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愛 帝 宮 母 嬰 健 康 股 份 有 限 公 司
AIDIGONG MATERNAL & CHILD HEALTH LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 286)

**PROPOSED ISSUE OF CONVERTIBLE
PREFERENCE SHARES
UNDER SPECIFIC MANDATE
AND
AMENDMENT OF CONSTITUTIONAL DOCUMENTS**

**THE SUBSCRIPTION AGREEMENT AND PROPOSED ISSUE
OF CONVERTIBLE PREFERENCE SHARES UNDER SPECIFIC
MANDATE**

On 9 September 2022 (after trading hours), the Company entered into the Subscription Agreement with the Subscriber, pursuant to which the Company has conditionally agreed to allot and issue, and the Subscriber has conditionally agreed to subscribe, or procure its affiliate to subscribe, for, the Convertible Preference Shares for an aggregate Consideration of HK\$224,719,101.6, representing the Subscription Price of HK\$0.5 per Class A Convertible Preference Share and HK\$0.7 per Class B Convertible Preference Share.

The Conversion Price at which Conversion Shares will be issued upon exercising of the Conversion Right attached to the Convertible Preference Shares is the Subscription Price, i.e. HK\$0.5 per Class A Convertible Preference Share and HK\$0.7 per Class B Convertible Preference Share, subject to customary adjustments (as set out below). No application will be made for the listing of, or permission to deal in, the Convertible Preference Shares on the Stock Exchange or any other stock exchange. The Company will apply to the Stock Exchange for the listing of, or permission to deal in, the Conversion Shares.

The Company will seek the grant of the Specific Mandate from the Shareholders at the SGM to allot and issue the Convertible Preference Shares to the Subscriber or its affiliate and to allot and issue the Conversion Shares to the Convertible Preference Shareholder(s) upon conversion of any or part of the Convertible Preference Shares.

AMENDMENT OF THE CONSTITUTIONAL DOCUMENTS

The Board proposes that the Convertible Preference Shares be created and that the Constitutional Documents be amended to, among others, reflect the increase in authorised share capital of the Company and incorporate the terms of the Convertible Preference Shares as summarised in the paragraph headed “Terms of the Convertible Preference Shares” in this announcement. The amendments to the Constitutional Documents are subject to the approval of the Shareholders at the SGM. Further details of the proposed amendments to the Constitutional Documents will be set out in the circular in relation to the SGM to be despatched to the Shareholders.

GENERAL

The SGM will be convened for the purpose of considering and, if deemed appropriate, approving, among other things, the Subscription Agreement and the transactions contemplated thereunder, the Specific Mandate, amendments to the Constitutional Documents and the increase in authorised share capital of the Company for the purpose of creating and issuing the Convertible Preference Shares.

A circular containing, among other things, details of the Subscription Agreement, the amendments to the Constitutional Documents, the increase in authorised share capital of the Company, and a notice to convene the SGM is expected to be despatched to the Shareholders in due course in accordance with the relevant requirements under the Constitutional Documents and the Listing Rules. Further announcement(s) will be made in connection with the despatch of the circular.

As the Subscription is subject to the satisfaction of the respective conditions of the Subscription Agreement, the Subscription may or may not materialise. Shareholders and potential investors are reminded to exercise caution when dealing in the Ordinary Shares.

THE SUBSCRIPTION AGREEMENT

On 9 September 2022 (after trading hours), the Company entered into the Subscription Agreement with the Subscriber, pursuant to which the Company has conditionally agreed to allot and issue, and the Subscriber has conditionally agreed to subscribe, or procure its affiliate to subscribe, for, the Convertible Preference Shares for an aggregate Consideration of HK\$224,719,101.6, representing the Subscription Price of HK\$0.5 per Class A Convertible Preference Share and HK\$0.7 per Class B Convertible Preference Share. The principal terms of the Subscription Agreement are set out below:–

Date: 9 September 2022

Parties:

- (a) the Company; and
- (b) Zhuhai Deyou Bohui Enterprise Management Consulting Center (Limited Partnership).*(珠海德祐博暉企業管理諮詢中心(有限合夥))(as subscriber), a third party independent of the Company and its connected persons.

Subject matter:

Subject to the fulfilment of the conditions precedent as mentioned below, the Company will allot and issue the Convertible Preference Shares to the Subscriber or its affiliate at an aggregate Consideration of HK\$224,719,101.6, representing the Subscription Price of HK\$0.5 per Class A Convertible Preference Share and HK\$0.7 per Class B Convertible Preference Share.

