UMP Healthcare Holdings Limited (stock code: 722), a company incorporated under the laws of the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Completion”	the completion of the subscription for, and issue of, the Warrants in accordance with the terms and conditions of the Subscription Agreement
“Completion Date”	the date of Completion
“connected person(s)”	has the same meaning ascribed to it in the Listing Rules
“Control”	the power of a person to secure that the affairs of another person are conducted directly or indirectly in accordance with the wishes of that first person by means of being the beneficial owner of more than 50 per cent of the voting rights of that other person, or having the right to appoint or remove a majority of the members of or otherwise control the votes at the board of directors (or its equivalent) of that other person, and “ <b>Controlling</b> ” and “ <b>Controlled</b> ” shall be construed accordingly
“Director(s)”	the director(s) of the Company

## DEFINITIONS

“EGM”	an extraordinary general meeting of the Company to be convened for the purposes of considering and, if thought fit, passing the necessary resolution(s) to approve, among other matters, the Subscription Agreement and the transactions contemplated thereunder (including the issue of the Warrants and the Warrant Shares pursuant to the exercise thereof)
“Group”	the Company and its subsidiaries
“HK\$”	the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Initial Subscription Price”	the initial Warrant Subscription Price, being HK\$2.06 per Warrant Share
“Last Trading Date”	24 October 2018, being the last trading day of the Shares on which the Subscription Agreement was entered into
“Latest Practicable Date”	24 October 2018, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Longstop Date”	31 December 2018 (or such other date as the parties may mutually agree in writing)
“Macau”	the Macau Special Administrative Region of the PRC
“Main Board”	Main Board of the Stock Exchange
“Milestone Period”	the period from 30 August 2018 to the date falling 12 months from obtaining the approval from the Shareholders at the EGM (which may be extended for a period of 12 months by mutual agreement between the holders of the Warrant and the Company), which may be extended in accordance with the Warrant Conditions as further detailed in section titled “Principal terms of the Warrants — The satisfaction of a Vesting Milestone” in the Letter from the Board of this circular

## DEFINITIONS

“MOU”	the memorandum of understanding entered into between the Company and Zheng He dated 27 July 2018 (as amended by an amended and restated MOU entered into among the Company and Zheng He dated 30 August 2018) in relation to the issue of Warrants
“Mr. Law”	Mr. Law Siu Wah, Eddie
“PRC”	the People’s Republic of China (excluding, for the purpose of this circular, Hong Kong, Macau and Taiwan)
“Subscription Agreement”	the subscription agreement dated 24 October 2018 entered into by the Company, Zheng He and Mr. Law in relation to the issuance of the Warrants, on the terms and conditions set out therein
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	ordinary shares of HK\$0.001 each in the capital of the Company
“Shareholder(s)”	registered holder(s) of the issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiaries”	has the meaning ascribed to it by the Listing Rules
“Supervisory Committee”	a committee comprising of at least three executive Directors for the purpose of overseeing the process of the Vesting Milestones
“Vesting Milestones”	has the meaning ascribed to it in the sub-section headed “2. The Subscription Agreement — Vesting of the Milestones” in the Letter from the Board of this circular
“Warrants”	an aggregate of 110,411,000 warrants of the Company which are constituted by the Warrant Instrument to be issued by the Company on the Completion Date, and that are exercisable, subject to the Warrant Conditions, into a total of 110,411,000 Warrant Shares, and each a “Warrant”, and each Warrant is, subject to the Warrant Conditions, exercisable into one Warrant Share
“Warrant Conditions”	the terms and conditions of the Warrants attached to the Warrant Instrument
“Warrant Instrument”	the warrant instrument constituting the Warrants

## DEFINITIONS

“Warrant Shares”	new Shares allotted and issued by the Company upon exercise of the subscription right attaching to the Warrants
“Warrant Subscription Price”	the price at which Warrant Shares are issued upon an exercise of the subscription rights attached to the Warrant, as adjusted from time to time
“Zheng He”	Zheng He Health and Medical Resources Limited, a private company limited by shares incorporated in the British Virgin Islands
“Zheng He Party”	a company or trust which is under the Control of Mr. Law or his family trust or estate
“%”	per cent.

LETTER FROM THE BOARD



**UMP HEALTHCARE HOLDINGS LIMITED**

**聯合醫務集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 722)**

*Executive Directors:*

Dr. SUN Yiu Kwong

*(Chairman of the Board and  
Chief Executive Officer)*

Ms. KWOK Cheuk Kwan, Jacquen

*(Managing Director)*

Mr. TSANG On Yip, Patrick

Dr. SUN Man Kin, Michael

Mr. LEE Kar Chung, Felix

Dr. LEE Pak Cheung, Patrick

*Independent Non-executive Directors:*

Mr. LEE Luen Wai, John *BBS JP*

Dr. LI Kwok Tung, Donald *SBS JP*

Mr. YEUNG Wing Sun, Mike

*Registered Office:*

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

*Principal Place of Business  
in Hong Kong:*

Room 1404-08

Wing On House

71 Des Voeux Road Central

Hong Kong

29 October 2018

*To the Shareholders*

Dear Sir or Madam,

**(1) THE ISSUANCE OF WARRANTS UNDER  
SPECIFIC MANDATE;**

**AND**

**(2) NOTICE OF EXTRAORDINARY GENERAL MEETING**

**1. INTRODUCTION**

Reference is made to the Announcements in relation to the issuance of the Warrants. On 24 October 2018, the Company, Zheng He and Mr. Law entered into the Subscription Agreement, pursuant to which the Company has agreed to issue, and Zheng He has agreed to subscribe for, the Warrants on and subject to the terms and conditions set out in the Subscription Agreement, which shall replace and substitute the MOU in its entirety.

## LETTER FROM THE BOARD

### 2. THE SUBSCRIPTION AGREEMENT

The principal terms and conditions of the Subscription Agreement are set out as follows:

**Date:** 24 October 2018

**Parties:**

- (1) the Company;
- (2) Zheng He; and
- (3) Mr. Law.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Zheng He and its ultimate beneficial owner(s) are not connected persons or associates of any connected person of the Company.

**Subject:** The Company undertakes to Zheng He that the Warrants will be issued on the Completion Date to Zheng He (or to one or more but not more than three) the Zheng He Party(ies) nominated by Zheng He with information on the identity of the Zheng He Party(ies) and the number of Warrants to be issued to each Zheng He Party notified to the Company in writing at least three (3) Business Days prior to the Completion Date) in accordance with the Subscription Agreement and the Warrant Instrument.

Zheng He undertakes to the Company that it will (or will procure that one or more (but not more than three) Zheng He Party(ies) nominated by it with information on the identity of the Zheng He Party(ies) and the number of Warrants to be issued to each Zheng He Party notified to the Company in writing at least three (3) Business Days prior to the Completion Date will) subscribe for the Warrants on the Completion Date in accordance with the Subscription Agreement and the Warrant Instrument.

**Undertaking from Mr. Law:** Mr. Law undertakes to the Company that each Zheng He Party nominated by Zheng He is and will continue to be under the Control of Mr. Law or his family trust or estate as long as such Zheng He Party holds any Warrant.



## LETTER FROM THE BOARD

**Conditions:**

Completion is conditional on the satisfaction or, where permitted, waiver of the following Conditions on or before the Completion Date:

- (i) the Shareholders having approved, at the EGM, the issuance of the Warrants to Zheng He and/or the Zheng He Party(ies) in accordance with the terms and conditions of the Subscription Agreement as required under the Listing Rules and such approval remaining valid and effective;
- (ii) the Stock Exchange having granted approval for the listing of, and a permission to deal in, the Warrant Shares and such approval remaining valid and effective;
- (iii) the warranties of the Company remaining true, accurate and not misleading in each case in accordance with their terms; and
- (iv) the warranties of Zheng He remaining true, accurate and not misleading in each case in accordance with their terms.

In the event that any relevant Condition has not been satisfied or waived by 5:00 p.m. on the Longstop Date:

- (i) the Subscription Agreement shall automatically terminate with immediate effect (save for the certain surviving provisions of the Subscription Agreement); and
- (ii) all rights, obligations and liabilities of the parties thereunder shall cease and determine, and no party shall have any claim against the other save for any antecedent breaches of the terms under the Subscription Agreement.

**Completion:**

Completion shall take place at the principal place of business in Hong Kong of the Company or a place mutually agreed between the parties on the Business Day that is immediately after the date on which the last of the Conditions is satisfied or waived, if waiver is permitted.

## LETTER FROM THE BOARD

### Principal terms of the Warrants

**Number of Warrants:** 110,411,000 Warrant

**Number of Warrant Shares issuable:** As at the Latest Practicable Date, the Company had a total of 755,405,000 Shares in issue. Assuming that there will be no further changes in the issued share capital of the Company prior to the exercise of the subscription rights attaching to the Warrants, upon exercise in full of the subscription rights attaching to the Warrants, a maximum of 110,411,000 Warrant Shares will be issued, representing approximately 14.62% of the issued share capital as at the Latest Practicable Date, and approximately 12.75% of the total number of Shares in issue as enlarged by the allotment and issue of the Warrant Shares.

**Warrant Subscription Price:** The Initial Subscription Price of HK\$2.06 per Warrant Share represents:

- (i) a premium of approximately 21.18% to the closing price of HK\$1.70 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a premium of approximately 21.18% over the closing price of HK\$1.70 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a premium of approximately 20.47% over the average of the closing price of Shares as quoted on the Stock Exchange for the last five consecutive trading days including the Last Trading Day of approximately HK\$1.71; and
- (iv) a premium of approximately 20.47% over the average closing price of the Shares as quoted on the Stock Exchange for the last ten consecutive trading days including the Last Trading Day of approximately HK\$1.71.

**Adjustments to the Subscription Price:**

The Warrant Subscription Price will be subject to adjustment upon the occurrence of certain events as further detailed in the appendix of this circular titled “Appendix — Adjustment to the Subscription Price”.

## LETTER FROM THE BOARD

**Vesting of the Warrants:** The vesting of the Warrants shall be subject to the satisfaction of the following milestones (the “**Vesting Milestones**”):

- (i) The First Vesting Milestone: leveraging on Mr. Law’s vast experience, extensive network, international contacts (including reputable overseas medical schools and other local and international medical advisory boards) to bring strategic partnerships to the Company and to advance the development of a new economy business model for the Company, and achieving large scale growth, with the aim in ultimately transforming the Company into a world recognized clinic platform.

