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PING AN HEALTHCARE AND TECHNOLOGY COMPANY LIMITED

平安健康醫療科技有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1833)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agents



UBS

Morgan Stanley

平證券
PA SECURITIES (HK)

The Board is pleased to announce that on September 30, 2020 (before trading hours), the Company entered into the Placing Agreement with the Placing Agents in relation to the Placing of an aggregate of 80,000,000 new Shares at the Placing Price of HK\$98.20 per Placing Share on the terms and conditions set out in the Placing Agreement.

The Placing Price of HK\$98.20 per Placing Share represents (i) a discount of approximately 8.5% to the closing price of HK\$107.30 per Share as quoted on the Stock Exchange on September 29, 2020, being the last trading day immediately prior to the date of the Placing Agreement and the publication of this announcement; and (ii) a discount of approximately 8.9% to the average closing price of HK\$107.74 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including September 29, 2020, being the date immediately prior to the date of the Placing Agreement.

The Placing Shares represent approximately 7.5% of the total issued Shares as at the date of this announcement, and approximately 7.0% of the total issued Shares as enlarged by the allotment and issue of the Placing Shares (assuming that there is no change in the issued Shares from the date of this announcement to completion of the Placing, other than the allotment and issue of the Placing Shares).

The Placing Shares will be allotted and issued under the General Mandate.

On the assumption that all Placing Shares are issued pursuant to the Placing, the aggregate gross proceeds from the Placing are expected to be approximately HK\$7,856 million and the aggregate net proceeds from the Placing are expected to be approximately HK\$7,824 million, representing a net issue price of approximately HK\$97.80 per Placing Share.

Since completion of the Placing is subject to the satisfaction of condition precedent and the Placing Agreement not having been terminated, the Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

The Board is pleased to announce that on September 30, 2020 (before trading hours), the Company entered into the Placing Agreement with the Placing Agents. The principal terms of the Placing Agreement are summarized below.

THE PLACING AGREEMENT

Date: September 30, 2020

Parties: (i) the Company, and
(ii) the Placing Agents.

The Company has appointed UBS, Morgan Stanley and PA Securities as the Placing Agents, and the Placing Agents agree to act as agents for the Company during the Placing Period and to procure Placees to subscribe for the Placing Shares at the Placing Price on the terms and conditions set out in the Placing Agreement. The Placing Shares allocated to UBS and Morgan Stanley are fully underwritten and UBS and Morgan Stanley will procure Placees, or failing which purchase itself, such respectively allocated Placing Shares. PA Securities will procure Placees for its allocated Placing Shares on a best efforts basis.

Placing Shares

The Placing Shares comprise 80,000,000 new Shares to be allotted and issued by the Company, representing approximately 7.5% of the total issued Shares as at the date of this announcement and approximately 7.0% of the total issued Shares as enlarged by the allotment and issue of the Placing Shares (assuming that there is no change in the issued Shares from the date of this announcement to completion of the Placing, other than the allotment and issue of the Placing Shares).

The Placing Shares will be allotted and issued fully paid and rank *pari passu* in all aspects with the other Shares then in issue free from all liens, charges, pledges, security interests and encumbrances, and together with all rights attaching to them as at the date of the issuance of the Placing Shares, including the right to receive all dividends declared, made or paid on or after the date of issue of the Placing Shares.

Placing Price

The Placing Price of HK\$98.20 per Placing Share represents:

- (i) a discount of approximately 8.5% to the closing price of HK\$107.30 per Share as quoted on the Stock Exchange on September 29, 2020, being the last trading day immediately prior to the date of the Placing Agreement and the publication of this announcement; and
- (ii) a discount of approximately 8.9% to the average closing price of HK\$107.74 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including September 29, 2020, being the date immediately prior to the date of the Placing Agreement.