Subscription Price:

The Subscription Price of HK\$0.5 per Class A Convertible Preference Share (which is equivalent to the relevant Conversion Price) represents:–

- (a) a discount of approximately 13.8% over the closing price of HK\$0.58 per Ordinary Share as quoted on the Stock Exchange on 9 September 2022, being the date of the Subscription Agreement;
- (b) a discount of approximately 10.7% over the average of the closing prices of HK\$0.56 per Ordinary Share for the five consecutive trading days immediately preceding the date of the Subscription Agreement; and
- (c) a premium of approximately 4.2% over the average of the closing price of HK\$0.48 per Ordinary Share for the 30 consecutive trading days immediately preceding the date of the Subscription Agreement.

The Subscription Price of HK\$0.7 per Class B Convertible Preference Share (which is equivalent to the relevant Conversion Price) represents:–

- (a) a premium of approximately 20.7% over the closing price of HK\$0.58 per Ordinary Share as quoted on the Stock Exchange on 9 September 2022, being the date of the Subscription Agreement;

- (b) a premium of approximately 25.0% over the average of the closing prices of HK\$0.56 per Ordinary Share for the five consecutive trading days immediately preceding the date of the Subscription Agreement; and
- (c) a premium of approximately 45.8% over the average of the closing price of HK\$0.48 per Ordinary Share for the 30 consecutive trading days immediately preceding the date of the Subscription Agreement.

The Consideration and the Subscription Price were determined after arm's length negotiations between the Company and the Subscriber after taking into account the prevailing market price of the Ordinary Shares and the financial position of the Group

Conditions precedent:

Completion is conditional upon the fulfilment (or, where applicable, waiver) of the following conditions:–

- (a) the Subscriber has completed its due diligence on the business, legal and financial position of the Group and the Subscriber is satisfied with the due diligence results (including but not limited to the issue of a legal opinion by the Company's Bermuda legal adviser which is to the Subscriber's satisfaction);
- (b) the Shareholders has passed a resolution at the SGM in accordance with the Listing Rules and the Constitutional Documents approving the Subscription Agreement and the transactions contemplated thereunder (including but not limited to the issuance of the Convertible Preference Shares, the issuance of the Conversion Shares upon conversion of the Convertible Preference Shares, and the amendment of the Constitutional Documents);

- (c) the Listing Committee of the Stock Exchange has granted or agreed to grant the listing of, and permission to deal in, all of the Conversion Shares to be issued upon conversion of the Convertible Preference Shares, and providing to the Subscriber with the listing approval letter issued by the Listing Division of the Stock Exchange as proof; and
- (d) the Company has performed all of its obligations on or before Completion, and the Company's basic warranties are true, accurate and complete and are not untrue, incorrect, incomplete or misleading in any respect and the Company's warranties (other than the Company's basic warranties) are true, accurate and complete and are not untrue, incorrect, incomplete or misleading in any material respect;
- (e) the Ordinary Shares continue to remain listed on the Main Board of the Stock Exchange and have not been suspended from trading for more than 10 trading days, and there are no changes, effects, events, circumstances and/or factual conditions that could reasonably be expected to cause the Ordinary Shares to lose their listing status on the Main Board of the Stock Exchange or be suspended from trading for more than 10 trading days;
- (f) the Founder of postpartum care centre has provided the Company with a signed non-competition undertaking (in the form as set out in the Subscription Agreement) and has not breached such non-competition undertaking;
- (g) the Subscriber has performed all of its obligations on or before Completion and the Subscriber's basic warranties are true, accurate and complete and are not untrue, incorrect, incomplete or misleading in any respect;

- (h) the Subscriber has obtained the necessary approvals and consents in respect of the transactions contemplated under the Subscription Agreement (including but not limited to its board approval(s), its shareholders' approval(s) and approval(s) from its or its direct or indirect shareholders' investment committee(s)) to approve the Subscription and the execution of the Subscription Agreement and other related documents, and all necessary governmental and/or regulatory approvals required in respect of the transactions contemplated under the Subscription Agreement (including but not limited to the filing with the commercial administration authorities and obtaining the Enterprise Overseas Investment Certificate (企業境外投資證書), the filing with the development and reform authorities and obtaining the Filing of Overseas Investment Project (境外投資項目備案通知書) and the completion of the foreign exchange registration in respect of overseas direct investment with the administration of foreign exchange and the banks);
- (i) (a) all other necessary waivers, consents and approvals (if required) from the Stock Exchange and the SFC, with respect to the Subscription Agreement and the transactions contemplated thereunder having been obtained and fulfilled, and (b) the Company's full compliance with all requirements under the Listing Rules;
- (j) the Company's proposed amendments to the Constitutional Documents have become legally effective, properly filed with the Bermuda Companies Registry, and have not been further amended;

