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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)

PROPOSED SHARE CONSOLIDATION AND PROPOSED CHANGE IN BOARD LOT SIZE

PROPOSED SHARE CONSOLIDATION

The Board proposes to implement the Share Consolidation on the basis that every five (5) issued and unissued Existing Shares of HK\$0.05 each will be consolidated into one (1) Consolidated Share of HK\$0.25 each. The Share Consolidation is conditional upon, among other things, the approval of the Shareholders at the EGM.

As at the date of this announcement, there are 1,702,505,060 Existing Shares in issue which are fully paid or credited as fully paid. Assuming that the Subscription is completed and there is no change in the total number of Shares in issue (other than the issue of the Subscription Shares) from the date of this announcement to the date of completion of the Subscription, the authorised share capital of the Company is HK\$500,000,000 divided into 10,000,000,000 Existing Shares of par value of HK\$0.05 each, of which 1,850,425,060 Existing Shares will be in issue and fully paid or credited as fully paid.

Assuming that the Subscription is completed and no further Shares will be issued or repurchased from the date of the completion of the Subscription up to the effective date of the Share Consolidation, immediately after the Share Consolidation becoming effective, the authorised share capital of the Company shall remain at HK\$500,000,000 divided into 2,000,000,000 Consolidated Shares of par value of HK\$0.25 each, of which 370,085,012 Consolidated Shares will be in issue and fully paid or credited as fully paid.

PROPOSED CHANGE IN BOARD LOT SIZE

As the date of this announcement, the Existing Shares are traded on the Stock Exchange in board lot size of 20,000 Existing Shares. The Board proposes to change the board lot size for trading on the Stock Exchange from 20,000 Existing Shares to 10,000 Consolidated Shares subject to and upon the Share Consolidation becoming effective.

Based on the closing price of HK\$0.073 per Existing Share (equivalent to HK\$0.365 per Consolidated Share) as quoted on the Stock Exchange as at the date of this announcement, the market value of each board lot of 10,000 Consolidated Shares, assuming the Share Consolidation and the Change in Board Lot Size had become effective, would be HK\$3,650.

GENERAL

The EGM will be convened and held for the Shareholders to consider and if thought fit, approve the Share Consolidation. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholder will be required to abstain from voting on the resolution in relation to the Share Consolidation at the EGM.

A circular containing, among other things, further information on the proposed Share Consolidation, the Change in Board Lot Size and a notice to convene the EGM are expected to be despatched to the Shareholders on or before Thursday, 21 December 2023.

PROPOSED SHARE CONSOLIDATION

The Board proposes to implement the Share Consolidation on the basis that every five (5) issued and unissued Existing Shares of HK\$0.05 each will be consolidated into one (1) Consolidated Share of HK\$0.25 each.

Effects of the Share Consolidation

As at the date of this announcement, the authorised share capital of the Company is HK\$500,000,000 divided into 10,000,000,000 Existing Shares of par value of HK\$0.05 each, of which 1,702,505,060 Existing Shares have been issued and are fully paid or credited as fully paid. Assuming that the Subscription is completed and there is no change in the total number of Shares in issue (other than the issue of the Subscription Shares) from the date of this announcement to the date of completion of the Subscription, the authorised share capital of the Company is HK\$500,000,000 divided into 10,000,000,000 Existing Shares of par value of HK\$0.05 each, of which 1,850,425,060 Existing Shares will be in issue and fully paid or credited as fully paid.

Assuming that the Subscription is completed and no further Shares will be issued or repurchased from the date of the completion of the Subscription up to the effective date of the Share Consolidation, immediately after the Share Consolidation becoming effective, the authorised share capital of the Company shall remain at HK\$500,000,000 divided into 2,000,000,000 Consolidated Shares of par value of HK\$0.25 each, of which 370,085,012 Consolidated Shares will be in issue and fully paid or credited as fully paid.

Upon the Share Consolidation becoming effective, the Consolidated Shares shall rank *pari passu* in all respects with each other.

Other than the expenses to be incurred in relation to the Share Consolidation and the Change in Board Lot Size, the implementation of the Share Consolidation will have no effect on the consolidated net asset value of the Group, nor alter the underlying assets, business operations, management or financial position of the Company or the proportionate interests or rights of the Shareholders, save that any fractional Consolidated Shares will not be allocated to Shareholders who may otherwise be entitled.