The Placing Price, which was agreed after arm's length negotiations between the Company and the Placing Agents, was determined by reference to the prevailing market price and recent trading volume of the Shares and market demand for the Placing Shares. The Directors (including independent non-executive Directors) consider that the Placing Price and the terms of the Placing Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Lock-up Undertaking

The Company undertakes to the Placing Agents that for a period from the date of the Placing Agreement up to 90 days after the Closing Date, neither the Company nor any of its subsidiaries or companies controlled by it, nor any person acting on its or their behalf will, except for the Placing Shares, (i) sell, transfer, dispose, allot or issue or offer to sell, transfer, dispose, allot or issue or grant any option, right or warrant to subscribe (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Shares or any interests in Shares or any securities convertible into or exercisable or exchangeable for any Shares or interests in Shares, or any securities substantially similar to any Shares or interests in Shares or (ii) agree (conditionally or unconditionally) to enter into or effect any such transaction with the same economic effect as any of the transactions described in (i) above or (iii) announce any intention to enter into or effect any such transaction described in (i) or (ii) above without first having obtained the written consent of the Placing Agents.

Completion

Subject to the satisfaction of the condition to the Placing, completion of the Placing shall take place on the Closing Date or as soon as practicable thereafter or such other time and/or date as the Placing Agents and the Company may agree in writing.

Condition of the Placing

Completion of the Placing is conditional upon the fulfilment of the condition that the Listing Committee having granted the listing of and permission to deal in the Placing Shares (and such listing and permission not subsequently being revoked prior to the delivery of definitive share certificate(s) representing the Placing Shares).

If the above condition is not fulfilled by the Company on or prior to 8:00 a.m. (Hong Kong time) on the Closing Date or such later time as may be agreed between the Company and the Placing Agents, then all obligations of the Placing Agents and the Company under the Placing Agreement shall cease and determine and neither of them shall have any claim against the other in respect of any matter arising out of or in connection with the Placing Agreement except for any antecedent breach of any obligation under the Placing Agreement and certain liabilities and indemnities as provided for under the Placing Agreement.

Termination

If at any time prior to 8:00 a.m. (Hong Kong time) on the Closing Date:

- (a) there develops, occurs or comes into force:
 - (i) any new law or regulation or any change or development involving a prospective change in existing laws or regulations or the interpretation or application thereof by any court or other competent authority which in the sole opinion of the Placing Agents is or is likely to be materially adverse to the success of the Placing, or makes or is likely to make it impracticable or inadvisable or inexpedient to proceed therewith; or
 - (ii) any event, or series of events in the nature of force majeure and beyond the reasonable control of the Placing Agents (including, without limitation, any calamity, act of government, large-scale strike or labor dispute, lock-out, fire, explosion, flooding, earthquake, large-scale or material escalation of civil commotion, economic sanctions, material escalation of epidemic, pandemic or outbreak of infectious disease, outbreak or escalation of hostilities, act of terrorism and act of God) involving Hong Kong, the People's Republic of China, the United Kingdom, the European Union or the United States, or the declaration by Hong Kong, the People's Republic of China, the United Kingdom, the European Union or the United States of war or a state of emergency or calamity or crisis, each of which in the sole opinion of the Placing Agents is or is likely to be materially adverse to the success of the Placing, or makes or is likely to make it impracticable or inadvisable or inexpedient to proceed therewith; or

