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UNIVERSAL HEALTH INTERNATIONAL GROUP HOLDING LIMITED
大健康國際集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2211)

SUBSCRIPTION OF NEW SHARES
UNDER GENERAL MANDATE

On 12 June 2024 (after trading hours), the Company, as the issuer, entered into the Subscription Agreements with the Subscribers, pursuant to which the Subscribers have conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue an aggregate of 133,509,926 Subscription Shares at the Subscription Price of HK\$0.08 per Subscription Share for cash of approximately HK\$10.7 million.

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the date of Completion, the Subscription Shares under the Subscription Agreements represents (i) approximately 20.00% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of the total Subscription Shares under the Subscription Agreements.

The Subscription Price of HK\$0.08 per Subscription Share represents (i) the closing price per Share as quoted on the Stock Exchange on 12 June 2024, i.e. the date of the Subscription Agreements; and (ii) a premium of approximately 12.7% to the average closing price of HK\$0.071 per Share as quoted on the Stock Exchange for the five consecutive trading days of Shares immediately preceding to the date of the Subscription Agreements.

Assuming that the Subscription Shares are fully subscribed, the gross proceeds from the Subscriptions are expected to be approximately HK\$10.7 million. The net proceeds of the Subscriptions, after deduction of all relevant expenses, are estimated to be approximately HK\$10.2 million, representing a net price of approximately HK\$0.076 per Subscription Share. The Company intends to apply the net proceeds as general working capital of the Group.

Shareholders and prospective investors should be reminded that the Completion of each of the Subscriptions is subject to the satisfaction of the conditions as set out in the relevant Subscription Agreement. As any of the Subscriptions may or may not proceed, Shareholders and prospective investors are advised to exercise caution when dealing in the Shares.

The Board is pleased to announce that on 12 June 2024 (after trading hours), the Company, as the issuer, entered into the Subscription Agreements with the Subscribers, pursuant to which the Subscribers have agreed to subscribe for, and the Company has agreed to allot and issue, an aggregate of 133,509,926 Subscription Shares at the Subscription Price of HK\$0.08 per Subscription Share. Each of the Subscriptions is subject to the conditions set out under the section headed “Conditions Precedent”.

SUBSCRIPTION AGREEMENTS

Subscription Agreement A

- Date : 12 June 2024
- Parties : (1) the Company as issuer; and
(2) Subscriber A as subscriber
- Number of Subscription Shares : 35,000,000 Subscription Shares A, which represents:
A subscribed by Subscriber A
- (i) approximately 5.24% of the existing issued share capital of the Company as at the date of this announcement; and
 - (ii) approximately 4.37% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares (assuming that there are no other changes in the share capital of the Company between the date of the Subscription Agreements and the date of the Completion).

Subscription Agreement B

- Date : 12 June 2024
- Parties : (1) the Company as issuer; and
(2) Subscriber B as subscriber
- Number of Subscription Shares B subscribed by Subscriber B : 38,509,926 Subscription Shares B, which represents:
- (i) approximately 5.77% of the existing issued share capital of the Company as at the date of this announcement; and
 - (ii) approximately 4.81% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares (assuming that there are no other changes in the share capital of the Company between the date of the Subscription Agreements and the date of the Completion).

Subscription Agreement C

- Date : 12 June 2024
- Parties : (1) the Company as issuer; and
(2) Subscriber C as subscriber
- Number of Subscription Shares C subscribed by Subscriber C : 30,000,000 Subscription Shares C, which represents:
- (i) approximately 4.49% of the existing issued share capital of the Company as at the date of this announcement; and
 - (ii) approximately 3.75% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares (assuming that there are no other changes in the share capital of the Company between the date of the Subscription Agreements and the date of the Completion).

Subscription Agreement D

- Date : 12 June 2024
- Parties : (1) the Company as issuer; and
(2) Subscriber D as subscriber
- Number of Subscription Shares : 30,000,000 Subscription Shares D, which represents:
D subscribed by Subscriber D
- (i) approximately 4.49% of the existing issued share capital of the Company as at the date of this announcement; and
 - (ii) approximately 3.75% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares (assuming that there are no other changes in the share capital of the Company between the date of the Subscription Agreements and the date of the Completion).

