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China Medical & HealthCare Group Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 383)

RESULTS OF THE RIGHTS ISSUE ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY TWO (2) SHARES HELD ON THE RECORD DATE

References are made to the prospectus (the “**Prospectus**”) of China Medical & HealthCare Group Limited (the “**Company**”) dated 24 May 2023 and the announcements of the Company dated 5 May 2023, 9 May 2023 and 23 May 2023 in relation to the Rights Issue. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Prospectus.

RESULTS OF THE RIGHTS ISSUE

The Board is pleased to announce that at 4:00 p.m. on Thursday, 8 June 2023, being the Latest Time for Acceptance of and payment for the Rights Shares, and application and payment for excess Rights Shares, a total of 26 valid applications and acceptances were received comprising:

- (i) a total of 14 valid acceptances of provisional allotments under the PALs in respect of 219,368,128 Rights Shares, representing approximately 60.60% of the total number of the Rights Shares available under the Rights Issue; and
- (ii) a total of 12 valid applications for excess Rights Shares under the EAFs in respect of 180,897,131 excess Rights Shares, representing approximately 49.97% of the total number of the Rights Shares available under the Rights Issue.

In aggregate, 400,265,259 Rights Shares validly accepted and applied for under the PALs and EAFs represent approximately 110.57% of the total number of 362,001,819 Rights Shares available under the Rights Issue. Accordingly, the Rights Issue was over-subscribed by 38,263,440 Rights Shares, representing approximately 10.57% of the total number of Rights Shares available for subscription under the Rights Issue.

The Board (excluding Mr. Zhou Haiying (an executive Director) who voted against this announcement) considered and approved the issue of this announcement.

Excess application

Based on the number of valid acceptances under the PALs as referred to above, 142,633,691 Rights Shares were available for subscription under the EAFs. A total of 180,897,131 excess Rights Shares were applied for under the EAFs.

The allocation of the excess Rights Shares was made pursuant to the principles set out in the Prospectus. Given that the number of excess Rights Shares available for subscription under the EAFs was insufficient to satisfy all valid applications, the allocation of the 142,633,691 Rights Shares to the Qualifying Shareholders who applied for excess Rights Shares was made on a fair and equitable basis, and as far as practicable on a pro-rata basis of approximately 78.85% of the number of excess Rights Shares applied for under each application. Reference for allocation of excess Rights Shares was only made to the number of excess Rights Shares applied for and no reference was made to the Rights Shares subscribed through applications by PALs or the existing number of Shares held by the Qualifying Shareholders. In addition, no preference was given to applications for topping up odd-lot holdings to whole lot holdings. The following table sets forth the details of excess applications validly received:

Number of valid excess applications	Total number of excess Rights Shares applied for	Total number of excess Rights Shares allotted	Approximate percentage of allocation based on the total number of excess Rights Shares applied for
12	180,897,131	142,633,691	78.85%

As a result of the excess applications, there might be a possible trigger of the unconditional mandatory offer by Tian An China Investments Company Limited (“**Tian An**”), the shares of which are listed on the Main Board of the Stock Exchange (stock code: 28). Trading of the Shares will continue to be suspended and the Company will make further announcement to keep Shareholders and potential investors informed of any progress as and when appropriate.

The Underwriting Agreement

As all the conditions of the Rights Issue have been fulfilled and the Underwriting Agreement was not terminated by the Underwriter prior to the Latest Time for Termination, the Underwriting Agreement became unconditional at 4:00 p.m. on Friday, 9 June 2023.

Since the Rights Issue was over-subscribed by 38,263,440 Rights Shares and there were no Rights Shares not taken up, the obligations of the Underwriter have been fully discharged in accordance with the terms of the Underwriting Agreement.