- (iii) any change or development involving a prospective change in local, national or international financial, political, economic, legal, military, industrial, fiscal, regulatory, currency or market conditions (including, without limitation, conditions in the stock and bond markets, money and foreign exchange markets, interbank markets and credit markets) which in the sole opinion of the Placing Agents is or is likely to be materially adverse to the success of the Placing, or makes or is likely to make it impracticable or inadvisable or inexpedient to proceed therewith; or
- (iv) any change or development involving a prospective change in local, national or international securities market conditions or currency exchange rates or exchange controls which in the sole opinion of the Placing Agents is or is likely to be materially adverse to the success of the Placing, or makes or is likely to make it impracticable or inadvisable or inexpedient to proceed therewith; or
- (v) any suspension of dealings in the Shares during the Placing period whatsoever (other than as a result of the Placing); or
- (vi) any moratorium, suspension, restriction or limitation on trading in shares or securities generally on the Stock Exchange, the New York Stock Exchange, the NASDAQ Global Market, NYSE Amex Equities, the Shanghai Stock Exchange, the London Stock Exchange, the Singapore Stock Exchange, the Tokyo Stock Exchange or the Shenzhen Stock Exchange due to exceptional financial circumstances or otherwise at any time prior to the Closing Date which in the sole opinion of the Placing Agents is or is likely to be materially adverse to the success of the Placing, or makes or is likely to make it impracticable or inadvisable or inexpedient to proceed therewith; or
- (vii) the commencement by any state, governmental, judicial, regulatory or political body or organization of any action against any Director of the Company or an announcement by any state, governmental, judicial, regulatory or political body or organization that it intends to take any such action results which will or may result in a material adverse change in or affecting the condition (financial or otherwise), business, operations, management, financial position or results of operations of the Group, taken as a whole; or
- (viii) (i) any breach of any of the representations, warranties and undertakings by the Company set out in the Placing Agreement (or, in the case of any such representations, warranties and undertakings which are not qualified by materiality, any breach of any of such representations, warranties and undertakings in any material respect) comes to the knowledge of the Placing Agents; (ii) any event occurs or any matter arises on or after the date hereof and prior to the completion of the Placing on the Closing Date which if it had occurred or arisen before the date hereof would have rendered any of the representations, warranties and undertakings set out in the Placing Agreement untrue or incorrect; or (iii) there has been a breach of, or failure to perform, any other provision of the Placing Agreement on the part of the Company; or

- (b) there is any change, or any development involving a prospective change, in or affecting the business, general affairs, management, prospects, assets and liabilities, Shareholders' equity, results of operations or position, financial or otherwise, of the Group (other than those already disclosed to the public on or before the date of the Placing Agreement) as a whole which in the sole opinion of the Placing Agents is or is likely to be materially adverse to the success of the Placing, or makes or is likely to make it impracticable or inadvisable or inexpedient to proceed therewith;

then and in any such case, the Placing Agents may terminate the Placing Agreement without liability to the Company by giving notice in writing to the Company at any time prior to 8:00 a.m. (Hong Kong time) on the Closing Date.

Without prejudice to any other provisions of the Placing Agreement, the Placing Agents shall have the right exercisable at any time by notice in writing to the Company to terminate the Placing Agreement if any of the Placing Shares are not delivered by or on behalf of the Company.

Since completion of the Placing is subject to the satisfaction of condition precedent and the Placing Agreement not having been terminated, the Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

PROCEEDS FROM THE PLACING AND USE OF PROCEEDS

On the assumption that all Placing Shares are issued pursuant to the Placing, the aggregate gross proceeds from the Placing are expected to be approximately HK\$7,856 million and the aggregate net proceeds from the Placing, after taking into account the commission, incentive fee and expense to be incurred by the Company for the Placing, are expected to be approximately HK\$7,824 million, representing a net issue price of approximately HK\$97.80 per Placing Share.

The net proceeds from the Placing will be used to further develop core businesses of the Group, including but not limited to, further expansion of in-house medical teams, further investment in technology research and development, diversification of membership products categories, broadening of sales channels and network, and potential strategic investments, which will further enhance the competitiveness of the Group.

REASONS FOR AND BENEFITS OF THE PLACING

The COVID-19 pandemic has greatly driven the development of the Internet healthcare industry, with significant increase in the acceptance of online healthcare services in the PRC. Internet healthcare platforms have also played an important role during the pandemic. Supported by the proactive policies of the PRC government, the Internet healthcare industry is entering a new phase of rapid growth.