Conditions of the Share Consolidation

The implementation of the Share Consolidation is conditional upon:

- (i) the passing of an ordinary resolution by the Shareholders at the EGM to approve the Share Consolidation;
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares in issue and to be issued upon the Share Consolidation becoming effective; and
- (iii) the compliance with all relevant procedures and requirements under the applicable laws of the Cayman Islands and the Listing Rules to effect the Share Consolidation.

As at the date of this announcement, none of the conditions above had been fulfilled.

Subject to the fulfilment of the conditions of the Share Consolidation, the effective date of the Share Consolidation is expected to be on Friday, 12 January 2024, being the second Business Day after the date of EGM.

Listing Application

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 Consolidated Shares in issue and to be issued upon the Share Consolidation becoming effective.

Subject to the granting of the listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange upon the Share Consolidation becoming effective, as well as compliance with the stock admission requirements of the HKSCC, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements will be made for the Consolidated Shares to be admitted into CCASS established and operated by HKSCC.

None of the Existing Shares are listed or dealt in on any other stock exchange other than the Stock Exchange, and at the time the Share Consolidation becomes effective, the Consolidated Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is proposed to be sought.

Adjustments in relation to other securities of the Company

Under the relevant terms and conditions of the Share Option Scheme, the Share Consolidation may lead to adjustments to the number of Shares falling to be issued, the method of exercise of the Share Options and the exercise price of the Share Options pursuant to the terms thereof. As at the date of this announcement, there are 86,040,000 outstanding Share Options entitling the holders thereof to subscribe for the Existing Shares under the Share Option Scheme. The Company will make further announcement(s) on such adjustments as and when appropriate.

Save as disclosed above, as at the date of this announcement, the Company has no other outstanding options, warrants or other securities in issue which are convertible into or giving rights to subscribe for, convert or exchange into, any Existing Shares or Consolidated Shares, as the case may be.

PROPOSED CHANGE IN BOARD LOT SIZE

As the date of this announcement, the Existing Shares are traded on the Stock Exchange in board lot size of 20,000 Existing Shares. The Board proposes to change the board lot size for trading on the Stock Exchange from 20,000 Existing Shares to 10,000 Consolidated Shares subject to and upon the Share Consolidation becoming effective.

Based on the closing price of HK\$0.073 per Existing Share (equivalent to HK\$0.365 per Consolidated Share) as quoted on the Stock Exchange as at the date of this announcement, the market value of each board lot of 10,000 Consolidated Shares, assuming the Share Consolidation and the Change in Board Lot Size had become effective, would be HK\$3,650.

OTHER ARRANGEMENTS

Fractional entitlement to Consolidated Shares

Fractional Consolidated Shares arising from the Share Consolidation, if any, will be disregarded and will not be issued to the Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold and retained for the benefit of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Existing Shares regardless of the number of share certificates held by such holder.

Free exchange of share certificates for Consolidated Shares

Subject to the Share Consolidation becoming effective, which is currently expected to be Friday, 12 January 2024, being the second Business Day immediately after the date of the EGM, Shareholders may on or after Friday, 5 January 2024 and until Wednesday, 10 January 2024 (both days inclusive), submit their existing share certificates in purple colour for the Existing Shares to the Registrar, Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for exchange for new share certificates on the basis of every five (5) Existing Shares for one (1) Consolidated Share without any fractional Consolidated Share, in red colour for the Consolidated Shares at the expense of the Company. It is expected that the new share certificates for the Consolidated Shares will be available for collection within 10 Business Days after the submission of the existing share certificates to the Registrar for exchange. Thereafter, a fee of HK\$2.50 (or such other amount as may from time to time be allowed by the Stock Exchange) will be payable by the Shareholders to the Registrar for each share certificate for the Consolidated Shares issued or each share certificate for the Existing Shares submitted for cancellation, whichever is higher.

After 4:10 p.m. on Monday, 19 February 2024, trading will only be in Consolidated Shares which share certificates will be issued in red colour. Existing share certificates in purple colour for the Existing Shares will cease to be valid for trading, settlement and registration purpose, but will remain valid and effective as documents of title.

Arrangement on odd lot trading

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares arising from the Share Consolidation, the Company will appoint a securities firm to provide matching services, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Shares. Details of the odd lot arrangement will be set out in the circular to be despatched to the Shareholders.