Use of proceeds

The gross proceeds from the Rights Issue are approximately HK\$318.6 million, and the net proceeds from the Rights Issue after deducting all relevant expenses in relation to the Rights Issue are approximately HK\$309.1 million. The Company currently intends to apply the net proceeds of approximately HK\$309.1 million from the Rights Issue for financing the development of the phase II of Kunming hospital as set out in the Prospectus.

EFFECT OF THE RIGHTS ISSUE ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the following table sets out the shareholding structure of the Company (i) immediately before completion of the Rights Issue and as at the date of this announcement; and (ii) immediately after completion of the Rights Issue:

	Immediately before completion of the Rights Issue and as at the date of this announcement		Immediately after completion of the Rights Issue	
	<i>No. of Shares</i>	<i>%</i>	<i>No. of Shares</i>	<i>%</i>
Cool Clouds Limited (Note 1)	200,000,000	27.62%	200,000,000	18.42%
Ms. Chong Sok Un (Note 2)	130,244,457	17.99%	195,366,685	17.99%
Victor Beauty Investments Limited (Note 3)	100,000,000	13.81%	100,000,000	9.21%
Fareast Global Limited (Note 4)	92,991,481	12.84%	358,717,000	33.03%
Underwriter	—	0.00%	—	0.00%
Public Shareholders	200,767,700	27.74%	231,921,772	21.35%
Total	<u>724,003,638</u>	<u>100.00%</u>	<u>1,086,005,457</u>	<u>100.00%</u>

Notes:

1. Cool Clouds Limited is a wholly-owned subsidiary of Resuccess Investments Limited which in turn is wholly-owned by Tsinghua Tongfang Co., Ltd.
2. Immediately after completion of the Rights Issue, Ms. Chong Sok Un (“**Ms. Chong**”), an executive Director, owns 928,125 Shares. Vigor Online Offshore Limited owns 194,438,560 Shares and is a wholly-owned subsidiary of China Spirit Limited which in turn is wholly-owned by Ms. Chong.
3. Victor Beauty Investments Limited is indirectly wholly-owned by China Minsheng Investment Group Corp., Ltd.
4. Fareast Global Limited is a wholly-owned subsidiary of Tian An. Tian An is interested as to approximately 55.72% by Allied Group Limited, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 373).
5. Certain percentages included in the above table have been subject to rounding adjustments.

DESPATCH OF SHARE CERTIFICATES FOR RIGHTS SHARES AND REFUND CHEQUES

Completion of the Rights Issue will take place on Friday, 16 June 2023.

Share certificates for all fully-paid Rights Shares will be posted to those Qualifying Shareholders entitled thereto, and the refund cheques for the partially unsuccessful applications for excess Rights Shares (without interest) will be posted to the relevant applicants, by ordinary post to their respective registered address at their own risk on Friday, 16 June 2023. Each such entitled Qualifying Shareholder will receive one share certificate for all the Rights Shares in fully-paid form, except HKSCC Nominees Limited.

COMMENCEMENT OF DEALINGS IN THE FULLY-PAID RIGHTS SHARES

Dealings in the Rights Shares, in their fully-paid form, on the Stock Exchange will commence upon resumption of trading of the Shares.

CONTINUED SUSPENSION OF TRADING OF SHARES

At the request of the Company, the trading of the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on Friday, 9 June 2023 and will remain to be suspended upon resumption of trading of the Shares.

By order of the Board
China Medical & HealthCare Group Limited
Chong Sok Un
Deputy Chairman

Hong Kong, 15 June 2023

As at the date of this announcement, the Directors comprises:-

Executive Directors

Ms. Chong Sok Un (Deputy Chairman), Mr. Kong Muk Yin, Mr. Guo Meibao and Mr. Zhou Haiying

Non-Executive Directors

Mr. Lai Hin Wing Henry Stephen and Mr. Gao Zhaoyuan

Independent Non-Executive Directors

Mr. Zhang Jian, Dr. Xia Xiaoning, Dr. Wong Wing Kuen, Albert and Ms. Yang Lai Sum, Lisa