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愛 帝 宮 母 嬰 健 康 股 份 有 限 公 司
AIDIGONG MATERNAL & CHILD HEALTH LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 286)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



阿尔法国际证券
ALPHA INTERNATIONAL SECURITIES

Alpha International Securities (Hong Kong) Limited

PLACING OF NEW SHARES UNDER GENERAL MANDATE

On 2 June 2021 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Placing Agent has conditionally agreed, as agent of the Company, to procure on a best efforts basis, Placees to subscribe for up to an aggregate of 190,000,000 Placing Shares at the Placing Price of HK\$0.62 per Placing Share. 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. It is expected that none of the Placees will become a substantial shareholder (within the meaning ascribed to it under the Listing Rules) of the Company as a result of the Placing.

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the completion of the Placing, the maximum of 190,000,000 Placing Shares represents (i) approximately 4.96% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 4.73% of the issued share capital of the Company as enlarged by the allotment and issue of all the Placing Shares.

The Placing Price of HK\$0.62 per Placing Share represents: (i) a discount of approximately 18.42% to the closing price of HK\$0.76 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; (ii) a discount of approximately 6.34% to the average closing price of HK\$0.662 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Placing Agreement; (iii) a premium of approximately 8.33% to the average closing price of HK\$0.572 per Share as quoted on the Stock Exchange for the 30 trading days immediately prior to the date of the Placing Agreement; (iv) a premium of approximately 14.26% to the average closing price of HK\$0.543 per Share as quoted on the Stock Exchange for the 120 trading days immediately prior to the date of the Placing Agreement; and (v) a premium of approximately 9.26% to the average closing price of HK\$0.567 per Share as quoted on the Stock Exchange for the 250 trading days immediately prior to the date of the Placing Agreement.

The Placing Shares will be issued and allotted pursuant to the General Mandate. Application will be made by the Company to the Stock Exchange for the listing of and permission to deal in, the Placing Shares.

Subject to the completion of the Placing and assuming all the Placing Shares are fully placed, the gross proceeds from the Placing will be approximately HK\$117,800,000. The net proceeds of the placing, after deduction of all relevant expenses (including but not limited to placing commission, legal expenses and disbursements), are estimated to be approximately HK\$113,766,000. The net price of each Placing Share will be approximately HK\$0.599. The Company intends to apply the net proceeds from the Placing (i) as to 30% for the Group's general working capital; and (ii) as to 70% for repayment of outstanding indebtedness of the Group.

As the completion of the Placing 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.

PLACING OF NEW SHARES UNDER GENERAL MANDATE

On 2 June 2021 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent, pursuant to the Placing Agent has conditionally agreed, as agent of the Company, to procure on a best efforts basis, Places to subscribe for up to an aggregate of 190,000,000 Placing Shares at the Placing Price of HK\$0.62 per Placing Share.

The Placing Agreement

Date: 2 June 2021 (after trading hours)

Issuer: the Company

Placing Agent: Alpha International Securities (Hong Kong) Limited

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owner is an Independent Third Party.

Pursuant to the terms of the Placing Agreement, the Placing Agent will receive a placing commission of 3% of the amount which is equal to the Placing Price multiplied by the number of Placing Shares actually placed by the Placing Agent. The placing commission in respect of the Placing was negotiated on arm's length basis between the Company and the Placing Agent under normal commercial terms and was determined with reference to, among other things, the prevailing commission rate charged by other placing agents and the price performance of the Shares.

The Directors consider that the placing commission in respect of the Placing are fair and reasonable.

Conditions of the Placing

The Placing is conditional upon the fulfilment of the following conditions:

- (a) the Listing Committee of the Stock Exchange agreeing to grant a listing of and permission to deal in the Placing Shares (either unconditionally or subject to conditions which are acceptable to the Company);
- (b) no relevant government, governmental, quasi-governmental, statutory or regulatory body, court or agency having granted any order or made any decision that would make the Placing void, unenforceable or illegal, or restrict or prohibit the implementation of, or impose any additional material conditions or obligations with respect to the Placing (other than such orders or decisions as would not have a material adverse effect on the legal ability of the Company to proceed with the Placing);
- (c) the provision of a copy of the board resolutions of the Company approving the Placing (and the transactions contemplated thereunder) as well as the execution of the Placing Agreement by the Company to the Placing Agent;
- (d) all necessary consents and approvals as may be required to be obtained on the part of the Company in respect of the allotment and issue of the Placing Shares and the transactions contemplated under the Placing Agreement having been obtained by the Company; and
- (e) the Placing Agreement not being terminated by the Placing Agent pursuant to the terms of the termination provisions as set out in the Placing Agreement.