- (k) the Group has entered into the Luofushan Disposal Agreement and completed the Disposal in accordance with the terms disclosed in the Company's announcement published on 28 August 2022 (the "**Announcement**") (subject to the completion of the equity transfer registration) and the Group has not, has no obligation to and will not pay or incur any further consideration, costs, fees or payments (other than reasonable expenses not exceeding RMB100,000) in connection with the Disposal save as those disclosed in the Announcement;
- (l) save as disclosed by the Company, there has been no material adverse change (as defined in the Subscription Agreement) to the Group; and
- (m) no judgment, conservatory or other decision, order or statutory restriction, impediment, prohibition or restriction of the Subscription has been made by any court or regulatory body.

The Subscriber may waive all or any of the above conditions (except (c), (g), (i)(a) and (m)) by giving written notice to the Company on or before the Long Stop Date. The Company may waive condition (g) above by giving written notice to the Subscriber on or before the Long Stop Date. Conditions (c) and (m) above can only be waived upon written confirmation by both the Subscriber and the Company.

The Company shall use reasonable endeavours to procure the fulfillment of conditions (a), (b), (c), (d), (e), (f), (i), (j), (k), (l) and (m) above, and the Subscriber shall provide reasonable assistance to the Company in a timely manner for the fulfillment of the above-mentioned conditions. The Subscriber shall use reasonable endeavours to procure the fulfillment of the conditions (g) and (h) above, and the Company shall provide reasonable assistance to the Subscriber in a timely manner for the fulfillment of the above conditions.

Either party (in the case of (b) below, only the party which was not in breach of the Subscription Agreement) has the right to terminate the Subscription Agreement immediately (except for certain circumstances provided in the Subscription Agreement) by giving written notice to the other party:

- (a) Completion has not taken place at or before 5:00 p.m. on the Long Stop Date; provided that a party has breached any representation, warranty, undertaking or agreement of the Subscription Agreement and such breach has resulted in the failure of the Completion at or before such time, such defaulting party shall not be entitled to terminate the Subscription Agreement; or
- (b) a party has materially breached the Subscription Agreement, and such breach will result in any of the above conditions precedent not being fulfilled or waived, and such breach cannot be rectified or is not rectified within five Business Days after the other party has notified the defaulting party.

Completion: Completion shall take place on the tenth Business Day (or such other dates as may be agreed between the parties in writing) following the satisfaction of the final condition precedent of the Subscription Agreement (except for conditions which by their nature can only be fulfilled on the date of Completion).

The Company will seek the grant of the Specific Mandate from the Shareholders at the SGM to allot and issue the Convertible Preference Shares to the Subscriber or its affiliate and to allot and issue the Conversion Shares to the Convertible Preference Shareholder(s) upon conversion of any or part of the Convertible Preference Shares.

TERMS OF THE CONVERTIBLE PREFERENCE SHARES

The principal terms of the Convertible Preference Shares are set out below:–

Issuer: The Company

Par value: HK\$0.01 each

Conversion Price: With respect to Class A Convertible Preference Shares, initially HK\$0.5, and with respect to Class B Convertible Preference Shares, initially HK\$0.7, in each case, as adjusted by the customary adjustment events (as set out below) (“**Conversion Price**”)

Conversion period: Conversion at any time during the 30-month period beginning on the first anniversary of Completion.

Conversion mechanism: Each Convertible Preference Share may be converted into Conversion Shares as equal to the quotient of the Subscription Price divided by the then effective Conversion Price, resulting in an initial conversion ratio of 1:1 for each Convertible Preference Share

Dividend:

The Company shall pay the Preferred Dividend subject to the relevant laws and regulations of Bermuda.

So long as the Company has not redeemed all of the Convertible Preference Shares in issue pursuant to the Subscription Agreement, each Convertible Preference Shareholder shall have the right to receive for each Convertible Preference Share held by it, *pari passu* with the other Convertible Preference Shareholders, fixed cumulative preferential cash dividends (“**Preferred Dividends**”) at the rate of 4.0% per annum on the RMB Subscription Price, payable annually in RMB in arrears out of the profits of the Company available for distribution, prior and in preference to, and satisfied before, any dividend or other distribution on any other class or series of equity securities of the Company. If the profits of the Company available for distribution is insufficient to permit the payment of all the Preferred Dividends in full, then the amount legally available for distribution shall be distributed ratably among all Convertible Preference Shareholders in proportion to the aggregate Preferred Dividends each Convertible Preference Shareholder would otherwise be entitled to receive pursuant to the preceding sentence. No dividend or distribution may be declared, paid, set aside or made with respect to any equity securities of the Company other than the Convertible Preference Shares at any time unless all accrued but unpaid dividends on the Convertible Preference Shares have been paid in full.

