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## **LIFE HEALTHCARE GROUP LIMITED**

**蓮和醫療健康集團有限公司**

*(incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 928)**

### **PLACING OF NEW SHARES UNDER GENERAL MANDATE**

#### **Placing Agent**



**英皇證券(香港)有限公司**

**Emperor Securities Limited**

On 22 April 2021 (after the trading hours), the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Placing Agent has conditionally agreed to place, on a best efforts basis, up to 257,000,000 Placing Shares to Placee(s) at the Placing Price of HK\$0.2 per Placing Share.

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the Completion Date, the Placing Shares representing approximately 19.99% of the existing issued share capital of the Company as at the date of this announcement and approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares.

The Placing Price of HK\$0.2 per Placing Share represents (i) a discount of approximately 4.31% to the closing price of HK\$0.209 per Share as quoted on the Stock Exchange on the Last Trading Day; and (ii) a discount of approximately 2.44% to the average of the closing prices per Share of HK\$0.205 as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Placing Agreement.

The gross proceeds from the Placing will be HK\$51.40 million and the net proceeds from the Placing (after deducting the placing commission for the Placing and other relevant expenses) will be approximately HK\$50.77 million. The Company intends to apply (i) approximately 80% or more of the net proceeds for acquisition of and/or investment in business(es) which leverage on the competitive advantage of the Group should suitable opportunities arise; and (ii) the remaining proceeds, if any, for enrichment of working capital for operation and expansion of existing business.

The Placing is conditional upon, *inter alia*, the Stock Exchange granting the listing of, and permission to deal in, the Placing Shares.

**As Completion is subject to the satisfaction of the conditions in the Placing Agreement, the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## THE PLACING AGREEMENT

### Date

22 April 2021 (after trading hours)

### Issuer

The Company

### Placing Agent

Emperor Securities Limited

The Placing Agent has conditionally agreed to place a maximum of up to 257,000,000 Placing Shares on a best effort basis and in consideration thereof, it will receive a placing commission of 1% on the gross proceeds of the Placing upon completion of the Placing. The Directors are of the view that the placing commission accords with the market rate and is fair and reasonable.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, the Placing Agent and its ultimate beneficial owners are Independent Third Parties.

### Placee(s)

The Placing Shares will be placed to Placee(s) which are professional, institutional and/or other investors, who and whose ultimate beneficial owners are Independent Third Parties. Further announcement will be made by the Company in the event that the number of Placees is less than six.

## **Number of Placing Shares**

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the Completion Date (save for the allotment and issue of the Placing Shares), the maximum number of 257,000,000 Placing Shares represents approximately 19.99% of the existing issued share capital of the Company and approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares.

## **Placing Price**

The Placing Price of HK\$0.2 per Placing Share represents (i) a discount of approximately 4.31% to the closing price of HK\$0.209 per Share as quoted on the Stock Exchange on the Last Trading Day; and (ii) a discount of approximately 2.44% to the average closing price of HK\$0.205 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Placing Agreement.

The Placing Price was determined and negotiated on an arm's length basis between the Company and the Placing Agent with reference to the prevailing market price and conditions of the Shares. The Directors consider that the Placing Price is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

## **Ranking of Placing Shares**

The Placing Shares, when issued and fully paid, will rank *pari passu* in all respects among themselves and with the other Shares in issue as at the date of allotment and issue of the Placing Shares.

## **General Mandate**

No shareholders' approval is required for the Placing and the Placing Shares will be issued and allotted by the Company pursuant to the general mandate granted to the Directors to issue Shares (the "**General Mandate**") at the annual general meeting held on 21 August 2020. At that annual general meeting, the Shareholders have granted to the Directors, among others, the General Mandate to issue up to 1,285,025,060 shares of HK\$0.01 each, representing 20% of the issued share capital of the Company as at the date of the passing of the resolution of 6,425,125,300 shares of HK\$0.01 each. The Company has completed the consolidation of five shares of HK\$0.01 each into one consolidated share of HK\$0.05 each on 23 September 2020. Accordingly, the number of Shares that may be issued under the General Mandate has correspondingly been adjusted to 257,005,012 Shares. As at the date of this announcement, no Shares have been issued pursuant to the General Mandate.

## **Conditions of the Placing**

The Placing is conditional upon the following conditions being fulfilled:

- (i) the passing by the Board of resolution(s) to approve the Placing Agreement and the transactions contemplated hereunder; and
- (ii) the Listing Committee of the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, the Placing Shares with or without conditions.