SUBSCRIPTION PRICE

The Subscription Price of HK\$0.08 per Subscription Share represents:

- (i) the closing price per Share as quoted on the Stock Exchange on 12 June 2024, i.e. the date of the Subscription Agreements; and
- (ii) a premium of approximately 12.7% to the average closing price of HK\$0.071 as quoted on the Stock Exchange for the five consecutive trading days of Shares immediately preceding the date of the Subscription Agreements.

The Subscription Price of HK\$0.08 for each of the Subscriptions was arrived at after arm's length negotiations between the Company and the Subscribers with reference to the recent market prices of the Shares and current market conditions.

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

RANKING OF THE SUBSCRIPTION SHARES

The Subscription Shares will rank pari passu in all respects with the Shares in issue on the date of allotment and issue of the Subscription Shares.

GENERAL MANDATE

The allotment and issue of the Subscription Shares will not be subject to the approval of the Shareholders and the Subscription Shares will be issued under the General Mandate granted to the Directors at the AGM. Pursuant to the General Mandate, the total number of new Shares that the Company is authorised to issue is 133,509,926 Shares, representing 20% of the total number of Shares in issue as at the date of the AGM. Since the date of the AGM and up to the date of this announcement, no new Shares have been allotted and issued by the Company under the General Mandate, the General Mandate is sufficient for the allotment and issue of the Subscription Shares. The Subscription Shares shall utilise 100% of the General Mandate.

CONDITIONS PRECEDENT

Each of the Subscriptions is conditional upon:

- (i) the Listing Committee having granted the listing of, and permission to deal in, the Subscription Shares on the Stock Exchange;
- (ii) all necessary and relevant approvals and consents in relation to the Subscription having been obtained by the Company and the Subscriber; and
- (iii) the representations and warranties of the Company under the Subscription Agreement being true, accurate and not misleading in all material respects as at the date of the Subscription Agreement and the date of the Completion.

An application will be made by the Company to the Listing Committee for the listing of, and permission to deal in, the Subscription Shares.

Completion

Completion of each one of the Subscriptions is expected to take place at 4:00 p.m. on the second Business Day after all the Conditions Precedent having been fulfilled (or such later date or time as the parties to the relevant Subscription Agreement may agree in writing).

EFFECTS ON SHAREHOLDING STRUCTURE

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

	As at the date of this announcement		Immediately after completion of the Subscriptions	
	Number of Shares	Approx. % of shareholding	Number of Shares	Approx. % of shareholding
Directors and substantial Shareholders				
Asia Health Century International Inc.				
(Note)	90,701,495	13.59	90,701,495	11.32
Chu Chuanfu	7,990,201	1.19	7,990,201	0.99
Zhao Zehua	723,400	0.11	723,400	0.09
Jin Dongkun	580,000	0.09	580,000	0.07
Cheng Sheung Hing	50,000	0.01	50,000	0.01
Chiang Su Hui Susie	50,000	0.01	50,000	0.01
Zou Haiyan	50,000	0.01	50,000	0.01
Public Shareholders				
Subscriber A	–	–	35,000,000	4.37
Subscriber B	–	–	38,509,926	4.80
Subscriber C	–	–	30,000,000	3.75
Subscriber D	–	–	30,000,000	3.75
Other public shareholders	<u>567,404,536</u>	<u>84.99</u>	<u>567,404,536</u>	<u>70.83</u>
Total	<u><u>667,549,632</u></u>	<u><u>100</u></u>	<u><u>801,059,558</u></u>	<u><u>100</u></u>

Note:

Asia Health Century International Inc. (“Asia Health”) is beneficially wholly-owned by Mr. Chu Chuanfu, the chairman of the Board and an executive Director and as such, Mr. Chu is deemed to be interested in all the Shares held by Asia Health under the SFO.

INFORMATION ON THE GROUP

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

INFORMATION ON THE SUBSCRIBERS

Subscriber A is an Independent Third Party and is a retired businessman.

Subscriber B is an Independent Third Party and is an executive director and the general manager of an internet technology company in the Mainland China.

Subscriber C is an Independent Third Party and is a retired businessman.

Subscriber D is an Independent Third Party and is a retired businessman.

REASONS FOR THE SUBSCRIPTIONS AND USE OF PROCEEDS

Assuming that all the Subscription Shares are fully subscribed, the gross proceeds from the Subscriptions are expected to be approximate HK\$10.7 million. The estimated net proceeds from the Subscriptions, after deducting all the relevant expenses, will amount to approximately HK\$10.2 million, representing a net price of approximately of HK\$0.76 per Subscription Share. The Company intends to apply such net proceeds for general working capital for the Group, including but not limited to, (i) daily operation of physical retail chain stores; and (ii) inventory replenishment.

