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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)**

### **DISCLOSEABLE AND CONNECTED TRANSACTION INTRODUCTION OF NWS AS A NEW JV PARTNER INTO THE UMP PHOENIX JV CHANGE OF UMP PHOENIX JV'S NAME TO UMP HEALTHCARE (BEIJING) GROUP LIMITED**

Reference is made to the prospectus of the Company dated 17 November 2015. As disclosed in the Prospectus, on 13 July 2015, UMP Healthcare China, a wholly-owned subsidiary of the Company, entered into a joint venture agreement with Phoenix to form a joint venture company, UMP Phoenix JV, on a 50:50 basis.

The Board is pleased to announce that on 27 September 2016, UMP Healthcare China, a wholly-owned subsidiary of the Company, entered into a Subscription and Purchase Agreement with NWS Subsidiary and UMP Phoenix JV to introduce NWS Subsidiary as a new JV partner of UMP Phoenix JV. Pursuant to the Subscription and Purchase Agreement, UMP Healthcare China agreed to subscribe for the Subscription Shares at a consideration of RMB55,000,000 and condition upon the Subscription Completion, NWS Subsidiary agreed to purchase the Sale Shares from UMP Healthcare China at a consideration of RMB55,000,000. The joint venture company shall be renamed as UMP Healthcare (Beijing) Group Limited. Immediately after the Sale Completion, UMP Beijing will be owned as to 50% by UMP Healthcare China, 30% by Phoenix and 20% by NWS Subsidiary. UMP Beijing will become a non-wholly owned subsidiary of the Company.

As one of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the transactions under the Subscription and Purchase Agreement exceeds 5% but is less than 25%, the transactions contemplated under the Subscription and Purchase Agreement constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules. As at the date of this announcement, CTFE holds approximately 15% of the issued share capital of the Company, and therefore a substantial Shareholder of the Company under Listing Rules. CTFE holds approximately 43.9% of the total issued share capital of NWD and approximately 2.5% of the total issued share capital of NWS. NWD holds approximately 61.3% of the total issued share capital of NWS. NWS Subsidiary is an indirect wholly-owned subsidiary of NWS and accordingly, a connected person of the Company under the Listing Rules and the transaction under the Subscription and Purchase Agreement constitutes a connected transaction of the Company which is subject to the reporting, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

A circular containing, among other things, (i) further details of the Subscription and Purchase Agreement; (ii) a letter from the independent board committee; (iii) a letter from the independent financial adviser; (iv) a notice of the EGM; and (v) other information concerning the Company as required under the Listing Rules is expected to be despatched to the Shareholders on or before 21 October 2016.

## **INTRODUCTION**

Reference is made to the prospectus of the Company dated 17 November 2015. As disclosed in the Prospectus, on 13 July 2015, UMP Healthcare China, a wholly-owned subsidiary of the Company, entered into a joint venture agreement with Phoenix to form a joint venture company, UMP Phoenix JV, on a 50:50 basis.

The Board is pleased to announce that on 27 September 2016, UMP Healthcare China, a wholly-owned subsidiary of the Company, entered into a Subscription and Purchase Agreement with NWS Subsidiary and UMP Phoenix JV to introduce NWS Subsidiary as a new JV partner of UMP Phoenix JV. UMP Phoenix JV will also change its name to UMP Healthcare (Beijing) Group Limited.

Upon the completion of the Subscription Completion and the Sale Completion, the Company, UMP Healthcare China, Phoenix Subsidiary, Phoenix, NWS Subsidiary, NWSS and UMP Beijing will enter into the Amended and Restated Shareholders' Agreement to regulate the rights and obligations of the shareholders of UMP Beijing.

## **THE AGREEMENTS**

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

### **(1) SUBSCRIPTION AND PURCHASE AGREEMENT**

#### **Date**

27 September 2016

## **Parties**

1. UMP Healthcare China (as the Subscriber);
2. NWS Subsidiary (as the Purchaser); and
3. UMP Phoenix JV

## **Subject matter**

Pursuant to the terms of the Subscription and Purchase Agreement, the Subscriber shall subscribe the Subscription Shares at a subscription price of RMB55,000,000 free from all encumbrances and together with all rights and benefits attached to such Subscription Shares as at the date of the Subscription Completion. The subscription price for the Subscription Shares was agreed after arm's length negotiations between the parties. Immediately after the Subscription Completion, UMP Healthcare China will hold approximately 70% of the issued share capital of the UMP Phoenix JV.