REASONS FOR THE PROPOSED SHARE CONSOLIDATION AND CHANGE IN BOARD LOT SIZE

Pursuant to Rule 13.64 of the Listing Rules, where the market price of the securities of an issuer approaches the extremities of HK\$0.01 or HK\$9,995.00, the issuer may be required either to change the trading method or to proceed with a consolidation or splitting of its securities. Further, the “Guide on Trading Arrangements for Selected Types of Corporate Actions” issued by Hong Kong Exchanges and Clearing Limited on 28 November 2008 and last updated on 1 October 2020 states that (i) market price of the Shares at a level less than HK\$0.10 will be considered as trading at extremity as referred to under Rule 13.64 of the Listing Rules; and (ii) taking into account the minimum transaction costs for a securities trade, the expected board lot value per board lot should be greater than HK\$2,000.

In view of the prevailing trading prices of the Existing Shares, the Board proposes to implement the Share Consolidation. It is expected that the proposed Share Consolidation would bring about a corresponding upward adjustment in the trading price of the Consolidated Shares on the Stock Exchange. As a result, the proposed Share Consolidation would enable the Company to comply with the trading requirements under the Listing Rules. The Company also considers that the proposed Change in Board Lot Size will maintain the trading amount for each board lot at a reasonable level and attract more investors and broaden the shareholder base of the Company. Based on the closing price of HK\$0.073 per Existing Share (equivalent to HK\$0.365 per Consolidated Share) as quoted on the Stock Exchange as at the date of this announcement, the expected market value of each board lot of 10,000 Consolidated Shares, assuming the Share Consolidation and the Change in Board Lot Size had become effective, would be HK\$3,650, which is greater than HK\$2,000 and therefore complies with the requirement as set out in the said “Guide on Trading Arrangements for Selected Types of Corporate Actions”.

Other than the expenses to be incurred in relation to the Share Consolidation and the Change in Board Lot Size, the implementation of the Share Consolidation and the Change in Board Lot Size will have no effect on the consolidated net asset value of the Group, nor alter the underlying assets, business operations, management or the financial position of the Company or the proportionate interests of the Shareholders. Although the Share Consolidation and the Change in Board Lot Size may lead to the creation of odd lots of Shares, the Company will appoint a securities firm as agent to provide matching services for odd lots of Shares for a period of not less than three weeks, which will alleviate the difficulties caused by the creation of odd lots of Shares. In view of the above, the Board considers that the Share Consolidation and the Change in Board Lot Size are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

As at the date of this announcement, the Company has no intention to carry out other corporate actions in the next twelve months which may have an effect of undermining or negating the intended purpose of the Share Consolidation and the Change in Board Lot Size, and except for the Subscription as disclosed in the announcement of the Company dated 29 November 2023, the Company does not have any concrete plan to conduct any fundraising activities in the next twelve months. However, the Board cannot rule out the possibility that the Company will conduct debt and/or equity fundraising exercises when suitable opportunities arise in order to support future development of the Group. The Company will make further announcement(s) in this regard in accordance with the Listing Rules as and when appropriate.

EXPECTED TIMETABLE

Set out below is the expected timetable for the Share Consolidation and the Change in Board Lot Size. The expected timetable is subject to the results of the EGM and is therefore for indicative purpose only. Any change to the expected timetable will be announced in a separate announcement by the Company as and when appropriate. All times and dates in this announcement refer to Hong Kong local times and dates.

Date of despatch of the circular, together with notice
of the EGM and proxy form for the EGM Thursday, 21 December 2023

Latest date and time for lodging transfer documents
to qualify for attending and voting at the EGM 4:30 p.m. on
Thursday, 4 January 2024

Closure of register of members of the Company
for determining the identity of the Shareholders entitled
to attend and vote at the EGM Friday, 5 January 2024 to
Wednesday, 10 January 2024
(both days inclusive)

Latest time for lodging proxy forms for the EGM 10:00 a.m. on
Monday, 8 January 2024

Record date for attendance and voting at the EGM Wednesday, 10 January 2024

Date and time of the EGM 10:00 a.m. on
Wednesday, 10 January 2024

Publication of the announcement of the poll results
of the EGM Wednesday, 10 January 2024

The following events are conditional on the fulfillment of the conditions for the implementation of the Share Consolidation as set out in this announcement.