The Supervising Committee will consider factors such as whether such potential cooperation partnerships fulfil the assessment parameters such as the sectors in which the potential partners are engaged (with priority given to those in the healthcare, technology and insurance sectors given their understanding and appreciation of the Company’s background and business scope and their synergies that could be brought to the Company); the geographical focus of such potential partners (with priority given to those with predominant focus in China given this is the Company’s core strategic development area); years of operations (with priority given to those with a younger track record as new economy businesses and technology companies usually have shorter track record as they represent the development of new ideas and business models that fit in new economies); whether they are listed companies (with priority given to listed companies as they will be subject to similar regulatory oversight as the Company’s); and scale (with priority given to those reaching certain revenue level).

## LETTER FROM THE BOARD

For illustration purpose, the expected requirements for each of the considerations are as follows:

1. *Sectors in which the potential partners are engaged in:* it is currently expected that the potential partner would at least need to be engaged in the healthcare sector given the Company believes that it is easier to discuss collaboration and business opportunities with a partner that also operates in the healthcare sector;
2. *Geographical focus of such potential partners:* it is currently expected that the potential partner must at least have operations or presence within China to demonstrate its commitment to the China market;
3. *Years of operations:* it is currently expected that preference would be given to a potential partner who have operated between 2-5 years, which the Company believes is a good reference check of whether such potential partner has indeed succeeded in demonstrating its new economy business model;
4. *Listed company status:* it is currently expected that the potential partner would at least be a listed company on a recognised stock exchange (such as the Stock Exchange, Shanghai Stock Exchange or Shenzhen Stock Exchange); and
5. *Scale:* it is currently expected that the potential partner would have an annual revenue of at least HK\$290 million (being approximately 50% of the Company's revenue for the year ended 30 June 2018).

Based on the above, it is currently expected that the First Vesting Milestone would become vested if, among other things, the Company enters into a definitive collaboration agreement with a partner that fulfils all of the above five minimum criteria, subject to the Supervisory Committee's consideration taking into account the then prevailing factors.

## LETTER FROM THE BOARD

- (ii) The Second Vesting Milestone: granting a right to the Company (or any company or trust under the Control of the Company) to invest into a joint venture to be established between Zheng He (or any Zheng He Party) and certain investors to carry on the business of global healthcare services, with the vision of building up a Hong Kong based patient centric hub, that gives everyone access to a global premium healthcare ecosystem, empowered by technology.

The Supervising Committee will consider factors such as whether the proposed Hong Kong based patient centric hub will bring in synergies with the Company's existing healthcare services in Hong Kong, whether the Company will be able to use the technology or other products/services offered by the joint venture for the Company's existing business in Hong Kong, and the valuation for the investment in the joint venture and the rights of the Company in such joint venture. Such milestone will be considered vested only if the Company decides to invest in the joint venture.

Based on the above, it is currently expected that the requirement, and hence a corresponding basic circumstance for vesting would be, among other things: (i) the proposed Hong Kong based patient centric hub has the capability to coordinate patients from China to seek healthcare services from the Company's healthcare facilities in Hong Kong; and (ii) the Company decides to finally invest in the joint venture by entering into a definitive agreement for such purpose, subject to the Supervisory Committee's consideration taking into account the then prevailing factors.

- (iii) The Third Vesting Milestone: utilizing Zheng He's global capital market reach to optimize and enhance the Company's existing shareholding structure, including but not limited to the introduction of strategic investors and elite financial investors, and assist the Company in identifying future expansion and acquisition opportunities.

## LETTER FROM THE BOARD

In relation to potential strategic and financial investors to be introduced as shareholders of the Company, the Supervising Committee will consider factors such as the background (e.g. reputation/profile), size (e.g. fund under management or net worth), sector experience (e.g. whether they have existing exposure to healthcare service/health insurance/technology sectors) and professional investor status of such potential investors, and the contributions provided by the Investor in such opportunities. As part of the scoring matrix, in relation to potential expansion and acquisition opportunities, the Supervising Committee will consider the suitability of such opportunities taking into account various factors such as the assessment of such opportunities in terms of, among other things, valuation, business synergies and funding requirements.

For illustration purpose, set out below are the expected criteria for the various factors:

1. *Reputation/profile*: it is currently expected that the investors introduced must, to the best knowledge of Zheng He, not have been convicted or under investigation from any regulatory authorities;
2. *Funds under management or net worth*: it is currently expected that the investors introduced must have a minimum funds under management/net worth of at least US\$500 million;
3. *Sector experience*: it is currently expected that the investors must have already invested in companies that are at least engaged in the healthcare services sector;
4. *Professional investor status*: it is currently expected that the investors must possess the professional investor status under the applicable laws; and

## LETTER FROM THE BOARD

5. *Potential expansion and acquisition opportunities:* regarding valuation, business synergies, funding requirements: it is currently expected that the opportunities proposed by Zheng He, if the Company finally decides to proceed as proposed by Zheng He, must be of a transaction that would at least be regarded as a major transaction under Chapter 14 of the Listing Rules.

Based on the above, it is currently expected that a basic circumstance for which the Third Vesting Milestone would become vested if, among other things, Zheng He introduces to the Company at least 10 investors who fulfil the minimum criteria listed in 1 to 4 above, subject to the Supervisory Committee's consideration taking into account the then prevailing factors. In relation to item 5, namely potential expansion and acquisition opportunities, the Company would review such opportunities on a case by case basis, as it is possible for Zheng He to form a view that an opportunity is good for the Company but which the Company may not necessarily agree or decide to proceed with. Therefore, it is currently expected that the basic circumstance for vesting of the Third Vesting Milestone would not necessarily require Zheng He to succeed in procuring the Company to proceed with an opportunity introduced by Zheng He.

At any time during the Milestone Period, if:

- (i) any of the Vesting Milestones is achieved, 36,803,667 Warrants will become vested;
- (ii) any two of the Vesting Milestones are achieved, an additional 36,803,667 Warrants will be vested. For the avoidance of doubt, the total number of Warrants which will be vested in this case will be a total of 73,607,334 Warrants; and
- (iii) all three of the Vesting Milestones are achieved, an additional 36,803,666 Warrants will be vested. For the avoidance of doubt, the total number of Warrants which will be vested in this case will be a total of 110,411,000 Warrants.

## LETTER FROM THE BOARD

Any unvested Warrants upon the expiry of the Milestone Period shall lapse.

**The satisfaction of a Vesting Milestone:**

For the duration of the Milestone Period, the Company shall establish and maintain a committee comprising of at least three executive Directors (the “**Supervisory Committee**”) for the purpose of overseeing the process of the Vesting Milestones. The members of the Supervisory Committee shall initially be Dr. Sun Yiu Kwong, Ms. Kwok Cheuk Kwan, Jacquen and Mr. Lee Kar Chung, Felix.

At any time during the Milestone Period, a holder of the Warrants (the “**Proposer**”) may (by itself or through a person acting on its behalf) make a proposal in writing to the Company in respect of the satisfaction of any Vesting Milestone (a “**Proposal**”). Upon receiving a Proposal, the Supervisory Committee shall, acting reasonably, consider the terms of the Proposal and make a recommendation to the Board as soon as practicable as to whether the Proposal would, in the reasonable opinion of the Supervisory Committee, satisfy the relevant Vesting Milestone. The Company shall within 15 Business Days from the date on which the Proposal is made to the Company:

- (i) notify the Proposer in writing that the Company agrees that the Proposal will, upon its completion, satisfy the relevant Vesting Milestone (the “**Agreement Notice**”), in which case the Proposal shall become an Agreed Proposal on the date of such notice; or
- (ii) notify the Proposer in writing that the Company disagrees that the Proposal will, upon its completion, satisfy the relevant Vesting Milestone (the “**Disagreement Notice**”).

If the Company does not give the Proposer a Disagreement Notice within 15 Business Days from the date on which the Proposal is made to the Company, the Proposal shall become an Agreed Proposal immediately upon the expiry of such period.



## LETTER FROM THE BOARD

If the Company gives a Disagreement Notice pursuant to paragraph (ii) above, the Company and the Proposer shall attempt in good faith to reach agreement within 15 Business Days from the date of the Disagreement Notice in respect of the Proposal or any amendment thereof (the “**Revised Proposal**”). If such agreement is reached within 15 Business Days from the date of the Disagreement Notice, the Revised Proposal as agreed by the Company and the Proposer in writing shall become an Agreed Proposal on the date on which such Revised Proposal is agreed.

If the Company and the Proposer are unable to reach such an agreement within 15 Business Days from the date of the Disagreement Notice, either party may, by notice to the other (an “**Appointment Notice**”), require that the Revised Proposal be referred to a committee (a “**Dispute Committee**”). The Dispute Committee shall consist of three members, consisting of one member nominated by the Company, one member nominated by the Proposer and one member to be jointly agreed by the Company and the Proposer and who shall be a senior medical practitioner of market repute (the “**Independent Dispute Committee Member**”). The Company and the Proposer shall agree the identity of the Independent Dispute Committee Member within five Business Days of the Appointment Notice or, failing which, either the Company or the Proposer may apply to the President for the time being of the Medical Association of Hong Kong to request that such person identifies the Independent Dispute Committee Member, whose decision shall be final. The Dispute Committee shall determine, within 20 Business Days from the date of the Appointment Notice, whether the Revised Proposal, if completed, will:

- (i) satisfy the relevant Vesting Milestone without amendment, in which case the Revised Proposal will become an ‘Agreed Proposal’;
- (ii) satisfy the relevant Vesting Milestone provided that certain adjustments (to be set out in writing by the Dispute Committee) are made to the Revised Proposal (the “**Further Revised Proposal**”), in which case the Further Revised Proposal will become an Agreed Proposal; or

## LETTER FROM THE BOARD

- (iii) will not satisfy the relevant Vesting Milestone, in which case the Proposer may make a new proposal in writing to the Company in respect of the satisfaction of the relevant Vesting Milestone at any time during the Milestone Period.

Any determination of the Dispute Committee shall be decided by majority of votes. The Company or the Proposer may, within 15 Business Days from the date on which the Dispute Committee makes a determination, notify the other party that the matter will be referred to arbitration, in which case it shall be referred to and finally resolved by arbitration at the Hong Kong International Arbitration Centre in accordance with the HKIAC Administered Arbitration Rules.