Condition upon the Subscription Completion, NWS Subsidiary shall purchase the Sale Shares, representing 20% of the issued share capital of UMP Phoenix JV, from UMP Healthcare China at a consideration of RMB55,000,000. The purchase price for the Sale Shares was agreed after arm's length negotiations between the parties. Following the Sale Completion, UMP Phoenix JV will be renamed as UMP Beijing.

Immediately after Sale Completion, UMP Beijing will be owned as to 50% by UMP Healthcare China, 30% by Phoenix and 20% by NWS Subsidiary and UMP Beijing will become a non-wholly owned subsidiary of the Company.

## **Conditions Precedent**

Subscription Completion and Sale Completion are conditional on the satisfaction and/or waiver of, among other things, the following conditions on or before the Long Stop Date:

- (a) where required, the independent shareholders of the Company having approved the entering into of the Subscription and Purchase Agreement and the transactions contemplated herein;
- (b) the warranties given by UMP Phoenix JV remaining true and accurate in all respects and not misleading in any respect as at the Subscription Completion and the Sale Completion;
- (c) NWS Subsidiary being satisfied with the results of its due diligence in respect of the Group and the Sale Shares;
- (d) the warranties given by UMP Healthcare China remaining true and accurate in all respects and not misleading in any respect as at the Sale Completion;
- (e) the controlling shareholders of NWS Subsidiary having duly complied with the relevant Listing Rules in connection with the execution of the Subscription and Purchase Agreement and transactions contemplated thereunder;

- (f) there not having occurred, in the sole opinion of NWS Subsidiary and to its satisfaction only, a material adverse change to the financial, business, prospect or trading position of the Company and the Group as a whole; and
- (g) all necessary waivers, consents and approvals to implement the transactions contemplated under the Subscription and Purchase Agreement having been obtained.

### **Completion**

The Sale Completion shall take place immediately after the Subscription Completion to the effect that the Subscription Completion and the Sale Completion shall essentially take place close to simultaneously.

On the date of the Subscription Completion and the Sale Completion, at the instruction of and on behalf of UMP Healthcare China, the consideration for the Sale Shares, in the amount of RMB55,000,000 which is the same as the consideration for the Subscription Shares shall be made by NWS Subsidiary in immediately available funds by way of wire transfer to the bank account of the Company.

### **Change of Name of UMP Phoenix JV**

Following the Sale Completion, the name of UMP Phoenix JV will be changed to “UMP Healthcare (Beijing) Group Limited”, subject to the Registrar of Corporate Affairs of the BVI approving the change of company name.

## **(2) AMENDED AND RESTATED SHAREHOLDERS’ AGREEMENT**

At the time of the establishment of the UMP Phoenix JV, UMP Healthcare China, Phoenix Subsidiary, UMP Phoenix JV and other relevant parties entered into a joint venture shareholders’ agreement to regulate the rights and obligations of the then shareholders of UMP Phoenix JV.

Upon the completion of the Subscription Completion and the Sale Completion, the Company, UMP Healthcare China, Phoenix Subsidiary, Phoenix, NWS Subsidiary, NWSS and UMP Beijing will enter into the Amended and Restated Shareholders’ Agreement to regulate the rights and obligations of the shareholders of UMP Beijing.

The principal terms of the Amended and Restated Shareholders’ Agreement are set out as follows:

### **Parties**

1. The Company;
2. UMP Healthcare China;
3. Phoenix;
4. Phoenix Subsidiary;

5. NWS Subsidiary;
6. NWSS; and
7. UMP Phoenix JV (to be renamed as UMP Beijing)

### ***Investment Amount***

The parties acknowledged that each of UMP Healthcare China and Phoenix Subsidiary has previously advanced an interest-free shareholder's loan of RMB24,250,000 to the UMP Phoenix JV. Such shareholders' loans have been capitalised and converted into new Shares issued and allotted to each of UMP China and Phoenix Subsidiary on pro-rata basis. Pursuant to the Subscription and Purchase Agreement, NWS Subsidiary has indirectly (through UMP Healthcare China) contributed the capital of RMB55,000,000 to UMP Beijing.