Effective date of the Share Consolidation Friday, 12 January 2024

First day of free exchange of existing share certificates
for new share certificates for the Consolidated Shares Friday, 12 January 2024

Commencement of dealings in the Consolidated Shares	9:00 a.m. on Friday, 12 January 2024
Original counter for trading in the Existing Shares in board lots of 20,000 Existing Shares (in the form of existing share certificates) temporarily closes	9:00 a.m. on Friday, 12 January 2024
Temporary counter for trading in the Consolidated Shares in board lots of 4,000 Consolidated Shares (in the form of existing share certificates) opens	9:00 a.m. on Friday, 12 January 2024
Original counter for trading in the Consolidated Shares in board lots of 10,000 Consolidated Shares (in the form of new share certificates for the Consolidation Shares) re-opens	9:00 a.m. on Friday, 26 January 2024
Parallel trading in the Consolidated Shares (in the form of existing share certificates and new share certificates for the Consolidated Shares) commences	9:00 a.m. on Friday, 26 January 2024
Designated broker starts to stand in the market to provide matching services for odd lots of the Consolidated Shares	9:00 a.m. on Friday, 26 January 2024
Designated broker ceases to stand in the market to provide matching services for odd lots of the Consolidated Shares	4:00 p.m. on Monday, 19 February 2024
Temporary counter for trading in the Consolidated Shares in board lots of 4,000 Consolidated Shares (in the form of existing share certificates) closes	4:10 p.m. on Monday, 19 February 2024
Parallel trading in the Consolidated Shares (in the form of existing share certificates and new share certificates for the Consolidation Shares) ends	4:10 p.m. on Monday, 19 February 2024
Last day and time for free exchange of existing share certificates into new share certificates for the Consolidated Shares	4:30 p.m. on Wednesday, 21 February 2024

GENERAL

The EGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Share Consolidation. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholder will be required to abstain from voting on the resolution in relation to the Share Consolidation at the EGM.

A circular containing, among other things, further information on the proposed Share Consolidation, the Change in Board Lot Size and a notice to convene the EGM are expected to be despatched to the Shareholders on or before Thursday, 21 December 2023.

Shareholders and potential investors of the Company should note that the Share Consolidation is conditional upon satisfaction of the conditions as set out in the paragraph headed “Conditions of the Share Consolidation” above in this announcement and the Change in Board Lot Size is conditional upon the Share Consolidation becoming effective. Accordingly, the Share Consolidation and the Change in Board Lot Size may or may not proceed.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares. If they are in any doubt, they should consult their professional advisers.

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
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Change in Board Lot Size”	the proposed change in board lot size of the Shares for trading on the Stock Exchange from 20,000 Existing Shares to 10,000 Consolidated Shares
“Company”	Life Healthcare Group Limited, a company incorporated in Cayman Islands with limited liability whose issued Shares are listed on the Main Board of the Stock Exchange (Stock Code: 928)

“Consolidated Share(s)”	ordinary share(s) of HK\$0.25 each in the share capital of the Company after the Share Consolidation becoming effective
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving the Share Consolidation
“Existing Share(s)”	issued and unissued ordinary share(s) of HK\$0.05 each in the existing share capital of the Company before the Share Consolidation becoming effective
“General Mandate”	the mandate granted to the Directors by the Shareholders at the annual general meeting of the Company held on 29 September 2023 to allot, issue and deal with up to 20% of the issued Shares as at the date thereof
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Registrar”	the Company’s branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong
“Share Consolidation”	the proposed consolidation of every five (5) Existing Shares of HK\$0.05 each into one (1) Consolidated Share of HK\$0.25 each
“Share(s)”	ordinary issued share(s) of HK\$0.05 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Share Option(s)”	the option(s) to subscribe for new Shares granted under the Share Option Scheme
“Share Option Scheme”	the share option scheme adopted by the Company on 12 October 2022
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Subscription”	the subscription of an aggregate of 147,920,000 new Shares by the subscribers at the subscription price at HK\$0.065 per subscription share pursuant to the terms and conditions as set out in the subscription agreements entered into between the Company and the subscribers, as disclosed in the announcement of the Company date 29 November 2023
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By order of the Board
Life Healthcare Group Limited
Wang Mengyao
Executive Director

Hong Kong, 6 December 2023

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

Executive Directors:

Mr. Wang Mengyao
Mr. Liu Mingqing
Mr. Man Wai Lun
Mr. Pang Zhen

Independent Non-executive Directors:

Mr. Gu Jianguo
Ms. Yang Xilin
Ms. Yan Ming