Distribution of assets:

Upon occurrence of certain events, the assets and funds of the Company available for distribution among the Shareholders shall, subject to applicable laws, be applied in the following order of priority:

- (a) First, prior to any distribution to the Ordinary Shareholders, to each Convertible Preference Shareholder with respect to each Convertible Preference Share held by it, the amount in RMB equal to the greater of: (i) the RMB Subscription Price, plus simple interest of 13% per annum commencing on the date of Completion and ending on the date of such distribution to such Convertible Preference Shareholder in full, less the Preferred Dividends paid by the Company on such Convertible Preference Share, and (ii) the amount that such Convertible Preference Shareholder would be entitled to receive with respect to such Convertible Preference Share if all the Convertible Preference Shares held by it were converted into Ordinary Shares immediately before the record date for such distribution at the then effective Conversion Price. In the case of (i), upon such distribution to any Convertible Preference Shareholder in full, the Company shall have discharged its obligations to pay any accrued or declared but unpaid Preferred Dividend on the Convertible Preference Shares held by such Convertible Preference Shareholder. If the assets and funds of the Company available for distribution shall be insufficient to provide for full payment to the Convertible Preference Shareholders, the Company shall make payment on the Convertible Preference Shares on a pro-rata basis.
- (b) Then, the remaining assets and funds shall be distributed to the holders of Ordinary Shares ratably.

Voting rights:

The Convertible Preference Shares shall not confer on the Convertible Preference Shareholders the right to receive notice of, or to attend and vote at, a general meeting of the Company, unless a resolution is to be proposed at a general meeting to vary or abrogate the rights of Convertible Preference Shareholders, to amend the Constitutional Documents or to wind up the Company, in which event the Convertible Preference Shares shall confer on the Convertible Preference Shareholders the rights to receive notice of, and to attend and vote at, that general meeting, save that the Convertible Preference Shareholders may not vote upon any business dealt with at such general meeting except the election of a chairman, any motion for adjournment and the resolution for winding-up or the resolution which if passed would (subject to any consents required for such purpose being obtained) so vary or abrogate the right or privileges of the Convertible Preference Shareholders or vary the restrictions to which the Convertible Preference Shares are subject.

Convertible Preference Shareholders attending a general meeting in person or by proxy or by representative (in the case of a corporation) shall be entitled to:

- (a) on a show of hands, each Convertible Preference Shareholder present in person or represented by an authorised representative or, in the case of a corporation, by proxy may cast one vote as a Convertible Preference Shareholder; and
- (b) on a poll, each Convertible Preference Shareholder present in person or represented by an authorised representative or, in the case of a corporation, by proxy may cast one vote for each Ordinary Share held by such Convertible Preference Shareholder on an as-converted basis.

Veto rights:

The Company shall not, and shall cause each of its subsidiaries not to, take any action with respect to the following matters without first obtaining the prior written consent of the Convertible Preference Shareholders, unless determined by a resolution of the Board to be necessary in order to comply with the fiduciary duties of the Directors to the Company and the Shareholders:

- (a) merger, split, reorganisation, consolidation, change of control, trade sale, liquidation or winding-up, or any other relevant event, unless it would not adversely affect any Convertible Preference Shareholder or any of its economic or other right or interest;

- (b) issuance of any equity securities other than Ordinary Shares, unless and to the extent that the Company has offered in writing within 30 days prior to such issuance to issue all such equity securities to the Convertible Preference Shareholders (or their affiliates as may be designated by them) on the same terms and conditions or terms and conditions that are more favourable to the Convertible Preference Shareholders, and the Convertible Preference Shareholders have declined or otherwise failed to accept such offer to subscribe for such equity securities by written notice within 20 days from receiving such written offer;
- (c) amend the terms, rights, preferences or privileges of the Convertible Preference Shares or any other provision of the Constitutional Documents;
- (d) (i) providing any loans to any connected person or any guarantees or security in connection with the obligations of any connected person, or (ii) any other transaction with any connected person in excess of HK\$50,000,000 individually or HK\$100,000,000 in the aggregate in any 12-month period, in each case, other than connected transactions and continuing connected transactions disclosed in the 2021 annual report of the Company and continuations thereof on terms and conditions that are not less favourable to the members of the Group than those so disclosed;

- (e) incurrence of any loans or other indebtedness, or guarantees of or indemnities for any indebtedness, other than:
 - (i) refinancing of existing indebtedness on terms not materially less favorable to the members of the Group; and
 - (ii) loans or borrowings from banks on prevailing commercial terms and not exceeding HK\$30,000,000 in one transaction or a series of related transactions or HK\$50,000,000 in the aggregate in 12-month period;

- (f) agreement to do any of the foregoing.

and in the context of such matters set forth above which are by the applicable laws required to be determined by the Shareholders, the consent of the Convertible Preference Shareholders shall be deemed obtained if the matter is approved at a general meeting of the Company with the written consent of not less than a majority of the Convertible Preference Shares.