The expected time and usage of the net proceeds will be as follows, (i) approximately HK\$7.5 million of the net proceeds will be used to procure inventory in July 2024, in relation to the purchase of pharmaceutical and healthcare products (mainly new drugs for tumors, immune system and blood system, etc.) for daily operations; and (ii) approximately HK\$2.7 million of the net proceeds will be used to pay off rental expenses for physical retail chain stores in the fourth quarter of 2024.

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

The Directors consider that the net proceeds of the Subscriptions will improve the Group's liquidity. The issue of the Subscription Shares will also broaden the shareholder base and capital base of the Company.

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

EQUITY FUNDRAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE MONTHS

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

WARNING

Shareholders and prospective investors should be reminded that the Completion of each of the Subscriptions is subject to the satisfaction of the conditions as set out in the relevant Subscription Agreement. As any of the Subscriptions may or may not proceed, Shareholders and prospective investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

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

“AGM”	the annual general meeting of the Company held on 12 December 2023
“Board”	the board of Directors
“Business Day(s)”	any day on which the Stock Exchange is open for the business of dealing in securities
“Company”	Universal Health International Group Holding Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the main board of the Stock Exchange (stock code: 2211)
“Completion”	completion of each one of the Subscriptions in accordance with the terms and conditions of the relevant Subscription Agreements
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“General Mandate”	the mandate granted to the Directors by the Shareholders at the AGM to issue, allot and deal with up to 20% of the then issued share capital of the Company as at the date of the AGM
“Group”	the Company and its subsidiaries

“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Independent Third Party”	third party independent of and not connected with the Company and its connected persons and is not acting in concert (as defined in the Takeovers Code) with any of the connected persons of the Company or any of their respective associates (as defined under the Listing Rules)
“Listing Committee”	the listing committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) with a nominal value of US\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber A”	Jiang Xia (蔣霞), an Independent Third Party
“Subscriber B”	Yin Gongzheng (尹功政), an Independent Third Party
“Subscriber C”	Chang Juchun (常菊春), an Independent Third Party
“Subscriber D”	Liu Shuhua (劉淑華), an Independent Third Party
“Subscribers”	Subscriber A, Subscriber B, Subscriber C and Subscriber D, and “Subscriber” shall mean any of them
“Subscription Agreement A”	the subscription agreement dated 12 June 2024 entered into between the Company and Subscriber A for the subscription of 35,000,000 Subscription Shares A
“Subscription Agreement B”	the subscription agreement dated 12 June 2024 entered into between the Company and Subscriber B for the subscription of 38,509,926 Subscription Shares B

“Subscription Agreement C”	the subscription agreement dated 12 June 2024 entered into between the Company and Subscriber C for the subscription of 30,000,000 Subscription Shares C
“Subscription Agreement D”	the subscription agreement dated 12 June 2024 entered into between the Company and Subscriber D for the subscription of 30,000,000 Subscription Shares D
“Subscription Agreements”	the Subscription Agreement A, the Subscription Agreement B, the Subscription Agreement C and the Subscription Agreement D
“Subscription Price”	HK\$0.08 per Subscription Price
“Subscription Shares”	A total of 133,509,926 Shares subscribed by the Subscribers under the Subscription Agreements, and “Subscription Share” shall refer to any of them
“Subscription Shares A”	35,000,000 Shares subscribed by Subscriber A
“Subscription Shares B”	38,509,926 Shares subscribed by Subscriber B
“Subscription Shares C”	30,000,000 Shares subscribed by Subscriber C
“Subscription Shares D”	30,000,000 Shares subscribed by Subscriber D
“Subscriptions”	the subscriptions of (i) 35,000,000 Subscription Shares A by Subscriber A; (ii) 38,509,926 Subscription Shares B by Subscriber B; (iii) 30,000,000 Subscription Shares C by Subscriber C; and (iv) 30,000,000 Subscription Shares D by Subscriber D
“Takeovers Code”	the Code on Takeovers and Mergers issued by the Securities and Futures Commission

“US\$” United States dollars, the lawful currency of the United States of America

“%” per cent

By order of the Board
Universal Health International Group Holding Limited
Chu Chuanfu
Chairman and Executive Director

Hong Kong, 12 June 2024

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