In the event the conditions referred to above not having been fulfilled by the Long Stop Date, all rights, obligations and liabilities of the Parties in relation to the Placing shall, subject to the other provisions of the Placing Agreement, cease and determine and none of the Parties shall have any claim against any other in respect of the Placing (save for any antecedent breaches).

Completion of the Placing

Completion of the Placing shall take place on a date falling three (3) Business Day after the fulfilment of all the conditions as set out in the Placing Agreement or such other time or date as the Placing Agent may agree on which completion of the Placing will take place (the “**Completion Date**”).

Termination of the Placing Agreement

The Placing Agent shall have the right to terminate the Placing Agreement by notice in writing given to the Company at any time prior to 10 a.m. on the Completion Date if any of the following occurs:

- (a) there shall have come to the notice of the Placing Agent any material breach of, or any event rendering untrue or incorrect in any material respect, any of the representations and warranties of the Company contained herein or any failure by the Company to perform its undertakings in the Placing Agreement;
- (b) in the sole judgement of the Placing Agent, there shall have been such a change in the national or international financial, political or economic conditions or currency exchange rates or exchange controls as would in its judgement be likely to prejudice the success of the Placing or trading in the of the Shares in the secondary market;
- (c) any new law, rule or regulation or any change in existing laws (including common law), rules or regulations (or the juridical interpretation thereof) or other occurrence of any nature whatsoever which, in the reasonable opinion of the Placing Agent, are or may be materially adverse to the business or financial position or prospects of the Company or any other member of the Group taken as a whole or otherwise makes it inexpedient or inadvisable to proceed with the Placing;

- (d) any event or circumstance (whether or not forming part of a series of events or circumstances occurring or continuing before, on and/or after the date of the Placing Agreement) or material change or deterioration in local, national, international, political, military, financial, economic, market or trading conditions or any other conditions (whether or not ejusdem generis with any of the foregoing) in any part of the world in which the Company or any other member of the Group carries on business which, in the reasonable opinion of the Placing Agent, is or may be materially adverse to the business or financial position or prospects of the Company or any other member of the Group taken as a whole or otherwise makes it inexpedient or inadvisable to proceed with the Placing;
- (e) if there develops, occurs, or comes into effect the imposition of any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise and which, in the reasonable opinion of the Placing Agent, would prejudice the success of the Placing;
- (f) if there develops, occurs, or comes into effect the commencement by any state, governmental, judicial, regulatory or political body or organisation of any action against any director of the Company or any subsidiary of the Company or an announcement by any state, governmental, judicial, regulatory or political body or organisation that it intends to take any such action; or
- (g) if there develops, occurs, or comes into effect a change or development occurs involving a prospective change of taxation or exchange control (or the implementation of exchange control) in Hong Kong or the PRC or elsewhere which would, in the reasonable opinion of the Placing Agent, prejudice the success of the Placing,

and that the right to terminate the Placing Agreement under paragraphs (a) to (g) above shall be a separate and independent right and that the exercise of any such right by the Placing Agent shall not affect or prejudice or constitute a waiver of any other right, remedy or claim which the Placing Agent may have as at the date of such notice nor shall termination of the Placing Agreement affect or prejudice any provision hereof expressed to survive or operate in the event of termination of the Placing Agreement.

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 of the Placing, the maximum of 190,000,000 Placing Shares represent (i) approximately 4.96% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 4.73% of the issued share capital of the Company as enlarged by the allotment and issue of all the Placing Shares.

Independence of the Placees

The Placing Agent will procure the Placing Shares to be placed to not less than six placees, who/which will be professional, institutional and/or other investors, who and whose ultimate beneficial owners are Independent Third Parties, procured by the Placing Agent. It is expected that none of the Placees will become a substantial shareholder of the Company as a result of the Placing. Further announcement will be made by the Company in the event that the number of Placees is less than six.