If any of the above conditions is not fulfilled on or before 13 May 2021, or such later date as the Company and the Placing Agent may agree in writing, the Placing Agreement shall be terminated and all rights, obligations and liabilities of the parties hereunder in relation to the Placing shall cease and determine and that both parties shall be released from all their respective obligations pursuant to the Placing Agreement and neither party shall have any claim against the other party in respect of the Placing save for any antecedent breach.

## **Application for listing**

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

## **Termination**

Notwithstanding anything contained in the Placing Agreement, the Placing Agent may terminate the Placing Agreement without any liability to the Company, by notice in writing given to the Company at any time prior to 10:00 a.m. on the Completion Date upon the occurrence of the following events which, in the absolute opinion of the Placing Agent, has or may have a material adverse effect on the business or financial conditions or prospects of the Company or the Group taken as a whole or the success of the Placing or the full placement of all of the Placing Shares or otherwise makes it inappropriate, inadvisable or inexpedient to proceed with the Placing on the terms and in the manner contemplated in the Placing Agreement if there develops, occurs or comes into force:

- (a) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events, developments or changes occurring or continuing before, on and/or after the date hereof) and including an event or change in relation to or a development of an existing state of affairs of a political, military, industrial, financial, economic, fiscal, regulatory or other nature, resulting in a change in, or which may result in a change in, political, economic, fiscal, financial, regulatory or stock market conditions and which in the Placing Agent's absolute opinion would affect the success of the Placing; or

- (b) the imposition of any moratorium, suspension (for more than 7 trading days) or restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise and which in the Placing Agent's absolute opinion, would affect the success of the Placing; or
- (c) any new law or regulation or change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong or any other jurisdiction relevant to the Group and if in the Placing Agent's absolute opinion any such new law or change may affect the business or financial prospects of the Group and/or the success of the Placing; or
- (d) any litigation or claim being instigated against any member of the Group or its senior management, which has or may affect the business or financial position of the Group and which in the Placing Agent's absolute opinion would affect the success of the Placing; or
- (e) any breach of any of the representations and warranties set out in the Placing Agreement comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date hereof and prior to the Completion Date which if it had occurred or arisen before the date hereof would have rendered any of such representations and warranties untrue or incorrect in a material respect or there has been a material breach by the Company of any other provision of Placing Agreement; or
- (f) there is any material change (whether or not forming part of a series of changes) in market conditions which in the absolute opinion of the Placing Agent would materially and prejudicially affect the Placing or makes it inadvisable or inexpedient for the Placing to proceed.

Upon the giving of notice by the Placing Agent to the Company pursuant to the Placing Agreement, all obligations of each of the parties under the Placing Agreement shall cease and determine and no party shall have any claim against any other party in respect of any matter arising out of or in connection with the Placing Agreement except for any antecedent breach of any obligation and liabilities under the Placing Agreement.

### **Completion of the Placing**

Completion of the Placing will take place at 4:00 p.m. (Hong Kong time) within seven (7) Business Days after the date on which all the conditions as set out in the paragraph headed "Conditions of the Placing" above are satisfied or such other date as the Company and the Placing Agent may agree in writing.

**As completion of the Placing is subject to the satisfaction of a number of conditions under the Placing Agreement and the placing is on a best effort basis, the Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## REASONS FOR THE PLACING AND USE OF PROCEEDS

The Company is an investment holding company and its subsidiaries are principally engaged in healthcare products and services business, money lending business and securities trading and investment business.

The gross proceeds from the Placing will be HK\$51.40 million and the net proceeds from the Placing (after deducting the placing commission for the Placing and other relevant expenses) will be approximately HK\$50.77 million. The Company intends to apply (i) approximately 80% or more of the net proceeds for acquisition of and/or investment in business(es) which leverage on the competitive advantage of the Group should suitable opportunities arise; and (ii) the remaining proceeds, if any, for enrichment of working capital for operation and expansion of existing business.

The Board is of the view that the Placing will enlarge the shareholder base and the capital base of the Company. In addition, the net proceeds of the Placing will strengthen the Group's financial position for its future development. Accordingly, the Board considers that the Placing is in the interests of the Company and the Shareholders as a whole.

## EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

The changes of the shareholding structure of the Company as a result of the Placing are as follows:

Name of Shareholders	Shareholding as at the date of this announcement		Shareholding immediately upon completion of the Placing	
	Number of Shares	Approximate %	Number of Shares	Approximate %
<b>Substantial Shareholders:</b>				
逢震 Pang Zhen*	285,004,080	22.18%	285,004,080	18.48%
周春燕 Zhou Chunyan*	244,212,611	19.00%	244,212,611	15.84%
Pioneer Environmental International Industries Company Limited ( <i>Note</i> )	160,120,000	12.46%	160,120,000	10.38%
<b>Public Shareholders:</b>				
Placee(s)	—	—	257,000,000	16.67%
Others	595,688,369	46.36%	595,688,369	38.63%
<b>Total</b>	<b>1,285,025,060</b>	<b>100%</b>	<b>1,542,025,060</b>	<b>100%</b>

\* *For identification purposes only*

*Note:* The entire issued share capital of Pioneer Environmental International Industries Company Limited is legally and beneficially owned by Ms. Liu Na, who is deemed to be interest in all the Shares held by Pioneer Environmental International Industries Company Limited by virtue of the SFO.

## FUND RAISING ACTIVITY OF THE COMPANY IN THE PAST TWELVE MONTHS

Apart from the fund raising activity mentioned below, the Company has not conducted any other fund raising activities involving the issue of its equity securities in the 12 months immediately preceding the date of this announcement.

Date of announcement	Fund raising activity	Net proceeds raised (approximately)	Proposed use of the net proceeds	Actual use of the net proceeds as at the date of this announcement
30 July 2020	Placing of up to 1,070,840,000 new shares of HK\$0.01 each at the placing price of HK\$0.028 per Share of HK\$0.01 each under general mandate, which was completed on 17 August 2020	HK\$29.21 million	(i) approximately HK\$26 million or more for expansion of existing business and/or acquisition of and/or investment in business(es) in relation to healthcare products and services business when opportunities arise; and  (ii) the remaining proceeds, if any, for the general working capital of the Group.	Used as intended

## DEFINITIONS

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

“Board”	the board of Directors
“Business Day”	a day (other than a Saturday or Sunday or days on which a tropical cyclone warning No. 8 or above or a “black rainstorm warning signal” is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which banks in Hong Kong are open for general banking business
“Company”	Life Healthcare Group Limited, a company incorporated in Cayman Islands with limited liability, the securities of which are listed on the Main Board of the Stock Exchange (Stock Code: 928)

“Completion”	completion of the placing of the Placing Shares in accordance with the terms and conditions as set out in the Placing Agreement
“Completion Date”	the date within seven (7) Business Days after the date on which all the conditions set out in the Placing Agreement are satisfied or such other date as the Company and the Placing Agent may agree in writing
“connected persons”	has the meanings as ascribed thereto under the Listing Rules
“Director(s)”	director(s) of the Company
“General Mandate”	the mandate granted to the Directors by the Shareholders at the annual general meeting of the Company held on 21 August 2020 to allot, issue and deal with up to 20% of the issued Shares as at the date thereof
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	party(ies) who is (are) not connected person(s) of the Company and its subsidiaries and is (are) third party(ies) independent of the Company and connected persons of the Company
“Last Trading Day”	22 April 2021, being the last trading day for the Shares prior to this announcement
“Listing Committee”	has the meaning ascribed to it under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placee(s)”	institutional, professional and/or other investors, who are Independent Third Parties with whom the Placing Agent or its sub-agent(s) procure(s) to subscribe for any of the Placing Shares pursuant to the Placing Agreement
“Placing”	the placing of a maximum of up to 257,000,000 new Shares by the Placing Agent on a best effort basis pursuant to the terms of the Placing Agreement



“Placing Agent”	Emperor Securities Limited, a licensed corporation to carry on business in type 1 regulated activity (dealing in securities) and type 4 regulated activity (advising on securities) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreement”	the placing agreement dated 22 April 2021 and entered into between the Company and the Placing Agent in relation to the Placing
“Placing Price”	HK\$0.2 per Placing Share
“Placing Shares”	up to 257,000,000 new Shares to be placed under the Placing Agreement
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.05 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

By order of the Board  
**Life Healthcare Group Limited**  
**Xu Xueping**  
*Chairman*

Hong Kong, 22 April 2021

*As at the date of this announcement, the Board comprises:*

*Executive Directors:*

Mr. Xu Xueping (*Chairman*)

Mr. Man Wai Lun

*Non-executive Director:*

Ms. Fu Xiaoji

*Independent Non-executive Directors:*

Mr. Liu Xinghua

Mr. Cheng Chun Man

Ms. Zheng Xin