Redemption:*Redemption at the election of the Company*

The Company shall have the right to request, by 30 Business Days' prior written notice to any Convertible Preference Shareholder specifying the Convertible Preference Shares to be redeemed from such Convertible Preference Shareholder (the "**Company Requested Redemption Shares**", such notice, the "**Company Redemption Notice**"), to redeem all or any of the outstanding Convertible Preference Shares held by it upon occurrence of any of the following events: (i) 18 months having lapsed from Completion; or (ii) the average closing price of the Shares trading on the Main Board of the Stock Exchange for the 3-month period immediately preceding the date of the Company Redemption Notice being no less than HK\$2.00 per Share. If any Convertible Preference Shareholder elects to convert any Company Requested Redemption Share held by it into Ordinary Shares by written notice to the Company within 30 Business Days after the delivery of the Company Redemption Notice, the Company shall have no right to redeem such Company Requested Redemption Share. To the extent no such election is so made with respect to the Company Requested Redemption Shares, the Company shall redeem the Company Requested Redemption Shares on the 30th Business Day after the delivery of the Company Redemption Notice by paying the redemption price in RMB in immediately available funds to such Convertible Preference Shareholder. Until its receipt of the Company's payment of the redemption price in full, the Convertible Preference Shareholder shall remain the legal and beneficial owner of each Company Requested Redemption Share to be redeemed by the Company and shall enjoy all rights and privileges attached thereto, and the Company shall not declare or pay any dividend, make any other distribution or otherwise decrease its profits or funds available for distribution.

The redemption price per Convertible Preference Share shall be equal to (i) the RMB Subscription Price, plus (ii) simple interest of 13% per annum commencing on the date of Completion and ending on the date of payment of the redemption price for such Convertible Preference Share in full, less (iii) the Preferred Dividend actually paid by the Company on such Convertible Preference Share.

Redemption at the election of the Convertible Preference Shareholders

Each Convertible Preference Shareholder shall have the right to request, at any time after the first occurrence of any of the events set out in the Subscription Agreement and before expiry of the 42-month period from the date of Completion, the Company to redeem all or part of the outstanding Convertible Preference Shares held by it by written notice to the Company (the “**Investor Redemption Notice**”) specifying the number of Convertible Preference Shares to be redeemed (the “**Redemption Shares**”), these events include, among others:

- (a) two years having lapsed from the date of Completion;
- (b) a sale, transfer, lease or other disposition of all or substantially all of the assets owned and used by the Company primarily for the operation of its postpartum business to any person other than any wholly-owned subsidiary of the Company through a single transaction or a series of related transactions;
- (c) the Founder of postpartum care centre ceasing to hold any full-time management position in the Group;

- (d) a major transaction or a very substantial disposal (each as defined in the Listing Rules) having been proposed or effected by any members of the Group or any members of the Group having entered into any agreement or other arrangement with respect to such transaction or disposal;
- (e) a breach by the Founder of postpartum care centre of the non-competition undertaking given by it to the Company as set out in the Subscription Agreement; or
- (f) the Founder of postpartum care centre holding less than 5% of the then issued Ordinary Shares.

The redemption price per Convertible Preference Share shall be equal to (i) the RMB Subscription Price, plus (ii) simple interest of 13% per annum commencing on the date of Completion and ending on the date of payment of the redemption price for such Convertible Preference Share in full, less (iii) the Preferred Dividend actually paid by the Company on such Convertible Preference Share. On the 30th Business Day from the date of the Investor Redemption Notice, the Company shall redeem each Redemption Share from the relevant Convertible Preference Shareholder by paying the redemption price in RMB in immediately available funds to such Convertible Preference Shareholder. Until its receipt of the Company's payment of the redemption price in full, the Convertible Preference Shareholder shall remain the legal and beneficial owner of each Redemption Share and shall enjoy all rights and privileges attached thereto, and the Company shall not declare or pay any dividend, make any other distribution or otherwise decrease its profits or funds available for distribution.