It is expected that the placees to be procured by the Placing Agent and their ultimate beneficial owners are independent of and not connected with the Company and connected persons of the Company.

Ranking of the Placing Shares

The Placing Shares, when allotted and issued, will rank *pari passu* in all respects among themselves and with the Shares in issue on the date of allotment and issue of the Placing Shares.

Placing Price

The Placing Price of HK\$0.62 per Placing Share represents:

- (i) a discount of approximately 18.42% to the closing price of HK\$0.76 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and
- (ii) a discount of approximately 6.34% to the average closing price of HK\$0.662 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Placing Agreement;

- (iii) a premium of approximately 8.33% to the average closing price of HK\$0.572 per Share as quoted on the Stock Exchange for the 30 trading days immediately prior to the date of the Placing Agreement;
- (iv) a premium of approximately 14.26% to the average closing price of HK\$0.543 per Share as quoted on the Stock Exchange for the 120 trading days immediately prior to the date of the Placing Agreement; and
- (v) a premium of approximately 9.26% to the average closing price of HK\$0.567 per Share as quoted on the Stock Exchange for the 250 trading days immediately prior to the date of the Placing Agreement.

The Placing Price was arrived at after arm's length negotiations between the Company and the Placing Agent with reference to, amongst others, the prevailing market price and the recent trading performance of the Shares. The Directors consider that the Placing Price and the terms of the Placing Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Application for listing

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

General Mandate

The Company is authorised to allot and issue up to 766,183,001 new Shares under the General Mandate. Up to the date of this announcement, the Company has not utilised the General Mandate. As the Placing Shares will be issued under the General Mandate, the Placing is not subject to Shareholders' approval.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

Details of the fund raising activities carried out by the Company in the past twelve months are set out below:

Date of announcements/circular	Event	Net proceeds and intended use	Actual use of proceeds
The announcements dated 25 January 2019, 27 February 2019, 29 April 2019, 28 June 2019, 23 July 2019, 13 September 2019, 31 March 2020 and 12 March 2021 and the circular dated 26 July 2019	Subscription of an aggregate of 264,099,966 new shares under specific mandate	The estimated maximum net proceeds will amount to approximately HK\$182.87 million, which are intended to be used for business development of Shenzhen Aidigong Maternity Health Management Co., Ltd.* (深圳愛帝宮母嬰健康管理股份有限公司) (“ Shenzhen Aidigong ”) and its subsidiaries and/or (where applicable) repayment of loan and related cost for the financing the consideration of the acquisition of Shenzhen Aidigong	The Subscription has not been completed as at the date of this announcement

Save as disclosed above, the Company had not conducted any equity fund raising activity in the past twelve (12) months immediately preceding the date of this announcement.

EFFECT OF THE PLACING ON THE SHAREHOLDING STRUCTURE

The changes in the shareholding structure of the Company as a result of the Placing are as follows (assuming (i) the Placees will subscribe for the maximum number of the Placing Shares respectively; and (ii) there is no change in the issued share capital of the Company from the date of this announcement up to and including the date when the Placing Shares have been issued and allotted):

	Immediately before completion of the Placing		Immediately after the completion of the Placing	
	<i>No. of Shares</i>	<i>Approximate %</i>	<i>No. of Shares</i>	<i>Approximate %</i>
Substantial Shareholders:				
Champion Dynasty Limited (<i>Note 1</i>)	930,379,671	24.2861%	930,379,671	23.1385%
Suntek Global Growth Fund SPC	398,304,379	10.3971%	398,304,379	9.9058%
Placees	–	–	190,000,000	4.7253%
Other public Shareholders	<u>2,502,230,958</u>	<u>65.3168%</u>	<u>2,502,230,958</u>	<u>62.2304%</u>
Total:	<u><u>3,830,915,008</u></u>	<u><u>100.00%</u></u>	<u><u>4,020,915,008</u></u>	<u><u>100.00%</u></u>

Notes:

1. Champion Dynasty Limited is a company wholly owned by Mr. Cheung Wai Kuen, an executive Director and the joint chairman of the Company.
2. The above percentages are subject to rounding adjustments.