### ***Scope of business***

The scope of business of UMP Beijing shall be the investment in, and the establishment of, a general clinic network in Beijing-Tianjin-Hebei, the PRC and the operation and management of the clinics under the brand names as the board of UMP Beijing may from time to time decide, and any other business activities as the Shareholders may agree pursuant to the Amended and Restated Shareholders' Agreement from time to time.

### ***Board composition***

Pursuant to the Amended and Restated Shareholders' Agreement, the board of directors of UMP Beijing shall comprise five directors. UMP Healthcare China is entitled to appoint three directors and each of Phoenix and NWS Subsidiary is entitled to appoint one director to the board of UMP Beijing. The chairman of the board shall be nominated by UMP Healthcare China.

### ***Management of UMP Beijing***

UMP Beijing has the following committees in place to carry out certain operational and strategic functions:

- *Finance and business development committee:* responsible for making recommendations to the board of directors of UMP Beijing on all financing decisions and expansion strategy, including but not limited to potential acquisitions. The committee shall have four members of whom two shall be nominated by UMP Healthcare China and one shall be nominated by each of Phoenix and NWS Subsidiary.
- *Professional, ethical and standards committee:* responsible for setting standards for clinical services at various out-patient centres and propose such standards to the Board from time to time. The committee shall have four members of whom two shall be nominated by UMP Healthcare China and two of which shall be nominated by Phoenix.

- *Professional development and training committee:* responsible for the on-going training and supervision of doctors regarding the delivery of clinical services. The committee shall have four members of whom two shall be nominated by UMP Healthcare China and two of which shall be nominated by Phoenix.
- *Information Technology and Business Administration Committee:* responsible for developing uses of IT in clinics management, business development and in efficient business administration and third party administration services. The committee shall have four members of whom two shall be nominated by UMP Healthcare China and two of which shall be nominated by Phoenix.

### ***Exclusivity***

Each of UMP Healthcare China and Phoenix shall not, without prior written consent of the other shareholder(s), co-operate with any other third parties or independently established clinics network and/or healthcare management organisations in whatever form within Beijing, Tianjin and/or Hebei region of the PRC.

### ***Resolution of Deadlock***

In the event that any shareholder of UMP Beijing in good faith shall consider that, as a result of disagreement between them, no satisfactory resolution of material points can be achieved and/or that UMP Beijing is being operated to the detriment of such shareholder, and the auditors of UMP Beijing for the time being certify that in their opinion the question at issue is of material importance either to the present or then current business of UMP Beijing or any other business contemplated by the Amended and Restated Shareholders' Agreement and/or that UMP Beijing is being operated to the detriment of such shareholder, then such Shareholder may serve upon the others a notice of termination.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE TRANSACTION**

UMP Phoenix JV has been actively developing corporate healthcare solutions services in Beijing since the formation of the UMP Phoenix JV. Over the past 12 months, UMP Phoenix JV has received numerous enquiries from different strategic partners expressing an interest to invest in UMP Phoenix JV. Having considered the potential contribution of these various strategic partners, both the Company and Phoenix are of the view that NWS will be a good strategic partner for UMP Beijing for the following reasons:

- NWS, a main board listed company with a market capitalisation of over HK\$50 billion as at the date of this announcement, has been investing in the healthcare sector/industry through its investment in Gleneagles Hong Kong Hospital, which is expected to commence operations in 2017. NWS is exploring further opportunities in the healthcare area; and
- NWS has extensive experience and a track record in establishing and managing new businesses in China through constructing and managing infrastructure businesses ranging from toll roads, ports to water treatment facilities. NWS has accumulated significant China “know-hows” in setting up new businesses in China. We believe that

as UMP Beijing expands its operations in Beijing and nearby regions, NWS's know-how, business network and financial strength will be invaluable in assisting UMP Beijing in such expansion.