If the Company and the Proposer do not reach such an agreement within 15 Business Days from the date of the Disagreement Notice, the Milestone Period and the Term shall be suspended from such date until the earlier of:

- (i) the Proposal, the Revised Proposal or the Further Revised Proposal (as applicable) becomes an Agreed Proposal and such determination is not referred to arbitration within 15 Business Days from the date of such determination;
- (ii) the Revised Proposal is determined by the Dispute Committee that it will not, if completed, satisfy the relevant Vesting Milestone and such determination is not referred to arbitration within 15 Business Days from the date of such determination; and
- (iii) the date on which the relevant dispute is resolved by arbitration if the determination by the Dispute Committee is referred to arbitration within 10 Business Days from the date of such determination.

A Vesting Milestone shall be treated as satisfied upon the completion of the Agreed Proposal for that Vesting Milestone.

Each party shall co-operate with the Dispute Committee and provide all such information and documentation reasonably requested by the Dispute Committee.

## LETTER FROM THE BOARD

**Subscription right attached to the Warrants:**

No Warrant is exercisable unless it has become vested.

No vested Warrant is exercisable during the first six (6) months from the date on which it became vested (the “**Lock-up Period**”).

Each holder of the Warrants shall have the right to subscribe for one fully-paid Warrant Share by way of exercise of a vested Warrant held by it at the Warrant Subscription Price at any time during the 36 months from the expiry of the relevant Lock-up Period in respect of that vested Warrant (the “**Exercise Period**”) in the manner set forth and subject to the Warrant Instrument (the “**Warrant Subscription Right**”).

The Warrant Subscription Price will initially be HK\$2.06 per Share but will be subject to adjustment, from time to time.

Upon an exercise of the subscription right attached to the Warrants, one Warrant Share shall be issued for each vested Warrant in respect of which the subscription right attached to the vested Warrant is exercised. The number of Warrant Shares to be issued assuming the exercise of the subscription right attached to the Warrants in respect of all Warrants is 110,411,000 Shares.

Subject to the Warrant Conditions, any unexercised vested Warrant will lapse and cease to be valid for any purpose upon the expiry of the relevant Exercise Period of such vested Warrant.

## LETTER FROM THE BOARD

**Nullification:**

Subject to any express provisions to the contrary, the Warrant Conditions shall cease to have effect on the earliest of the time:

- (i) when the subscription rights attached to the Warrants in respect of all Warrants have been exercised and the Company has complied in full with its obligations in respect of such exercise;
- (ii) when the Warrants have lapsed in accordance with the terms of the Warrant Conditions; and
- (iii) when the Company agrees in writing with each of the holders of the Warrants that the Warrant Conditions and the Warrant Instrument shall terminate and cease to have any effect,

in each case without prejudice to any accrued rights and obligations of the Company or the holders of the Warrants.

**Transferability of the Warrants**

The Warrants shall not be transferrable and no encumbrance of whatsoever nature shall be created over any Warrant without the prior consent of the Company at its sole and absolute discretion, save that nothing shall prevent a holder of the Warrants from entering into, issuing or otherwise creating any derivative(s), instrument(s) or other right(s) over any Warrant which is solely cash-settled.

**Ranking of the Warrant Shares:**

The Warrant Shares, when issued and fully paid, will rank pari passu in all respects with the existing Shares then in issue as at the date of allotment and issue of the Warrant Shares.

**Voting rights of the Warrants:**

A holder of the Warrants will not be entitled to any right to attend or vote at any meeting of the Company by virtue of it being a holder of the Warrants. The holder of the Warrants shall not have any right to participate in any distribution and/or offers of further securities made by the Company.

**Rights of holder(s) of Warrants upon winding up of the Company:**

If at any time while any Warrant is unexercised, an order is made or an effective resolution is passed for the winding up or dissolution of the Company or if any other dissolution of the Company by operation of law is to be effected:

## LETTER FROM THE BOARD

- (i) if the winding up or dissolution is for the purpose of implementing a reconstruction, amalgamation, scheme of arrangement or merger on terms previously consented to by all of the holders of the Warrants, such terms shall be binding on the holders of the Warrants; and
- (ii) in any other case, the Company shall as soon as reasonably practicable send to the holders of the Warrants a written notice stating that such an order has been made or resolution has been passed or other dissolution is to be effected.

Subject to the compliance with the above, the Warrants shall lapse on a dissolution or winding up of the Company.

### 3. APPLICATION FOR LISTING

Application will be made to the Listing Committee for the listing of, and permission to deal in, the Warrant Shares. No listing of the Warrants will be sought on the Stock Exchange or any other stock exchanges.

The Directors consider that the listing of Warrants is not in the best interest of the Company taken into account the following factors:

- (i) the relatively minor size of the issue of Warrants;
- (ii) the Warrants are not transferable;
- (iii) the purposes of the issue of the Warrants are to (a) align the interest of Zheng He (as holder of the Warrants) with that of the Company and its Shareholders and (b) establish cooperative relationship between the Company and Zheng He. The Warrants serve as an incentive for Zheng He to promote the value of the Company by introducing and procuring investment opportunities of higher quality and investment return to the Company in the course of the exercise period of the Warrants in the future; and
- (iv) the listing of the Warrants will only incur additional cost for the Company.

### 4. REASONS FOR THE ISSUANCE OF THE WARRANTS

#### Information on the Group

The Group is principally engaged in providing corporate healthcare solutions and clinical healthcare services in Hong Kong, Macau and the PRC.

## LETTER FROM THE BOARD

### Information on Zheng He

Zheng He is ultimately controlled by Mr. Law, and one of its investment focuses is in the future technology for medical and healthcare ecosystem. Mr. Law has a longstanding background in the investment banking industry as he worked with Goldman Sachs from 1992 to 2011, from which he retired as the Managing Director of the firm's Fixed Income, Currency & Commodities Division in August 2011. Given Mr. Law's engagement in the Hong Kong investment banking industry, one of the executive Directors of the Company, Mr. Lee Kar Chung, Felix, came to know Mr. Law during Mr. Law's earlier career with Goldman Sachs. Mr. Law and companies controlled and/or managed by him are active investors in the Hong Kong capital markets. One of Mr. Law's recent and relevant investments is his controlling interest in Ping An Healthcare and Technology Company Limited ("**PA Good Doctor**"), a company whose shares were listed on the Main Board of the Stock Exchange since May 2018. PA Good Doctor is a pioneer in the PRC Internet healthcare market and operates the largest Internet healthcare platform in terms of average monthly active users and daily average online consultations in 2016. PA Good Doctor delivers on-demand healthcare anytime and anywhere through its mobile platform. Mr. Law's substantial investment in PA Good Doctor represents his commitment in the development of future technology for medical and healthcare ecosystem. Mr. Law intends to leverage his network and international contacts, including reputable overseas medical schools and other local and international medical advisory boards, in his cooperation with the Company. Mr. Law and companies controlled or managed by him are well known investors in the Hong Kong capital markets. Given his investment in PA Good Doctor, Mr. Law was exploring opportunities to make investments in medical and healthcare ecosystem and related technology. In view that the Company is a leading corporate healthcare solution provider in Hong Kong and is searching for business development and expansion opportunities, especially in new economy business model, in 2017, Mr. Law approached the Company regarding possible cooperation opportunities in the area of medical and healthcare ecosystem and related technology. The parties consider that there are alignment of business and investment objectives and naturally worked together to explore and discuss potential areas of business cooperation and other cooperation.

The proposed investment by Zheng He in the Company is not the first investment by Mr. Law of its kind. Mr. Law is a well known and active investor in the Hong Kong capital markets and he and/or companies controlled or managed by him had made a number of pre-IPO investments in companies which are proposed to become listed or companies which have achieved listing, as well as investments in private companies. In light of Mr. Law's background, qualification and market reputation, the Company is not aware of anything that would give rise to the concern that Mr. Law will not have or will not be able to obtain sufficient financial resources to settle the Warrant Subscription Price, should the Warrants be exercised.

## LETTER FROM THE BOARD

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Zheng He and its ultimate beneficial owner are not connected persons or associates of any connected person of the Company. Mr. Law and companies owned and/or controlled by Mr. Law have business relationships with a substantial shareholder of the Company, namely Chow Tai Fook Enterprises Limited. Such business relationships include a minority limited partner investment by Chow Tai Fook Enterprises Limited in a fund managed by a company controlled by Mr. Law and a co-investment between Chow Tai Fook Enterprises Limited and a company controlled by Mr. Law in a minority interest in a yacht distribution business.

### **Issue of Warrants as a means to introduce Zheng He as a potential strategic investor**

The Company does not have any urgent capital requirement for immediate fund raising currently and it is intended that Zheng He would be introduced to the Company as a potential strategic investor upon the completion of the issuance of the Warrants. Further, in the case of:

- (i) an issuance of Shares, in view of the fact that issuing new Shares would require lower issue price with potential significant discount to the Share price; and
- (ii) an issuance of convertible bonds, having considered the potential interest expenses, finance costs and the gearing ratio of the Group, the issuance of convertible bonds would inevitably increase the gearing level of the Group and impose additional financial burden,

therefore, in each case, it would not be in the best interests of the Company and the Shareholders as a whole.

On the other hand, the Initial Subscription Price is at a significant premium of (i) approximately 21.18% over the closing price of the Share as quoted on the Stock Exchange on the Latest Practicable Date, (ii) approximately 21.18% over the closing price of the Share as quoted on the Stock Exchange on the Last Trading Day, and (iii) approximately 20.47% and 20.47% over the average of the closing price of the Share as quoted on the Stock Exchange for the last five and ten consecutive trading days including the Last Trading Day, respectively.

The Board also considers that the issue of Warrants represents an opportunity to raise funds for the Company. In particular, (i) the Warrants are not interest bearing; (ii) it raises capital if the Warrants are exercised for general working capital; (iii) there is no immediate dilution effect on the shareholding of the existing Shareholders; and (iv) if the Warrants are exercised, it will benefit the long-term business development of the Group by broadening the capital base of the Company.

Based on the above, the Board considered the issue of Warrants is currently the most appropriate method to introduce Zheng He as a potential strategic investor.