REASONS FOR THE PLACING AND USE OF PROCEEDS

The Group is mainly engaged in confinement services, health industry business and other segments. The health industry includes medical anti-aging and health industry investment, while other segments mainly include investment and financing businesses.

Assuming the Placing Shares are fully placed, the aggregate gross proceeds of the Placings will be approximately HK\$117,800,000, and the aggregate net proceeds of the Placings, after the deduction of related expenses, will be approximately HK\$113,766,000. The net price of each Placing Share will be approximately HK\$0.599. The Company intends to apply the net proceeds of the Placing (i) as to 30% for the Group's general working capital; and (ii) as to 70% for repayment of outstanding indebtedness of the Group.

The Directors consider that the Placing will provide additional funding to reduce its indebtedness so as to improve the gearing ratio and will strengthen the Group's financial position. The Placing is also a good opportunity to broaden the Shareholders' base and capital base.

In view of the above, the Directors believe that the terms and conditions of the Placing Agreement are fair and reasonable, are entered into on normal commercial terms, and are in the interests of the company and shareholders as a whole.

As the completion of the Placing 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.

DEFINITIONS

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

“Board”	the board of Directors
“Business Day(s)”	a day on which banks are generally open for business in Hong Kong (excluding Saturdays, Sundays and public holidays)
“Company”	Aidigong Maternal & Child Health Limited, an exempted company incorporated in Bermuda with limited liability, the Shares of which are listed on the main board of the Stock Exchange

“Director(s)”	the director(s) of the Company
“General Mandate”	the general mandate granted to the Directors pursuant to an ordinary resolution of the Company passed at the annual general meeting of the Company held on 18 June 2021 to allot, issue and deal with new Shares not exceeding 20% of the aggregate number of the issued Shares as at the date of passing of such resolution, pursuant to which a maximum of 766,183,001 new Shares may fall to be allotted and issued as at the date of this announcement
“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 PRC
“Independent Third Party(ies)”	person(s) or company(ies) and their respective ultimate beneficial owner(s), who/which, is/are independent of the Company and its connected persons
“Listing Committee”	the listing sub-committee of the board of directors of the Stock Exchange with responsibility for considering applications for listing and the granting of listing on the Main Board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	23 June 2021 (or such later date as may be agreed by the Company and the Placing Agent)

“Placee(s)”	any person or entity procured by the Placing Agent or its agent(s) to subscribe for any Placing Shares pursuant to the Placing Agreement
“Placing”	the placing, on a best efforts basis, up to an aggregate of 190,000,000 Placing Shares of an aggregate nominal value of HK\$1,900,000 subject to the terms and condition set out in the Placing Agreement
“Placing Agent”	Alpha International Securities (Hong Kong) Limited, a licensed corporation to carry on business in Type 1 (dealing in securities), Type 2 (dealing in futures contracts) and Type 4 (advising on securities) regulated activities under the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
“Placing Agreement”	the conditional placing agreement dated 2 June 2021 and entered into between the Company and the Placing Agent in relation to the Placing of up to 190,000,000 Shares
“Placing Price”	HK\$0.62 per Placing Share (exclusive of any brokerage, SFC transaction levy and Stock Exchange trading fee as may be payable)
“Placing Shares”	a total of up to 190,000,000 new Shares to be placed pursuant to the Placing Agreement
“Share(s)”	the ordinary share(s) of par value of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares

“Stock Exchange”

The Stock Exchange of Hong Kong Limited

“%”

per cent

By order of the Board

Aidigong Maternal & Child Health Limited

Zhu Yufei & Cheung Wai Kuen

Joint Chairman

Hong Kong, 2 June 2021

In this announcement, the terms “connected person”, “subsidiary” and “substantial shareholder” have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.

As at the date of this announcement, the Board comprises Ms. Zhu Yufei, Mr. Cheung Wai Kuen, Mr. Lin Jiang and Mr. Li Runping as executive Directors; Mr. Wong Kin Man and Mr. Yang Zhibo as non-executive Directors; and Mr. Mai Yang Guang, Mr. Lam Chi Wing and Mr. Wong Yiu Kit, Ernest as independent non-executive Directors.

* *for identification purpose only*