Transferability:

Unless the Company has materially breached the terms of the Subscription Agreement or the Constitutional Documents, no Convertible Preference Shareholder shall transfer its Convertible Preference Shares, in whole or in part, to any third party (except for any affiliate of such Convertible Preference Shareholder) without the written consent of the Company subject to compliance with the conditions of the Constitutional Documents and the conditions, approvals, requirements and any other provisions of or under the Listing Rules (including any approval(s) that may be required from the Stock Exchange in case the Convertible Preference Shares are transferred to a connected person of the Company), and all applicable laws and regulations.

Board observer:

From the date of Completion, the Subscriber (or its affiliate(s) which hold Shares if the Subscriber ceases to hold any Shares) shall be entitled to appoint, remove and replace a board observer (“**Observer**”) to the Board and each committee thereof. The Observer shall be entitled to receive notices, minutes, and all other materials in relation to the meetings of the Board and of each committee thereof at the same time as such notices, minutes and other materials are provided to the other members of the Board or such committee. The Observer may participate in a meeting of the Board by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can communicate with each other at the same time. The Observer may be represented at any meetings of the Board or committee thereof by a proxy appointed in writing by him. The Observer shall have the right to give advice and suggestions to the Board but shall have no right in any way to vote on any matters determined by any resolutions. The Observer shall not be entitled to any fee or other remuneration in his capacity as a board observer on the Board.

Anti-dilution:

The Conversion Price shall be adjusted when the following event(s) arises:

- (a) If at any time the number of outstanding Ordinary Shares proportionately changes as a result of share split, share division, share combination, share dividend, reorganisation, mergers, consolidations, reclassifications, exchanges, substitutions, recapitalisation or similar events, then the Conversion Price shall be proportionately adjusted.
- (b) If at any time, the Company issues equity securities for a consideration per Ordinary Shares (on a fully diluted basis) less than the then-effective Conversion Price of any class of Convertible Preference Shares, then, as of the date of such issue or sale, the Conversion Price of such class of Convertible Preference Shares shall be adjusted in accordance with the formula set out in the Subscription Agreement.

As at the date of this announcement, the Company has no convertible preference shares in issue.

APPLICATION FOR LISTING

No listing will be sought for the Convertible Preference Shares on the Stock Exchange or any other stock exchange. An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares.

EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

For illustrative purpose only, set out below is the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after the allotment and issue of the Conversion Shares upon full conversion of all the Convertible Preference Shares (assuming there are no other changes in the issued share capital of the Company between the date of this announcement and upon full conversion of all the Convertible Preference Shares):

| Name of Shareholders | As at the date of this announcement | | Immediately after the allotment and issue of the Conversion Shares upon full conversion of all the Convertible Preference Shares in full | |
|---|--|--------------------------|---|--------------------------|
| | <i>Number of Ordinary Shares</i> | <i>Approximate %</i> | <i>Number of Ordinary Shares</i> | <i>Approximate %</i> |
| Champion Dynasty Limited ⁽¹⁾ | 830,379,671 | 19.24 | 830,379,671 | 17.71 |
| Ms. Zhu Yufei ⁽²⁾ | 555,151,755 | 12.87 | 555,151,755 | 11.84 |
| Suntak Global Growth Fund SPC – Suntek Global Growth Fund Number One SP Limited | 398,304,379 | 9.23 | 398,304,379 | 8.49 |
| The Subscriber or its affiliate | – | – | 374,531,836 ⁽³⁾ | 7.99 |
| Public Shareholders | <u>2,531,179,169</u> | <u>58.66</u> | <u>2,531,179,169</u> | <u>53.97</u> |
| Total: | <u>4,315,014,974</u> | <u>100.00</u> | <u>4,689,546,810</u> | <u>100.00</u> |

Notes:

- (1) Champion Dynasty Limited is a company wholly owned by Mr. Cheung Wai Kuen, an executive Director of the Company.
- (2) Ms. Zhu Yufei is (i) beneficially interested in 255,151,755 Ordinary Shares; (ii) deemed to be interested in 200,000,000 Ordinary Shares through Hongchang International Investment Limited; and (iii) deemed to be interested in 100,000,000 Ordinary Shares through Hongyuan Investment Limited, both being her controlled corporations.

- (3) The number of Ordinary Shares is calculated based on the assumption that (i) each Convertible Preference Share is being converted into one Conversion Share; and (ii) the Conversion Price for Class A Convertible Preference Shares and Class B Convertible Preference Shares is HK\$0.5 and HK\$0.7, respectively.
- (4) The above percentages are subject to rounding adjustments.

INFORMATION OF THE COMPANY AND THE GROUP

The Company is an exempted company incorporated in the Bermuda with limited liability. The Group primarily engages in the postpartum care services business.