In addition to contributing NWS's expertise, it is NWS's intention that its investment (through NWS Subsidiary) will be in the form of additional capital being indirectly contributed into UMP Beijing (instead of purchasing existing shares from the Company and Phoenix). Under the terms of the initial shareholders agreement signed between the Company and Phoenix, both the Company and Phoenix have anti-dilution rights under the shareholders agreement. If both the Company and Phoenix insist on exercising such anti-dilution rights in parallel, then it would not be possible for NWS to obtain a 20% stake in UMP Beijing following the issuance of new shares.

Phoenix is of the view that the Company possesses greater expertise in commercial health insurance co-operations and corporate healthcare solutions management, and it is important that the Company continues to maintain the most significant equity ownership in the joint venture. As such, following extensive discussions with Phoenix, Phoenix has agreed with the Company that it will not exercise its anti-dilution right. Based on the transaction structure stated above, the Company has effectively exercised its anti-dilution right and continues to maintain a 50% ownership in UMP Beijing after the effective issuance of new shares to NWS Subsidiary.

The Board believes the Group's collaboration with NWS and Phoenix would facilitate the Group in the development of the general clinic network in Beijing-Tianjin-Hebei of the PRC. The Board believes that the Company can further explore opportunities with NWS to further develop its healthcare business in the PRC.

The Directors (excluding independent non-executive Directors whose view will be given after taking into account the advice from the Independent Financial Adviser) consider that it is in the best interests of the Company and the Shareholders as a whole to enter into the Subscription and Purchase Agreement and the transactions contemplated thereunder; the terms of the Subscription and Purchase Agreement are fair and reasonable; and the entering into of the Subscription and Purchase Agreement and transactions contemplated thereunder are on normal commercial terms or better, in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As one of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the transactions under the Subscription and Purchase Agreement exceeds 5% but is less than 25%, the transactions contemplated under the Subscription and Purchase Agreement constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules. As at the date of this announcement, CTFE holds approximately 15% of the issued share capital of the Company, and therefore a substantial Shareholder of the Company under the Listing Rules. CTFE holds approximately 43.9% of the total issued share capital of NWD and approximately 2.5% of the total issued share capital of NWS. NWD holds approximately 61.3% of the total issued share capital of NWS. NWS Subsidiary is an indirect wholly-owned subsidiary of NWS and accordingly, a connected person of the Company under the

Listing Rules and the transaction under the Subscription and Purchase Agreement constitutes a connected transaction of the Company which is subject to the reporting, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

A circular containing, among other things, (i) further details of the Subscription and Purchase Agreement; (ii) a letter from the independent board committee; (iii) a letter from the independent financial adviser; (iv) a notice of the EGM; and (v) other information concerning the Company as required under the Listing Rules is expected to be despatched to the Shareholders on or before 21 October 2016.

Shareholders and potential investors should note that the Subscription and Purchase Agreement, the Amended and Restated Shareholders' Agreement and the transactions contemplated thereunder are subject to the approval by the independent Shareholders at the EGM.

## **INFORMATION OF THE PARTIES**

The Company is incorporated in the Cayman Islands with limited liability, whose shares are listed on the Main Board of the Stock Exchange. The Group is one of the leading corporate healthcare solutions providers in Hong Kong which partners with corporations and insurance companies in the design and administration of corporate healthcare benefits plans for, and provides healthcare services to, such members, employees and policyholders.

UMP Healthcare China is a company incorporated in the Cayman Islands with limited liability and a wholly-owned subsidiary of the Company. It is principally engaged in the business of investment holding.

NWS Subsidiary is a company incorporated under the laws of Hong Kong and a wholly-owned subsidiary of NWS. It is principally engaged in the business of investment holding.

NWS Group is principally engaged in (i) the development, investment, operation and/or management of roads, environmental projects, commercial aircraft leasing as well as ports and logistics facilities; and (ii) the investment in and/or operation of facilities, construction, transport and strategic investments.

Phoenix is a company incorporated in the Cayman Islands with limited liability. It is principally engaged in the provision of general hospital services, hospital management services and the supply chain business in Beijing.

Phoenix Subsidiary is a company incorporated under the laws of BVI with limited liability which is an indirect wholly-owned subsidiary of Phoenix. It is principally engaged in the business of investment holding.