## LETTER FROM THE BOARD

### Issuing the Warrants at nil issue price

The Board has taken into account the following factors in issuing the Warrants at nil issue price:

- (i) the Company does not have any urgent capital requirement for immediate fund raising and it is intended that Zheng He would be introduced to the Company as a potential strategic investor upon the completion of the issuance of the Warrants;
- (ii) as part of the negotiations, the Company believes that Zheng He would only agree on a lower exercise price for the Warrants should there be any issue price for the Warrants. On this basis, when the Warrants are exercised, the net proceeds to be received by the Company would remain substantially the same;
- (iii) under the Warrants Conditions, the Warrants are not transferable. As such, Zheng He would not be able to dispose of any of the Warrants and realise the value of the Warrants. The Warrants are also not expected to have liquid market as they are unlisted Warrants;
- (iv) the vesting of the Warrants is subject to the fulfilment of the Vesting Milestones;
- (v) the strategic value and the potential economic benefits of the Vesting Milestones. In particular, the Warrants would (i) align the interest of Zheng He (as holder of the Warrants) with that of the Company and its Shareholders and (ii) establish cooperative relationship between the Company and Zheng He. The Warrants serve as an incentive for Zheng He to promote the value of the Company by introducing and procuring investment opportunities of higher quality and investment return to the Company in the course of the exercise period of the Warrants in the future;
- (vi) the economic benefits of the Warrants (if any) is dependent on the increase in trading price of the Shares which is driven by, among others, financial performance and fundamentals of the Group. Zheng He will therefore be motivated by its potential economic benefits from the subscription of Warrants to continue contributing its efforts to the Company's businesses with the aim to improve the Company's financial performance; and
- (vii) if the Warrants are exercised, the Group will have an additional amount of working capital of HK\$226.4 million and may utilise it for general working capital and, as the case may be, future business opportunities (including opportunities arising from the Strategic Cooperation) if and when suitable opportunities arise.

The Company expects that a non-cash expense from the issuance of the Warrants will be recorded in the Company's financial statements. The exact amount of non-cash expenses to be recorded in the Company's financial statements will depend on when the



## LETTER FROM THE BOARD

Warrants will become vested. It is expected that a significant non-cash expense will be recorded once the Warrants are vested. Notwithstanding the aforesaid, for the reasons and benefits and in particular taking into account the Vesting Milestones which aim to bring in strategic benefits for the growth and development of the Company, the Directors consider that it is in the benefit of the Company and the Shareholders as a whole to issue the Warrants.

### **The Warrant Subscription Price**

The Warrant Subscription Price has been determined by the parties based on negotiations among the parties on arm's length basis taken into account the following factors:

- (i) the Initial Subscription Price of the Warrants is at a significant premium of (a) approximately 21.18% over the closing price of the Share as quoted on the Stock Exchange on the Latest Practicable Date, (b) approximately 21.18% over the closing price of the Share as quoted on the Stock Exchange on the Last Trading Day, and (c) approximately 20.47% and 20.47% over the average of the closing price of the Share as quoted on the Stock Exchange for the last five and ten consecutive trading days including the Last Trading Day, respectively;
- (ii) the Initial Subscription Price of HK\$2.06 per Warrant Share represents a premium of approximately 151% as compare to the net asset value of the Group attributable to the Shareholders of approximately of HK\$0.82 per Share as at 31 December 2017; and
- (iii) the factors as set out in section titled "Reasons for the issuance of the warrants — Issuing the Warrants at nil issue price" above.

Accordingly, based on the above factors, the Board considers that the terms of the Subscription Agreement (including the Warrant Subscription Price) were entered into upon normal commercial terms following arm's length negotiations between the Company and Zheng He and that the terms of the Subscription Agreement (including the Warrant Subscription Price) are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

### **5. TOTAL FUNDS TO BE RAISED AND PROPOSED USE OF PROCEEDS**

Assuming the full exercise of Warrants, the total gross funds and net funds expected to be raised by the Company from the exercise of the Warrants are approximately HK\$227.4 million and HK\$226.4 million, respectively.

Given that the Company does not have any urgent capital requirement for immediate fund raising, notwithstanding whether the issue of Warrants will be completed or whether the Warrants will be exercised by Zheng He, the Company currently expects that it shall have sufficient working capital in the absence of unforeseeable circumstances.

## LETTER FROM THE BOARD

The Company currently intends that the net proceeds from the exercise of the Warrants will be used as working capital of the Group and for future investment pursuant to the investment objectives of the Company. The Company will explore future business prospects if and when suitable opportunities arise and will assess the capital requirements of the Company should the need for additional capital arises.

### 6. FUND RAISING EXERCISE BY THE COMPANY IN THE PAST TWELVE MONTHS

The Board confirms that there has not been any equity fund raising exercise made by the Company in the twelve months immediately preceding the Latest Practicable Date.

### 7. CHANGES OF SHAREHOLDING STRUCTURE

At the date of the Latest Practicable Date, the Company has 755,405,000 Shares in issue. The shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) upon full exercise of Warrants are as follows:

	As at the Latest Practicable Date		Immediately upon full exercise of the Warrants	
	<i>Shares</i>	<i>%</i>	<i>Shares</i>	<i>%</i>
Dr. Sun Yiu Kwong ( <i>the chairman and chief executive officer and an executive director of the Company</i> ) <sup>(1)</sup>	15,513,000	2.05	15,513,000	1.79
East Majestic Group Limited <sup>(2)</sup>	199,601,343	26.42	199,601,343	23.05
EM Team Limited <sup>(2)</sup>	44,155,000	5.85	44,155,000	5.10
Dr. Sun Man Kin, Michael <sup>(3)</sup>	11,990,000	1.59	11,990,000	1.38
Healthcare Ventures Holdings Limited <sup>(4)</sup>	110,411,000	14.62	110,411,000	12.75
Pinyu Limited <sup>(5)</sup>	97,311,000	12.88	97,311,000	11.24
Directors (other than Dr Sun Yiu Kwong)	39,059,657	5.17	39,059,657	4.52
Other Shareholders	237,364,000	31.42	237,364,000	27.42
Zheng He (and/or any company or trust under the control of Mr. Law)	—	—	<u>110,411,000</u>	<u>12.75</u>
<b>Total:</b>	<b><u>755,405,000</u></b>	<b><u>100.00</u></b>	<b><u>865,816,000</u></b>	<b><u>100.00</u></b>

*Notes:*

- (1) Such Shares are held by Dr. Sun Yiu Kwong in his capacity of beneficial owner.
- (2) Each of East Majestic Group Limited and EM Team Limited is a controlled corporation of Dr. Sun Yiu Kwong.
- (3) Dr. Sun Man Kin, Michael is the son of Dr. Sun Yiu Kwong.
- (4) Healthcare Ventures Holdings Limited is a wholly owned subsidiary of Chow Tai Fook Enterprises Limited.
- (5) Pinyu Limited is a wholly-owned subsidiary of China Resources Medical Holdings Company Limited (formerly known as China Resources Phoenix Healthcare Holdings Company Limited (Stock Code: 1515)).

## LETTER FROM THE BOARD

### 8. LISTING RULES IMPLICATIONS

The Subscription Agreement and the transaction contemplated thereunder (including the issue of the Warrants and the Warrant Shares pursuant to the exercise thereof) shall be subject to the Shareholders' approval requirement under Rule 13.36(1) of the Listing Rules.

The Directors confirm that the issue of the Warrants will comply with the applicable laws and regulations in Hong Kong (including the Listing Rules). In particular, pursuant to Rule 15.02(1) of the Listing Rules, the Warrant Shares to be issued on exercise of the subscription rights attaching to the Warrants must not, when aggregated with all other equity securities remain to be issued on exercise of any other subscription rights, if all such rights were immediately exercised, whether or not such exercise is permissible, exceed 20% of the total number of Shares in issue at the time the Warrants are issued. Options granted under share option schemes which comply with Chapter 17 of the Listing Rules are excluded for the purpose of this limit. In addition, under Rule 15.02(2) of the Listing Rules, such Warrants must expire not less than one and not more than five years from the date of issue or grant, and must not be convertible into further rights to subscribe for securities which expire less than one year or more than five years after the date of issue or grant of the Warrants.

As at the Latest Practicable Date, other than options granted by the Company under its share option scheme which complies with Chapter 17 of the Listing Rules or under its pre-IPO share option scheme, the Company does not have any securities with subscription rights outstanding and not yet exercised. Assuming that there will be no further changes in the issued share capital of the Company prior to the exercise of the subscription rights attaching to the Warrants, upon exercise in full of the subscription rights attaching to the Warrants, a maximum of 110,411,000 Warrant Shares will be issued, representing approximately 14.62% of the issued share capital as at the Latest Practicable Date, and approximately 12.75% of the total number of Shares in issue as enlarged by the allotment and issue of the Warrant Shares. Besides, the Warrants will not expire less than one and not more than five years from the date of the issue or grant, and the Warrants will not be convertible into any further rights to subscribe for securities which expire less than one year or more than five years after the date of issue or grant of the Warrants. Accordingly, the issue of the Warrants is in compliance with Rules 15.02(1) and 15.02(2) of the Listing Rules.

### 9. EGM

A notice convening the EGM to be held Room 1404-08, 14th Floor, Wing On House, 71 Des Voeux Central, Hong Kong, on Thursday, 15 November 2018 at 2:40 p.m. or immediately after the conclusion of the AGM, whichever is later, is set out on pages 46 to 48 of this circular, for the purpose of considering, if thought fit, passing the ordinary resolutions to approve the Subscription Agreement and the transactions contemplated thereunder (including the issue of the Warrants and the Warrant Shares pursuant to the exercise thereof).

To the best of the Directors' knowledge, information and belief, no Shareholders, as at the Latest Practicable Date, have material interest in the above transaction and will abstain from voting at the EGM.

A form of proxy for use at the EGM is enclosed with this circular. Whether or not you intend to be present at the EGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the office of the branch share registrar of the Company in Hong Kong, Tricor Investor Services Limited, Level 22, Hopewell

## LETTER FROM THE BOARD

Centre, 183 Queen's Road East, Hong Kong, as soon as possible but in any event not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjourned meeting should you so wish and in such event, the relevant form of proxy shall be deemed to be revoked.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll. Accordingly, the resolutions proposed at the EGM will be taken by way of poll. An announcement on the poll results will be made by the Company after the EGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

Each of the proposed resolutions at the EGM will be duly passed as ordinary resolution when it has been passed by a simple majority (i.e. over 50%) of votes cast by such Shareholders as, being entitled so to do, vote in person or, in the case of any Shareholder being a corporation, by its duly authorised representative or, where proxies are allowed, by proxy at the EGM. Each of Dr. Sun Yiu Kwong, East Majestic Group Limited, EM Team Limited, Healthcare Ventures Holdings Limited, Pinyu Limited (a wholly-owned subsidiary of China Resources Medical Holdings Company Limited (stock code: 1515)), Snow Lake China Master Long Fund, Ltd., Snow Lake China Master Fund, Ltd., Ms. Kwok Cheuk Kwan, Jacquen, Dr. Sun Man Kin, Michael, Mr. Lee Kar Chung, Felix and Dr. Lee Pak Cheung, Patrick, has given an undertaking to vote in favour of the resolutions proposed at the EGM. Based on the information available to the Company as at the Latest Practicable Date, the aforesaid Shareholders hold or otherwise control an aggregate of over 50% of the total issued share capital of the Company.