INFORMATION OF THE SUBSCRIBER

Zhuhai Deyou Bohui Enterprise Management Consulting Center (Limited Partnership) (珠海德祐博暉企業管理諮詢中心(有限合夥)) is a limited partnership established in the PRC, the general partner of which is Zhuhai Gao Ling Deyou Investment Management Co., Ltd. (珠海高瓴德祐投資管理有限公司) and the investment manager of which is Zhuhai Gao Ling Equity Investment Management Co., Ltd. (珠海高瓴股權投資管理有限公司), a limited liability company established in the PRC (“**Zhuhai Gao Ling**”). Zhuhai Gao Ling partners with exceptional entrepreneurs and management teams to create value, often with a focus on innovation and growth.

REASONS AND BENEFITS FOR THE ISSUE OF CONVERTIBLE PREFERENCE SHARES

The Directors consider that it is to the Subscription is a good opportunity for the Company to raise capital while broadening its shareholder base as well as its capital base. The Directors consider the transactions contemplated under the Subscription Agreement to be fair and reasonable and in the best interest of the Shareholders as a whole.

LISTING RULES IMPLICATION

The issuance and allotment of the Convertible Preference Shares has no implication under Rule 7.27B of the Listing Rules.

USE OF PROCEEDS

The aggregate Consideration for the subscription of the Convertible Preference Shares is HK\$224,719,101.6. The net proceeds from the issue of the Convertible Preference Shares, after deduction of all relevant expenses incidental to the Subscription, are estimated to be approximately HK\$222,719,000, and the estimated net prices per Class A Convertible Preference Shares and Class B Convertible Preference Shares are approximately HK\$0.49 and HK\$0.69, respectively. The Group intends to apply approximately 70% of the net proceeds from the Subscription to repay its debts and the remaining net proceeds for general working capital purpose.

EQUITY FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST 12 MONTHS

The Company did not conduct any equity fund raising activities in the past 12 months immediately before the date of this announcement.

AMENDMENT OF THE CONSTITUTIONAL DOCUMENTS

The Board proposes that the Convertible Preference Shares be created and that the Constitutional Documents be amended to, among others, reflect the increase in authorised share capital of the Company and incorporate the terms of the Convertible Preference Shares as summarised in the paragraph headed “Terms of the Convertible Preference Shares” in this announcement. The amendments to the Constitutional Documents are subject to the approval of the Shareholders at the SGM. Further details of the proposed amendments to the Constitutional Documents will be set out in the circular in relation to the SGM to be despatched to the Shareholders.

GENERAL

The SGM will be convened for the purpose of considering and, if deemed appropriate, approving, among other things, the Specific Mandate, the amendments to the Constitutional Documents and the increase in authorised share capital of the Company for the purpose of creating and issuing the Convertible Preference Shares.

A circular containing, among other things, details of the Subscription Agreement, amendments to the Constitutional Documents, the increase in authorised share capital of the Company, and a notice to convene the SGM is expected to be despatched to the Shareholders in due course in accordance with the relevant requirements under the Constitutional Documents and the Listing Rules. Further announcement(s) will be made in connection with the despatch of the circular.

As the Subscription is subject to the satisfaction of the respective conditions of the Subscription Agreement, the Subscription may or may not materialise. Shareholders and potential investors are reminded to exercise caution when dealing in the Ordinary Shares.

DEFINITIONS

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

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| “Board” | the board of Directors |
| “Business Day” | a day (excluding a Saturday, Sunday or public holiday) on which licensed banks in Hong Kong and the PRC are generally open for business throughout their normal business hours |
| “Class A Convertible Preference Share(s)” | the 187,265,918 new class A non-voting and redeemable convertible preference shares of par value of HK\$0.01 each in the capital of the Company to be subscribed by the Subscriber or its affiliate under the Subscription Agreement |
| “Class B Convertible Preference Share(s)” | the 187,265,918 new class B non-voting and redeemable convertible preference shares of par value of HK\$0.01 each in the capital of the Company to be subscribed by the Subscriber or its affiliate under the Subscription Agreement |
| “Company” | Aidigong Maternal & Child Health Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 286) |