## DEFINITION

Unless the context otherwise requires, capitalised terms used in this announcement shall have the following meanings:

“Amended and Restated Shareholders’ Agreement”	the amended and restated joint venture shareholders’ agreement entered into between the Company, UMP Healthcare China, Phoenix, Phoenix Subsidiary, NWS Subsidiary, NWSS and UMP Phoenix JV, in relation to the rights and obligations of the shareholders of UMP Phoenix JV
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“BVI”	the British Virgin Islands
“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
“connected person”	has the meaning ascribed to it under the Listing Rules
“CTFE”	Chow Tai Fook Enterprises Limited, a company incorporated in Hong Kong with limited liability, a substantial Shareholder of the Company
“Director(s)”	the director(s) of the Company
“EGM”	an extraordinary general meeting of the Company to be held for the Shareholders to consider and, if thought fit, approve the Subscription and Purchase Agreement and the transactions contemplated thereunder
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Long Stop Date”	30 November 2016 or such other date mutually accepted by the parties to the Subscription and Purchase Agreement in writing
“Main Board”	Main Board of The Stock Exchange of Hong Kong Limited

“NWD”	New World Development Company Limited, a company incorporated in Hong Kong with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 17) and beneficially owned as to approximately 43.9% by CTFE as at the date of this announcement
“NWS”	NWS Holdings Limited, a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 659) and beneficially owned as to approximately 61.3% by NWD and 2.5% by CTFE as at the date of this announcement
“NWSS”	NWS Service Management Limited, a company incorporated in the Cayman Islands with limited liability, which is a direct wholly-owned subsidiary of NWS
“NWS Group”	NWS and its subsidiaries from time to time
“NWS Subsidiary” or the “Purchaser”	Dynamic Ally Limited, a company incorporated in Hong Kong with limited liability, which is an indirect wholly-owned subsidiary of NWS
“Phoenix”	Phoenix Healthcare Group Co. Ltd., a company incorporated in the Cayman Islands and listed on the Main Board of the Stock Exchange (stock code: 1515), which indirectly owns the entire share capital of Phoenix Subsidiary and for the purpose of this Announcement, as the context requires, Phoenix is also used interchangeably with the Phoenix Subsidiary
“Phoenix Subsidiary”	Pinyu Limited, a company incorporated under the laws of BVI with limited liability on 3 January 2013, which is a substantial shareholder of the Company and an indirect wholly-owned subsidiary of Phoenix
“PRC”	the People’s Republic of China (excluding, for the purpose of this announcement, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan)
“Sale Completion”	the completion of sale and purchase of the Sale Shares pursuant to Subscription and Purchase Agreement
“Sale Shares”	the 3,334 shares to be sold by the Subscriber to NWS Subsidiary, representing 20% of the enlarged share capital of UMP Phoenix JV immediately after the Subscription Completion

“Share(s)”	ordinary shares 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
“Subscription and Purchase Agreement”	the share subscription and purchase agreement entered into between UMP Healthcare China, NWS Subsidiary and UMP Phoenix JV on 27 September 2016
“Subscription Completion”	the completion of the subscription of the Subscription Shares pursuant to the Subscription and Purchase Agreement
“Subscription Shares”	the 6,668 shares to be subscribed by the Subscriber, representing approximately 40% of the enlarged share capital of UMP Phoenix JV immediately after the Subscription Completion
“substantial shareholder(s)”	has the same meaning ascribed to it under the Listing Rules
“UMP Beijing”	UMP Healthcare (Beijing) Group Limited, which is the new name to be adopted for UMP Phoenix JV following the Subscription Completion
“UMP Healthcare China” or “Subscriber”	UMP Healthcare China Limited, a company incorporated under the laws of the Cayman Islands and a wholly-owned subsidiary of the Company
“UMP Phoenix JV”	UMP Phoenix Healthcare Limited, a company incorporated under the laws of the BVI and owned by UMP Healthcare China and Phoenix Subsidiary as to 50%, respectively, immediately prior to the Subscription Completion

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

Hong Kong, 27 September 2016

*As at the date of this announcement, the Board 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. SUN Man Kin, Michael, Mr. LEE Kar Chung, Felix and Mr. JIANG Tianfan 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.*