### 10. RECOMMENDATION

The Directors consider that the resolutions as set out in the notice of the EGM are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of these resolutions.

### 11. GENERAL

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this supplemental circular misleading.

The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

**Shareholders and potential investors should note that the Subscription Agreement and the transactions contemplated thereunder are subject to, among other things, the approval by the Shareholders at the EGM.**

By order of the Board  
**UMP Healthcare Holdings Limited**  
**SUN Yiu Kwong**  
*Chairman and Chief Executive Officer*

Details of adjustment of Subscription Price are as follows:

## 1. ADJUSTMENTS TO WARRANT SUBSCRIPTION PRICE

Subject to Condition 1.10.4 (*No upward adjustments*), the Warrant Subscription Price will be subject to adjustment upon the occurrence of the following events (each an “**Adjustment Event**”), save for certain events as set out in the terms and conditions of the Warrants.

### 1.1 Distributions

1.1.1 *Adjustment Event*: If and whenever the Company shall distribute any Distribution to the Shareholders, the Warrant Subscription Price shall be subject to adjustment in accordance with this Condition 1.1 (*Distributions*).

1.1.2 *Effective Date*: For the purposes of this Condition 1.1 (*Distributions*), the “**Effective Date**” means the first date on which the Shares are traded ex-the relevant Distribution on the Stock Exchange or, in the case of a purchase, redemption or buy back of Shares or any depositary receipts (or any other receipts or certificates) representing Shares, the date such purchase, redemption or buy back is made or, in the case of a spin-off listing, the first date on which the Shares are traded ex- the relevant spin-off on the Stock Exchange or (in any such case), if later, the date upon which the Fair Market Value of the relevant Distribution is capable of being determined as provided herein.

1.1.3 *Adjustment to the Warrant Subscription Price*: If and whenever the Company shall distribute any Distribution to the Shareholders, in relation to each Warrant for which the Subscription Date has not occurred prior to the Effective Date, the Warrant Subscription Price shall be adjusted by multiplying the Warrant Subscription Price in force immediately prior to the Effective Date by the following fraction:

$$\frac{A-B}{A}$$

where:

A = the Current Market Price of one Share on the Effective Date; and

B = the Fair Market Value on the Effective Date of the portion of the Distribution attributable to one Share.

1.1.4 *Distribution per Share*: For the purposes of this Condition 1.1 (*Distributions*), the portion of a Distribution attributable to one Share referred to in Condition 1.1.3 shall be determined by dividing the Fair Market Value of the Distribution by:

- (a) other than in any of the events referred to in Condition 1.1.4(b), the number of Shares entitled to receive the Distribution; or
- (b) in the case of a purchase, redemption or buy back of Shares or any depositary receipts (or other receipts or certificates) representing Shares, the number of Shares in issue immediately following such purchase, redemption or buy back, and treating as not being in issue any Shares, or any Shares represented by depositary receipts (or other receipts or certificates), purchased, redeemed or bought back).

1.1.5 *Effect of adjustment*: The Warrant Subscription Price as adjusted pursuant to this Condition 1.1 (*Distributions*) shall apply, with effect from and including the Effective Date, to each Warrant for which the Subscription Date has not occurred prior to the Effective Date. Any such adjustment shall be subject to any subsequent adjustment pursuant to the Conditions.

## 1.2 Bonus Issues

1.2.1 *Adjustment event*: If and whenever the Company shall make any Bonus Issue, the Warrant Subscription Price shall be subject to adjustment in accordance with this Condition 1.2 (*Bonus Issues*).

1.2.2 *Effective Date*: For the purposes of this Condition 1.2 (*Bonus Issues*), the “**Effective Date**” means the date of issue of the relevant Shares (the subject of the relevant Bonus Issue).

1.2.3 *Adjustment to the Warrant Subscription Price*: In relation to each Warrant for which the Subscription Date has not occurred prior to the Effective Date, the Warrant Subscription Price shall be adjusted by multiplying the Warrant Subscription Price in effect immediately prior to the Effective Date by the following fraction;

$$\frac{A}{B}$$

where:

A = the number of Shares in issue immediately before the issue of such Shares; and

B = the number of Shares in issue immediately after the issue of such Shares.

1.2.4 *Effect of adjustment:* The Warrant Subscription Price as adjusted pursuant to this Condition 1.2 (*Bonus Issues*) shall apply, with effect from and including the Effective Date, to each Warrant for which the Subscription Date has not occurred prior to the Effective Date. Any such adjustment shall be subject to any subsequent adjustment pursuant to the Conditions.

### 1.3 Alteration to Nominal Value

1.3.1 *Adjustment event:* If and whenever there shall be an alteration to the nominal value of the Shares as a result of consolidation or subdivision, the Warrant Subscription Price shall be subject to adjustment in accordance with this Condition 1.3 (*Alteration to Nominal Value*).

1.3.2 *Effective Date:* For the purposes of this Condition 1.3 (*Alteration to Nominal Value*), the “**Effective Date**” means the date on which such alteration becomes effective.

1.3.3 *Adjustment to the Warrant Subscription Price:* In relation to each Warrant for which the Subscription Date has not occurred prior to the Effective Date, the Warrant Subscription Price shall be adjusted by multiplying the Warrant Subscription Price in effect immediately prior to the Effective Date by the following fraction:

$$\frac{A}{B}$$

where:

A = the number of Shares in issue immediately before such alteration; and

B = the number of Shares in issue immediately after such alteration.

1.3.4 *Effect of adjustment:* The Warrant Subscription Price as adjusted pursuant to this Condition 1.3 (*Alteration to Nominal Value*) shall apply, with effect from and including the Effective Date, to each Warrant for which the Subscription Date has not occurred prior to the Effective Date. Any such adjustment shall be subject to any subsequent adjustment pursuant to the Conditions.



#### 1.4 Issues of Shares, Rights and Share-Related Securities at Below the Initial Subscription Price

- 1.4.1 *Adjustment event:* If and whenever the Company shall issue any Shares, or the Company shall issue or grant Share-Related Securities, Rights in respect of new Shares or Rights in respect of Share-Related Securities, as a result of which, in each case, persons to whom the Shares, Rights or Share-Related Securities or any other securities are issued or granted have the right to subscribe for Shares at a Consideration per Share which is less than the Initial Subscription Price on the Effective Date, the Warrant Subscription Price shall be subject to adjustment in accordance with this Condition 1.4 (*Issues of Shares, Rights and Share-Related Securities at Below the Initial Subscription Price*).
- 1.4.2 *Effective Date:* For the purposes of this Condition 1.4 (*Issues of Shares, Rights and Share-Related Securities at Below the Initial Subscription Price*), the “**Effective Date**” means the date of issue of such Shares, Rights, Share-Related Securities or any other securities (as the case may be).
- 1.4.3 *Adjustment to the Warrant Subscription Price:* In relation to each Warrant for which the Subscription Date has not occurred prior to the Effective Date, the adjusted Warrant Subscription Price shall be determined as follows:

$$\frac{A + B}{C + D}$$

where:

- A = the number of Warrant Shares to be issued upon the full exercise of the outstanding Warrants multiplied by the Initial Subscription Price;
- B = the Aggregate Consideration;
- C = the number of Warrant Shares to be issued upon the full exercise of the outstanding Warrants; and
- D = the Number of Shares.

- 1.4.4 *Effect of adjustment:* The Warrant Subscription Price as adjusted pursuant to this Condition 1.4 (*Issue of Shares, Rights and Share-Related Securities at Below the Initial Subscription Price*) shall apply, with effect from and including the Effective Date, to each Warrant for which the Subscription Date has not occurred prior to the Effective Date. Any such adjustment shall be subject to any subsequent adjustment pursuant to the Conditions.



### 1.5 Shares, Rights and Share-Related Securities Issued to Shareholders

1.5.1 *Adjustment event:* If and whenever the Company shall issue, grant or offer Shares, Share-Related Securities, Rights in respect of new Shares or Rights in respect of Share-Related Securities to all or substantially all of the Shareholders as a class by way of rights as a result of which, in each case, Shareholders have the right to subscribe for Shares at a Consideration per Share which is less than the Current Market Price of the Shares on the Effective Date, the Warrant Subscription Price shall be subject to adjustment in accordance with this Condition 1.5 (*Shares, Rights and Share-Related Securities Issued to Shareholders*).

1.5.2 *Effective Date:* For the purposes of this Condition 1.5 (*Shares, Rights and Share-Related Securities Issued to Shareholders*), the “**Effective Date**” means the first date on which the Shares are traded ex-rights, ex-warrants or ex-options on the Stock Exchange.

1.5.3 *Adjustment to the Warrant Subscription Price:* In relation to each Warrant for which the Subscription Date has not occurred prior to the Effective Date, the Warrant Subscription Price shall be adjusted by multiplying the Warrant Subscription Price in effect immediately prior to the Effective Date by the following fraction:

$$\frac{A + B}{A + C}$$

where:

- A = the number of Shares in issue on the Business Day immediately preceding the Effective Date;
- B = the number of Shares which the Aggregate Consideration would purchase at the Current Market Price of the Shares on the Effective Date; and
- C = (1) in the case of an issue, grant or offer of Shares, the number of Shares comprised in the issue, grant or offer; or
- (2) in the case of an issue, grant or offer of Share-Related Securities or Rights, the maximum number of Shares which could be issued upon exercise in full of the rights to subscribe for, purchase or otherwise acquire Shares pursuant to the terms of such Share-Related Securities or Rights at the initial price or rate.

1.5.4 *Formula:* If on the date (the “**Specified Date**”) of issue, grant or offer of the relevant Share-Related Securities, Rights in respect of Shares or Rights in respect of Share-Related Securities, the maximum number of Shares which

could be issued upon exercise in full of the rights to subscribe for, purchase or otherwise acquire Shares pursuant to the terms of such Share-Related Securities or Rights is to be determined by reference to the application of a formula or other variable feature or the occurrence of any event at some subsequent time then, for the purposes of Condition 1.5.4, “C” shall be determined by the application of such formula or variable feature or as if the relevant event occurs or had occurred as at the Specified Date and as if such subscription, purchase or acquisition had taken place on the Specified Date.