As a leading Internet healthcare platform in the PRC, the Company plans to focus on strategic upgrading and continue to strengthen its service capabilities and technological strengths, including but not limited to, fully expanding user channels, integrating online and offline healthcare service networks, enlarging in-house medical teams and expanding the network of third-party partner doctors, as well as establishing critical barriers for AI-based leading technology to build long-term integrated competitive advantages.

Taken into account the above, the Board and the senior management of the Company are of the view that the Placing is in the interests of the Group and its Shareholders as a whole and will help the Company seize market opportunities.

As of the years ended December 31, 2018 and 2019, the Group's revenue was RMB3,338 million and RMB5,065 million, respectively. The net proceeds from the Placing will further solidify the Company's leading position in the industry and provide a solid foundation for business expansion.

INDEPENDENCE OF THE PLACING AGENTS AND THE PLACEES

It is expected that the Placing Shares will be allocated to no fewer than six independent professional, institutional and/or individual investors. It is not expected that any of the Placees will become a substantial Shareholder immediately as a result of the Placing.

PA Securities, one of the Placing Agents, is an indirect subsidiary of Ping An, a controlling Shareholder. Therefore, PA Securities is a connected person of the Company. Accordingly, while the payment of fees to PA Securities constitute connected transaction of the Company, the highest applicable percentage ratio in respect of such fees is less than 0.1% and payment of such fees is therefore exempt from reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Save as disclosed above, to the best of the Company's knowledge, information and belief, and having made all reasonable enquiries, the Placing Agents, the Placees and their respective ultimate beneficial owners are Independent Third Parties.

EFFECT ON SHAREHOLDING STRUCTURE

Based on the information available to the Company, set out below is the shareholding structure of the Company as at the date of this announcement and immediately after completion of the Placing on the Closing Date (assuming that there is no change in the issued Shares from the date of this announcement up to the Closing Date, other than the allotment and issue of the Placing Shares):

Shareholders	As at the date of this announcement		Immediately after issue of the Placing Shares	
	No. of Shares	Approx. % of issued Shares	No. of Shares	Approx. % of issued Shares
Glorious Peace ⁽¹⁾	441,000,000	41.3%	441,000,000	38.4%
Bang Qi Jian ⁽²⁾	128,110,000	12.0%	128,110,000	11.2%
Le An Xin ⁽³⁾	56,533,817	5.3%	56,533,817	4.9%
Placees	–	–	80,000,000	7.0%
Other public Shareholders	441,650,383	41.4%	441,650,383	38.5%
Total	1,067,294,200	100%	1,147,294,200	100%

Notes:

As of the date of this announcement,

- (1) Glorious Peace, a controlling Shareholder, was wholly owned by An Ke Technology Company Limited, which in turn was wholly-owned by Ping An.
- (2) Bang Qi Jian was held as to 50% by each of Ms. WANG Wenjun and Mr. DOU Wenwei, respectively.
- (3) Le An Xin directly held a total of 56,533,817 Shares as the trustee on behalf of the beneficiaries under the employee incentive scheme of the Company. Le An Xin was directly wholly owned by Rui Jian, which in turn was held by Mr. SUN Bin as to 50.1% and Ms. YANG Qiushi as to 49.9%.

EQUITY FUND RAISING ACTIVITIES IN THE PAST 12 MONTHS

There has not been any fund-raising activity involving the issue of equity securities of the Company in the 12 months preceding the date of this announcement.

GENERAL MANDATE TO ISSUE THE PLACING SHARES

The Placing Shares will be allotted and issued by the Company pursuant to the General Mandate, under which the Directors are authorized to allot and issue up to 213,458,840 new Shares. As at the date of this announcement, the Company has not issued any Shares pursuant to the General Mandate.

APPLICATION FOR LISTING

Application will be made to the Listing Committee of the Stock Exchange for listing of, and permission to deal in, the Placing Shares on the Stock Exchange.