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| “Completion” | completion of the Subscription in accordance with the terms and conditions of the Subscription Agreement |
| “connected person” | has the meaning ascribed thereto in the Listing Rules |
| “Consideration” | HK\$224,719,101.6, being the total amount to be received by the Company upon the allotment and issue of the Convertible Preference Shares to the Subscriber or its affiliate |
| “Constitutional Documents” | the memorandum of association and bye-laws of the Company (as amended from time to time) |
| “Conversion Right” | the right held by Convertible Preference Shareholders to convert any Convertible Preference Share into Ordinary Share in accordance with the terms of the Subscription Agreement |
| “Conversion Share(s)” | the Ordinary Share(s) to be allotted and issued upon exercise of the Conversion Right by a Convertible Preference Shareholder |
| “Convertible Preference Shareholder(s)” | a person or persons who is or are registered in the register required to be maintained by the Company as a holder or joint-holders of the Convertible Preference Shares |
| “Convertible Preference Share(s)” | Class A Convertible Preference Shares and Class B Convertible Preference Shares |
| “Director(s)” | the directors of the Company from time to time |
| “Disposal” | the disposal of 51% equity interest held by the Group in Guangdong Huatai Health Industry Co., Ltd.* (廣東驊泰健康產業有限公司), a company established in the PRC with limited liability and principally engaged in properties development in accordance with the Luofushan Disposal Agreement |

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| “Founder of postpartum care centre” | Ms. Zhu Yufei (朱昱霏), who is an executive Director, the chairman of the Board and the chief executive officer of the Company |
| “Group” | the Company and its subsidiaries |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “Listing Rules” | The Rules Governing the Listing of Securities on the Stock Exchange |
| “Long Stop Date” | a date three months from the date of the Subscription Agreement (which date may be extended by the Subscriber at its sole discretion by not more than three months by giving written notice to the Company), or such later date as the Company and the Subscriber may agree) |
| “Luofushan Disposal Agreement” | the agreement dated 28 August 2022 entered into between Dongguan Dongdi Health Industry Co., Ltd.* (東莞市東帝健康產業有限公司), an indirect wholly-owned subsidiary of the Company, and Huizhou Love Home Real Estate Co., Ltd.* (惠州市愛的家置業有限公司) in relation to the Disposal |
| “Ordinary Share(s)” | the ordinary share(s) of par value of HK\$0.01 each in the share capital of the Company |
| “Ordinary Shareholder(s)” | a person or persons who is or are registered in the register required to be maintained by the Company as a holder or jointholders of the Ordinary Shares |
| “PRC” | the People’s Republic of China which, for the purpose of this announcement, exclude Hong Kong, Macau Special Administrative Region of the PRC and Taiwan |

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| “RMB” | Renminbi, the lawful currency of the PRC |
| “RMB Subscription Price” | the RMB equivalent of the Subscription Price based on an HK\$-to-RMB exchange rate of 1:0.89 as provided in the Subscription Agreement, being RMB0.445 with respect to each Class A Convertible Preference Share and RMB0.623 with respect to each Class B Convertible Preference Share |
| “Share(s)” | the Ordinary Share(s) and Convertible Preference Share(s) |
| “Shareholder(s)” | holder(s) of the Shares of the Company |
| “SFC” | the Securities and Futures Commission of Hong Kong |
| “SGM” | a special general meeting of the Company to be held to consider and, if thought fit, approve, among other things the Subscription Agreement and the transactions contemplated thereunder, the Specific Mandate, the amendments to the Constitutional Documents and the increase in authorised share capital of the Company for the purpose of creating and issuing the Convertible Preference Shares |
| “Specific Mandate” | the specific mandate to be sought from the Shareholders at the SGM for the allotment and issuance of the Convertible Preference Shares and the issue of the Conversion Shares to the Convertible Preference Shareholder(s) upon conversion of any or part of the Convertible Preference Shares |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Subscriber” | Zhuhai Deyou Bohui Enterprise Management Consulting Center (Limited Partnership).*(珠海德祐博暉企業管理諮詢中心(有限合夥)), a limited partnership established in the PRC |

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| “Subscription” | the subscription by the Subscriber or its affiliate for the Convertible Preference Shares pursuant to and in accordance with the terms under the Subscription Agreement |
| “Subscription Agreement” | the conditional subscription agreement dated 9 September 2022 entered into between the Company and the Subscriber in relation to the subscription of the Convertible Preference Shares |
| “Subscription Price” | the subscription price of HK\$0.5 per Class A Convertible Preference Share and HK\$0.7 per Class B Convertible Preference Share |
| “Takeovers Code” | The Hong Kong Code on Takeovers and Mergers |
| “%” | per cent |

By Order of the Board
Aidigong Maternal & Child Health Limited
Zhu Yufei
Chairman

Hong Kong, 9 September 2022

As at the date of this announcement, the Board comprises Ms. Zhu Yufei, Mr. Cheung Wai Kuen, Mr. Lin Jiang and Mr. Li Runping as executive Directors; and Ms. Yu Lin, Mr. Lam Chi Wing and Mr. Wong Yiu Kit, Ernest as independent non-executive Directors.

* *for identification purposes only*