1.5.5 *Effect of adjustment:* The Warrant Subscription Price as adjusted pursuant to this Condition 1.5 (*Shares, Rights and Share-Related Securities Issued to Shareholders*) shall apply, with effect from and including the Effective Date, to each Warrant for which the Subscription Date has not occurred prior to the Effective Date. Any such adjustment shall be subject to any subsequent adjustment pursuant to the Conditions.

## 1.6 Issues of Rights for Assets to Shareholders

1.6.1 *Adjustment event:* If and whenever the Company shall issue or grant any Rights in respect of assets to all or substantially all of the Shareholders as a class, the Warrant Subscription Price shall be subject to adjustment in accordance with this Condition 1.6 (*Issues of Rights for Assets to Shareholders*).

1.6.2 *Effective Date:* For the purposes of this Condition 1.6 (*Issues of Rights for Assets to Shareholders*), “**Effective Date**” means the first date on which the Shares are traded ex-rights, ex-warrants or ex-options on the Stock Exchange.

1.6.3 *Adjustment to the Warrant Subscription Price:* In relation to each Warrant for which the Subscription Date has not occurred prior to the Effective Date, the Warrant Subscription Price shall be adjusted by multiplying the Warrant Subscription Price in effect immediately prior to the Effective Date by the following fraction:

$$\frac{A-B}{A}$$

where:

A = the Current Market Price of one Share on the Effective Date; and

B = the Fair Market Value on the Business Day immediately preceding the Effective Date of the portion of the Rights attributable to one Share.

1.6.4 *Effect of adjustment:* The Warrant Subscription Price as adjusted pursuant to this Condition 1.6 (*Issues of Rights for Assets to Shareholders*) shall apply, with effect from and including the Effective Date, to each Warrant for which the

Subscription Date has not occurred prior to the Effective Date. Any such adjustment shall be subject to any subsequent adjustment pursuant to the Conditions.

### 1.7 Issues of Shares at Below the Current Market Price

1.7.1 *Adjustment event:* If and whenever the Company or any Group Company or (pursuant to arrangements with the Company or any Group Company) any person or entity shall issue, wholly for cash or for no consideration, any Shares or Share-Related Securities or the Company shall issue or grant, wholly for cash or for no consideration, Rights in respect of new Shares or Rights in respect of Share-Related Securities or shall grant to any existing securities so issued such rights as to make such securities Share-Related Securities as a result of which, in each case, persons to whom the Shares, Share-Related Securities, Rights or such rights are issued or granted have the right to subscribe for Shares at a Consideration per Share which is less than the Current Market Price of the Shares on the date of the first public announcement of the terms of such issue or grant, the Warrant Subscription Price shall be subject to adjustment in accordance with this Condition 1.7 (*Issues of Shares at Below the Current Market Price*).

1.7.2 *Effective Date:* For the purposes of this Condition 1.7 (*Issues of Shares at Below the Current Market Price*), the “**Effective Date**” means the date of issue of such Shares or Share-Related Securities or, as the case may be, the issue or grant of such Rights or such relevant rights.

1.7.3 *Adjustment to the Warrant Subscription Price:* In relation to each Warrant for which the Subscription Date has not occurred prior to the Effective Date, the Warrant Subscription Price shall be adjusted by multiplying the Warrant Subscription Price in effect immediately prior to the Effective Date by the following fraction:

$$\frac{A + B}{A + C}$$

where:

A = the number of Shares in issue on the Business Day immediately preceding the date of the first public announcement of the terms of such issue or grant;

B = the number of Shares which the Aggregate Consideration would purchase at the Current Market Price of the Shares on the date of the first public announcement of the terms of such issue or grant; and

- C = (1) in the case of an issue of Shares, the number of Shares issued; or
- (2) in the case of an issue of Share-Related Securities or an issue or grant of Rights or such relevant rights, the maximum number of Shares which could be issued upon exercise in full of the rights to subscribe for, purchase or otherwise acquire Shares and, if applicable, Share-Related Securities pursuant to the terms of such Rights or such relevant rights and, if applicable, Share-Related Securities at the initial price or rate.

1.7.4 *Formula:* If on the date (the “**Specified Date**”) of issue of such Share-Related Securities or the date of grant of such Rights or the relevant rights the maximum number of Shares which could be issued upon exercise in full of the rights to subscribe for, purchase or otherwise acquire Shares and, if applicable, Share-Related Securities pursuant to the terms of such Rights and, if applicable, Share-Related Securities is to be determined by reference to the application of a formula or other variable feature or the occurrence of any event at some subsequent time then, for the purposes of Condition 1.7.3, “C” shall be determined by the application of such formula or variable feature or as if the relevant event occurs or had occurred as at the Specified Date and as if such subscription, purchase or acquisition had taken place on the Specified Date.

1.7.5 *Effect of adjustment:* The Warrant Subscription Price as adjusted pursuant to this Condition 1.7 (*Issues of Shares at Below the Current Market Price*) shall apply, with effect from and including the Effective Date, to each Warrant for which the Subscription Date has not occurred prior to the Effective Date. Any such adjustment shall be subject to any subsequent adjustment pursuant to the Conditions.

## 1.8 Amendment of Terms of Rights or Share-Related Securities

1.8.1 *Adjustment event:* If and whenever the rights to subscribe for Shares pursuant to the terms of any Rights or Share-Related Securities are amended (other than in accordance with their terms of issue (including terms as to adjustment of such rights)) so that following such amendment the Consideration per Share is (1) reduced and (2) less than the Current Market Price of the Shares on the date of the first public announcement of the proposals for such amendment, the Warrant Subscription Price shall be subject to adjustment in accordance with this Condition 1.8 (*Amendment of Terms of Rights or Share-Related Securities*).

1.8.2 *Effective Date:* For the purposes of this Condition 1.8 (*Amendment of Terms of Rights or Share-Related Securities*), “**Effective Date**” means the date of amendment of such rights.

1.8.3 *Adjustment to the Warrant Subscription Price:* In relation to each Warrant for which the Subscription Date has not occurred prior to the Effective Date, the Warrant Subscription Price shall be adjusted by multiplying the Warrant Subscription Price in effect immediately prior to the Effective Date by the following fraction:

$$\frac{A + B}{A + C}$$

where:

- A = is the number of Shares issued on the Business Day immediately preceding the date of the first public announcement of the proposals for such amendment;
- B = is the number of Shares which the Aggregate Consideration (calculated taking account of the amended rights) would purchase at the Current Market Price of the Shares on the date of the first public announcement of the proposals for such amendment (or, if lower, at the subscription, purchase or other acquisition price before the relevant amendment); and
- C = the maximum number of Shares which could be issued upon exercise in full of the rights to subscribe for, purchase or otherwise acquire Shares pursuant to the terms of such Rights or Share-Related Securities at the amended subscription, purchase or acquisition price or rate (but giving credit, in such manner as shall be agreed between the Company and all the Warranholders or, if no agreement can be reached within five (5) Business Days, as Determined by an Expert to be appropriate, for any previous adjustment under Condition 1.1 (*Distributions*), Condition 1.4 (*Issues of Shares, Rights and Share-Related Securities at Below the Initial Subscription Price*), Condition 1.5 (*Shares, Rights and Share-Related Securities Issued to Shareholders*), Condition 1.7 (*Issues of Shares at Below the Current Market Price*) or this Condition 1.8 (*Amendment of Terms of Rights or Share-Related Securities*))

1.8.4 *Formula:* If on the date (the “**Specified Date**”) of such amendment the maximum number of Shares which could be issued upon exercise in full of the rights to subscribe for, purchase or otherwise acquire Shares pursuant to the terms of such Rights or Share-Related Securities is to be determined by reference to the application of a formula or other variable feature or the occurrence of any event at some subsequent time then, for the purposes of Condition 1.8.3, “C” shall be determined by the application of such formula or variable feature or as if the relevant event occurs or had occurred as at the Specified Date and as if such subscription, purchase or acquisition had taken place on the Specified Date.

1.8.5 *Effect of adjustment:* The Warrant Subscription Price as adjusted pursuant to Condition 1.8 (*Amendment of Terms of Rights or Share-Related Securities*) shall apply, with effect from and including the Effective Date, to each Warrant for which the Subscription Date has not occurred prior to the Effective Date. Any such adjustment shall be subject to any subsequent adjustment pursuant to the Conditions.

## 1.9 Other Events; Contemporaneous Events

1.9.1 *Adjustment event:* If the Company and the Warranholders agree in good faith that:

- (a) more than one Adjustment Event which gives rise or may give rise to an adjustment to the Warrant Subscription Price has occurred or will occur within such a short period of time such that a modification to the operation of the adjustment provisions is required in order to give the intended result; or
- (b) one Adjustment Event which gives rise or may give rise to more than one adjustment to the Warrant Subscription Price has occurred or will occur such that a modification to the operation of the adjustment provisions is required in order to give the intended result,

the Company shall, at its own expense, use all reasonable endeavours to procure that such adjustment (if any) to the Warrant Subscription Price as is fair and reasonable to take account thereof and the date on which such adjustment should take effect shall be Determined by an Expert.

1.9.2 *Effective Date:* Upon such determination, the Company shall procure that such adjustment (if any) shall be made and shall take effect in accordance with such determination.

1.9.3 *Certificate of Expert:* If any doubt shall arise as to any appropriate adjustment to the Warrant Subscription Price, the Company shall use all reasonable endeavours to procure that the appropriate adjustment shall be Determined by an Expert and a certificate from the relevant Expert as to the appropriate adjustment to the Warrant Subscription Price shall, in the absence of fraud and manifest error, be conclusive and binding on all concerned.

## 1.10 Minor Adjustments and No Adjustments

1.10.1 *Rounding and adjustments of less than 0.1 per cent.:* On any adjustment of the Warrant Subscription Price, the resultant Warrant Subscription Price, if not an integral multiple of HK\$0.001 per Share, shall be rounded down to the nearest whole HK\$0.001 per Share. No adjustment shall be made to the Warrant Subscription Price where such adjustment (rounded down if applicable) would be less than 0.1 per cent. of the Warrant Subscription Price then in effect. Any adjustment not required to be made, and any amount by which the Warrant

Subscription Price has been rounded down, shall be carried forward and taken into account in any subsequent adjustment but such subsequent adjustment shall be made on the basis that the adjustment not required to be made had been made at the relevant time.