DEFINITIONS

In this announcement, capitalized terms shall have the following meanings unless otherwise indicated:

“Bang Qi Jian”	Bang Qi Jian Limited (幫騏鍵有限公司), a company incorporated under the laws of British Virgin Islands on November 10, 2014
“Board”	the board of Directors of the Company
“Closing Date”	the business day after the date on which the condition to the placing are fulfilled but in any event no later than October 9, 2020, or such other date as the Company and the Placing Agents may agree in writing
“Company”	Ping An Healthcare and Technology Company Limited (平安健康醫療科技有限公司), a company incorporated in Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange under stock code 1833
“connected person”	has the meaning ascribed to it under the Listing Rules

“controlling Shareholder”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“General Mandate”	the general mandate to the Directors granted by the Shareholders at the annual general meeting of the Company held on April 21, 2020 to allot, issue and deal with additional Shares not exceeding 20% of the aggregate number of issued Shares as at April 21, 2020
“Glorious Peace”	Glorious Peace Limited (安鑫有限公司), a company incorporated under the laws of BVI on November 10, 2014 and an indirect wholly-owned subsidiary of Ping An
“Group”	the Company, its subsidiaries and consolidated affiliated entities
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	person(s) who is/are not connected person(s) of the Company
“Le An Xin”	Le An Xin (PTC) Limited, a company incorporated under the laws of the British Virgin Islands on October 17, 2017
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Morgan Stanley”	Morgan Stanley & Co. International Plc
“Ping An”	Ping An Insurance (Group) Company of China, Ltd. (中國平安保險(集團)股份有限公司), a company incorporated under the laws of the PRC whose shares are dually listed on the Shanghai Stock Exchange and the Stock Exchange (SSE: 601318; SEHK: 2318)
“PA Securities”	China PA Securities (Hong Kong) Company Limited, an indirect subsidiary of Ping An and thus a connected person of the Company
“Placee(s)”	professional, institutional and/or individual investor(s) to be procured by the Placing Agents to subscribe for the Placing Shares pursuant to the Placing Agreement
“Placing”	placement of Placing Shares pursuant to the Placing Agreement
“Placing Agents”	UBS, Morgan Stanley and PA Securities
“Placing Agreement”	the placing agreement entered into on September 30, 2020 between the Company and the Placing Agents in respect of the Placing

“Placing Period”	the period commencing upon the execution of the Placing Agreement and terminating at 8:00 a.m. (Hong Kong time) on the Closing Date (or such later time and date as the Company and the Placing Agents may agree in writing)
“Placing Price”	the price payable for the Placing Shares at HK\$98.20 per Share (excluding any brokerage, SFC transaction levy, Stock Exchange trading fee and other fees or levies as may be payable by the Placees)
“Placing Share(s)”	an aggregate of 80,000,000 new Shares to be allotted and issued by the Company
“PRC”	the People’s Republic of China, for the purpose of this announcement only, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Rui Jian”	Rui Jian Limited (銳健有限公司), a company incorporated under the laws of BVI on September 27, 2017
“SFC”	The Securities and Futures Commission of Hong Kong
“Shareholder(s)”	holders of the Shares
“Share(s)”	ordinary shares in the issued capital of the Company with a nominal value of US\$0.000005
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“UBS”	UBS AG Hong Kong Branch. UBS AG is incorporated in Switzerland with limited liability
“%”	per cent

By order of the Board
PING AN HEALTHCARE AND TECHNOLOGY COMPANY LIMITED
Fang Weihao
Acting chairman

Shanghai, the PRC
September 30, 2020

As at the date of this announcement, the Board comprises Mr. Fang Weihao as acting chairman and executive Director; Ms. Tan Sin Yin, Mr. Yao Jason Bo, Ms. Cai Fangfang, Ms. Lin Lijun and Mr. Pan Zhongwu as non-executive Directors; and Mr. Tang Yunwei, Mr. Guo Tianyong, Mr. Liu Xin and Dr. Chow Wing Kin Anthony as independent non-executive Directors.