- 1.10.2 *Employee Share Scheme*: No adjustment shall be made to the Warrant Subscription Price where Shares or other securities (including rights, warrants or options) are issued, offered, exercised, allotted, appropriated, modified or granted to or for the benefit of, or are subscribed, purchased or otherwise acquired pursuant to the terms of any Employee Share Scheme.
- 1.10.3 *Adjustments not permitted by law*: The Warrant Subscription Price may not be adjusted so that an exercise of the Warrant Subscription Rights would require Shares to be issued in circumstances not permitted by applicable law.
- 1.10.4 *No upward adjustments*: The Warrant Subscription Price may not be increased pursuant to this Condition 1 (*Adjustments to Warrant Subscription Price*). To the extent that an adjustment event under Condition 1 (*Adjustments to Warrant Subscription Price*) is triggered and such adjustment would result in an increase to the Warrant Subscription Price, no adjustment shall be made, save and except for an alteration to the nominal value of the Shares as a result of a consolidation which falls within Condition 1.3 (*Alteration to Nominal Value*).
- 1.10.5 *No double adjustment*: If the single occurrence of an event would give rise to more than one Adjustment Event under this Condition 1, the Warrant Subscription Price shall only be adjusted once by reference to the Adjustment Event which would result in the maximum downward adjustment to the Warrant Subscription Price pursuant to this Condition 1.

### 1.11 Retroactive Adjustments

- 1.11.1 *Adjustment Event*: If and whenever the Warrant Subscription Price is to be adjusted pursuant to any of Condition 1.1 (*Distributions*) to Condition 1.8 (*Amendment of Terms of Rights or Share-Related Securities*) and the Subscription Date in relation to an exercise of the Warrant Subscription Rights in respect of any Warrant is after the Record Date for any such issue, distribution, grant or offer or similar event as is mentioned in the relevant Condition but before the relevant adjustment becomes effective (or would have become effective had the Warrant Subscription Rights not been exercised) under the relevant Condition, the Warrant Subscription Rights attaching to the relevant Warrant shall be subject to adjustment in accordance with this Condition 1.11 (*Retroactive Adjustments*).
- 1.11.2 *Adjustment to the Warrant Subscription Price*: Upon the date on which the relevant adjustment becomes effective (or would have become effective had the Warrant Subscription Rights not been exercised) under the relevant Condition (the “**Retroactive Adjustment Date**”), the Company shall pay to the Warrantholder who exercises its Warrant Subscription Rights or in accordance



with the instructions contained in the relevant exercise notice such amount in cash (the “**Retroactive Payment**”) which is equal to (i) the amount of Warrant Subscription Money paid by the relevant exercising Warrantholder on or before the Subscription Date on exercise of such Warrant Subscription Rights, minus (ii) the amount of Warrant Subscription Money which would have been required to be paid on exercise of such Warrant Subscription Rights if the relevant adjustment to the Warrant Subscription Price had in fact been made and become effective immediately before the relevant Subscription Date. The Company shall pay the Retroactive Payment by transfer of funds for same day value no later than five Business Days following the relevant Retroactive Adjustment Date to the bank account of the relevant exercising Warrantholder as shall have been notified to the Company prior to the due date of such payment.

### 1.12 Aggregate Consideration and Consideration per Share

1.12.1 *Applicability of this Condition:* For the purpose of calculating any adjustment to the Warrant Subscription Price pursuant to the Conditions, in the case of any:

- (a) issue, grant or offer of Shares, Share-Related Securities, Rights in respect of Shares or Rights in respect of Share-Related Securities; or
- (b) grant to any existing securities issued of such rights as to make such securities Share-Related Securities; or
- (c) amendment of the terms of any Rights or Share-Related Securities (other than in accordance with their terms of issue),

the “**Aggregate Consideration**” and the “**Number of Shares**” shall be calculated or determined (if necessary) in accordance with the following provisions of this Condition 1.12 (*Aggregate Consideration and Consideration per Share*) and the “**Consideration per Share**” shall, in each case, be the relevant Aggregate Consideration divided by the relevant Number of Shares.

1.12.2 *Shares for cash:* In the case of an issue, grant or offer of Shares for cash:

- (a) the Aggregate Consideration shall be the amount of such cash, provided that in no such case shall any deduction be made for any commissions or any expenses paid or incurred by the Company for any underwriting of the issue or otherwise in connection therewith; and
- (b) the Number of Shares shall be the number of Shares so issued, granted or offered.



1.12.3 *Shares not for cash*: In the case of the issue, grant or offer of Shares for a consideration in whole or in part other than cash:

- (a) the Aggregate Consideration shall be the amount of such cash (if any) plus the consideration other than cash, which shall be deemed to be the Fair Market Value thereof or, if pursuant to applicable law such determination is to be made by application to a court of competent jurisdiction, the value thereof as determined by such court or an appraiser appointed by such court, irrespective of the accounting treatment thereof; and
- (b) the Number of Shares shall be the number of Shares so issued, granted or offered.

1.12.4 *Issue of Share-Related Securities*: In the case of the issue, grant or offer of Share-Related Securities or Rights in respect of Share-Related Securities or the grant to any securities issued of such rights as to make such securities Share-Related Securities:

- (a) the Aggregate Consideration shall be:
  - (i) the consideration (if any) received by the Company for such Share-Related Securities and (if applicable) Rights or, as the case may be, such grant; plus
  - (ii) the additional consideration (if any) to be received by the Company upon (and assuming) the exercise in full of the rights to subscribe for, purchase or otherwise acquire Shares pursuant to the terms of such Share-Related Securities at the initial price or rate and (if applicable) the exercise in full of the rights to subscribe for, purchase or otherwise acquire Share-Related Securities pursuant to the terms of such Rights at the initial price or rate,

the consideration in each case to be determined in the same manner as provided in Conditions 1.12.2 (*Shares for cash*) and 1.12.3 (*Shares not for cash*); and

- (b) the Number of Shares shall be the number of Shares to be issued upon (and assuming) such exercise in full of the rights to subscribe for, purchase or otherwise acquire Shares pursuant to the terms of such Share-Related Securities at the initial price or rate and (if applicable) the exercise in full of the rights to subscribe for, purchase or otherwise acquire Share-Related Securities pursuant to the terms of such Rights at the initial price or rate.

1.12.5 *Amendment of Share-Related Securities/Rights in respect of Share-Related Securities:* In the case of the amendment of the terms of any Share-Related Securities and/or Rights in respect of Share-Related Securities (in either case, other than in accordance with their terms of issue):

- (a) the Aggregate Consideration shall be:
  - (i) the consideration (if any) received by the Company for such amendment; plus
  - (ii) the additional consideration (if any) to be received by the Company upon (and assuming) the exercise in full of the rights to subscribe for, purchase or otherwise acquire Shares pursuant to the terms of such Share-Related Securities at the initial price or rate or (in the case of an amendment to the terms of such Share-Related Securities) the amended price or rate and (if applicable) the exercise in full of the rights to subscribe for, purchase or otherwise acquire Share-Related Securities pursuant to the terms of such Rights at the initial price or rate or (in the case of an amendment to the terms of such Rights) the amended price or rate,

the consideration in each case to be determined in the same manner as provided in Conditions 1.12.2 (*Shares for cash*) and 1.12.3 (*Shares not for cash*); and

- (b) the Number of Shares shall be the number of Shares to be issued upon (and assuming) such exercise in full of the rights to subscribe for, purchase or otherwise acquire Shares pursuant to the terms of such Share-Related Securities at the initial price or rate or (in the case of an amendment to the terms of such Share-Related Securities) the amended price or rate and (if applicable) the exercise in full of the rights to subscribe for, purchase or otherwise acquire Share-Related Securities pursuant to the terms of such Rights at the initial price or rate or (in the case of an amendment to the terms of such Rights) the amended price or rate.

1.12.6 *Rights in respect of Shares:* In the case of the issue, grant or offer of Rights in respect of Shares or the amendment of the terms of any Rights in respect of Shares (other than in accordance with their terms of issue):

- (a) the Aggregate Consideration shall be:
  - (i) the consideration received by the Company for any such Rights or, as the case may be, such amendment; plus

- (ii) the additional consideration to be received by the Company upon (and assuming) the exercise in full of the rights to subscribe for, purchase or otherwise acquire Shares pursuant to the terms of such Rights at the initial price or rate or (in the case of an amendment to the terms of such Rights) the amended price or rate,

the consideration in each case to be determined in the same manner as provided in Conditions 1.12.2 (Shares for cash) and 1.12.3 (*Shares not for cash*); and

- (b) the Number of Shares shall be the number of Shares to be issued upon (and assuming) the exercise in full of the rights to subscribe for, purchase or otherwise acquire Shares pursuant to the terms of such Rights at the initial price or rate or (in the case of an amendment to the terms of such Rights) the amended price or rate.

1.12.7 *Currency translation*: If any of the consideration referred to in any of the preceding paragraphs of this Condition 1.12 (*Aggregate Consideration and Consideration per Share*) is receivable in a currency other than Hong Kong Dollars, such consideration shall be translated into Hong Kong Dollars for the purposes of this Condition 1.12 (*Aggregate Consideration and Consideration per Share*):

- (a) in any case where there is a fixed rate of exchange between Hong Kong Dollars and the relevant currency for the purposes of the issue, grant or offer of the Shares, Share-Related Securities or Rights, the exercise of the rights to subscribe for, purchase or otherwise acquire Share-Related Securities pursuant to the terms of such Rights or the exercise of the rights to subscribe for, purchase or otherwise acquire Shares pursuant to the terms of such Rights or Share-Related Securities, at such fixed rate of exchange; and
- (b) in all other cases, at the Screen Rate on the date as of which the said consideration is required to be calculated.

## 2. CERTAIN DEFINITIONS

For the purpose of this Condition:

“**Adjustment Event**” has the meaning given to it in Condition 1 (*Adjustments to Warrant Subscription Price*).

“**Aggregate Consideration**” has the meaning given to it in Condition 1.12 (*Aggregate Consideration and Consideration per Share*).

“**Bonus Issue**” means any issue of Shares credited as fully paid to the Shareholders by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve) which does not constitute a Distribution.

“**Business Day**” means a day on which commercial banks and foreign exchange markets settle payments in Hong Kong and the Cayman Islands, excluding any day in Hong Kong on which a typhoon signal number 8 or above or a “black” rainstorm warning is hoisted.

“**Closing Price**” for the Shares for any day shall be the price per Share published in the Daily Quotation Sheet published by the Stock Exchange for such day.

“**Conditions**” means the terms and conditions of the Warrants.

“**Consideration per Share**” has the meaning given to it in Condition 1.12 (*Aggregate Consideration and Consideration per Share*).

“**Current Market Price**” means, in respect of a Share on a particular date, the average of the Closing Prices for one Share (being a Share carrying full entitlement to dividend) for the five consecutive Trading Days ending on the Trading Day immediately preceding such date, provided that if at any time during the said five Trading Day period the Shares shall have been quoted ex-dividend and during some other part of that period the Shares shall have been quoted cum-dividend then:

- (a) if the Shares to be issued in such circumstances do not rank for the dividend in question, the quotations on the dates on which the Shares shall have been quoted cum-dividend shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the amount of that dividend per Share; or
- (b) if the Shares to be issued in such circumstances rank for the dividend in question, the quotations on the dates on which the Shares shall have been quoted ex-dividend shall for the purpose of this definition be deemed to be the amount thereof increased by such similar amount,

and provided further that if the Shares on each of the said five Trading Days have been quoted cum-dividend in respect of a dividend which has been declared or announced but the Shares to be issued do not rank for that dividend, the quotations on each of such dates shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the amount of that dividend per Share.

“**Determined by an Expert**” means determined in good faith by an Expert acting as an expert and not as an arbitrator.

“**Distribution**” means any dividend or distribution, whether of cash or assets in specie or other property, and whenever paid or made and however described, (and for these purposes a distribution of assets in specie includes without limitation an issue of shares or other securities credited as fully or partly paid by way of capitalisation of reserves), provided that a Bonus Issue shall not constitute a Distribution.

“**Employee Share Scheme**” means the schemes, the terms of which are in compliance with the Listing Rules (where applicable), adopted by the Company prior to the date of the Subscription Agreement pursuant to which Shares or other securities (including rights, warrants or options) are or will be issued, offered, exercised, allotted, appropriated, modified or granted to or for the benefit of eligible participants such as, as the case may be, directors (including executive and non-executive directors), employees or former employees and consultants or former consultants of the Company or any Group Company or any associate (as defined under the Listing Rules) of the Company.

“**Expert**” means, in relation to any matter to be Determined by an Expert, an independent investment bank and/or a firm of accountants, property appraisal firm, technical expert or other relevant type of expert which is, in each case, of market repute with an office situated in Hong Kong and approved by all of the Warranholders, appointed to act as an expert for the purposes of such matter in accordance with the Conditions.

“**Fair Market Value**” means, with respect to any assets, security, option, warrants or other right on any date, the fair market value of that asset, security, option, warrant or other right as agreed between the Company and all the Warranholders or, if no agreement can be reached within 10 Business Days of the Company giving the relevant notice, as Determined by an Expert, provided that where options, warrants or other rights are publicly traded in a market of adequate liquidity (as Determined by the Expert in default of agreement between the Company and the Warranholders) the fair market value of such options, warrants or other rights shall equal the arithmetic mean of the daily closing prices of such options, warrants or other rights during the period of five Trading Days on the relevant market immediately prior to the date on which the fair market value is to be determined.

“**Group**” means the Company and its subsidiary undertakings from time to time and “**member of the Group**” and “**Group Company**” shall be construed accordingly.

“**Number of Shares**” has the meaning given to it in Condition 1.12.1.

“**person**” means any individual, firm, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organisation, government or any agency or political subdivision thereof or any other entity.

“**Record Date**” means, in respect of any entitlement to receive any dividend or other distribution declared, paid or made, or any rights granted, the record date or other due date for the establishment of the relevant entitlement.

“**Retroactive Adjustment Date**” has the meaning given to it in Condition 1.11.2.

“**Retroactive Payment**” has the meaning given to it in Condition 1.11.2.

“**Rights**” means, in respect of any securities or assets, any options, warrants or other rights (other than Share-Related Securities) which by their terms of issue carry a right to subscribe for, purchase or otherwise acquire such securities or assets.

“**Screen Rate**” means, on any day, and, in respect of the translation or conversion of one currency into another currency, the rate of exchange between such currencies appearing on the Bloomberg page on which is published the closing spot rates for the relevant currencies on that day, or, if that page is not available or that rate of exchange does not appear on that page on that day, the closing rate of exchange between such currencies appearing on such other recognised screen or information service, or determined in such other manner, as the Company shall determine, acting reasonably.

“**Share-Related Securities**” means any securities (excluding the Warrants) which by their terms of issue:

- (a) carry a right to subscribe for, purchase or otherwise acquire Shares or any securities which by their terms of issue might be redesignated as Shares; or
- (b) might be redesignated as Shares or be redesignated so as to carry a right to subscribe for, purchase or otherwise acquire Shares.

“**Shares**” means ordinary shares of par value HK\$0.001 each of the Company or shares of any class or classes resulting from any subdivision, consolidation or re-classification of those shares, which as between themselves have no preference in respect of dividends or of amounts payable in the event of any voluntary or involuntary liquidation or dissolution of the Company.

“**Subscription Date**” means (a) the third Trading Day immediately following the exercise date of the relevant vested Warrants, if the relevant Warrant Subscription Money is paid on or prior to such Trading Day, or (b) if no such payment of the relevant Warrant Subscription Money has been paid, the Trading Day (being a day falling after the exercise date of the relevant vested Warrants but within the Term) on which such payment is so made before the close of banking business in Hong Kong on that day.

“**Term**” means the 42-month period from the issue date of the Warrants, which may be extended in accordance with the Conditions as further detailed in section titled “Principal terms of the Warrants — The satisfaction of a Vesting Milestone” in the Letter from the Board of this circular and which shall be extended by the same period as the extension of the Milestone Period.

“**Trading Day**” means a day when the Stock Exchange is open for dealing business, provided that if no Closing Price is reported for one or more consecutive dealing days such day or days will be disregarded in any relevant calculation and shall be deemed not have existed when ascertaining any period of dealing days.

“**Warrant Shares**” means new Shares allotted and issued by the Company upon exercise of the Warrant Subscription Right.

“**Warrant Subscription Money**” means, in relation to the exercise of the Warrant Subscription Rights in respect of any Warrant(s), an amount equal to the number of Shares to which the holder of such Warrant(s) will be entitled upon such exercise multiplied by the Warrant Subscription Price in effect as at the Subscription Date, subject to any retroactive adjustment of the Warrant Subscription Price pursuant to Condition 1 (*Adjustments to Warrant Subscription Price*).

“**Warrantholder**” means a holder of a Warrant and in whose name such Warrant is for the time being registered in the warrant register (or, in the case of a joint holding, the first named thereof).

## NOTICE OF EGM



### UMP HEALTHCARE HOLDINGS LIMITED

### 聯合醫務集團有限公司

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 722)**

### NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting (“**EGM**”) of UMP Healthcare Holdings Limited (the “**Company**”) will be held at Room 1404–08, 14th Floor, Wing On House, 71 Des Voeux Road Central, Hong Kong, on Thursday, 15 November 2018 at 2:40 p.m. or immediately after the conclusion of the AGM, whichever is later, for the purpose of considering and, if thought fit, passing the following resolutions, with or without amendments, as ordinary resolutions of the Company:

#### ORDINARY RESOLUTIONS

1. **“THAT**

- (a) the subscription agreement dated 24 October 2018 entered into between the Company and Zheng He Health and Medical Resources Limited (“**Zheng He**”), pursuant to which the Company has agreed to issue, an aggregate of 110,411,000 warrants (the “**Warrants**”) on the terms and conditions of the Subscription Agreement and the warrant instrument constituting the Warrants (the “**Warrant Instrument**”) (a copy of the Subscription Agreement and the draft Warrant Instrument have been marked “A” and “B”, respectively, and initialed by the chairman of the meeting for identification purpose) and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified;
- (b) the creation and issue of the Warrants by the Company in accordance with the terms and conditions of the Subscription Agreement and the Warrant Instrument be and are hereby approved, confirmed and ratified;
- (c) the directors (the “**Directors**”) be and are hereby granted a specific mandate for the allotment and issue of up to a maximum number of 110,411,000 new shares in the share capital of the Company (the “**Warrant Share(s)**”) credited as fully paid at the initial subscription price of HK\$2.06 per Warrant Share (subject to adjustment and the terms and conditions as set out in the Subscription Agreement and the Warrant Instrument), which may fall to be allotted and issued upon the exercise of the exercise rights attaching to the Warrants;



## NOTICE OF EGM

- (d) any one or more of the Directors be and is hereby authorised to sign and execute such other documents or supplemental agreements or deeds for and on behalf of the Company and to do all such things and take all such actions as he or they may consider necessary, desirable or expedient for the purpose of carrying out or giving effect to or otherwise in connection with the Subscription Agreement and the transactions contemplated thereunder.”

By order of the Board  
**UMP Healthcare Holdings Limited**  
**SUN Yiu Kwong**  
*Chairman and Chief Executive Officer*

Hong Kong, 29 October 2018

*Notes:*

- (1) All resolutions at the meeting will be taken by poll (except where the chairman decides to allow a resolution relating purely to a procedural or administrative matter to be voted on by a show of hands) pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). The results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the Listing Rules.
- (2) Any shareholder of the Company entitled to attend and vote at the above meeting is entitled to appoint a proxy or more than one proxy (where the shareholder holds two or more shares) to attend and vote instead of him. A proxy need not be a shareholder of the Company. If more than one proxy is appointed, the number of shares in respect of which each such proxy so appointed must be specified in the relevant form of proxy.

On a show of hands, every shareholder who is present in person (or being a corporation, is present by a duly authorized representative) or by proxy(ies) shall have one vote provided that where more than one proxy is appointed by a shareholder which is a clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands. In the case of a poll, every shareholder present in person or by proxy or being a corporation, present by its authorized representative shall be entitled to one vote for each fully paid share held by him.

- (3) In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed or a certified copy of that power of attorney or authority, must be deposited at the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Delivery of the form of proxy shall not preclude a shareholder of the Company from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
- (4) For determining the entitlement to attend and vote at the above meeting, the register of members of the Company will be closed from Monday, 12 November 2018 to Thursday, 15 November 2018, both dates inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the EGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong for registration no later than 4:30 p.m. on Friday, 9 November 2018.

*As at the date of this notice, the board of directors of the Company comprises Dr. SUN Yiu Kwong as Chairman, Chief Executive Officer and executive director, Ms. KWOK Cheuk Kwan, Jacquen, as managing director and executive director, Mr. TSANG On Yip, Patrick, Dr.*

## NOTICE OF EGM

*SUN Man Kin, Michael, Mr. LEE Kar Chung, Felix and Dr. LEE Pak Cheung, Patrick as executive directors, and Mr. LEE Luen Wai, John BBS JP, Dr. LI Kwok Tung, Donald SBS JP and Mr. YEUNG Wing Sun, Mike as independent non-executive directors.*