THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Aidigong Maternal & Child Health Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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)

(I) CONNECTED TRANSACTION: INCENTIVE AGREEMENT – ISSUE OF NEW SHARES TO A CONNECTED PERSON UNDER SPECIFIC MANDATE; AND (II) NOTICE OF SPECIAL GENERAL MEETING

Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders

ADVENT
宏智融資
Advent Corporate Finance Limited

A letter from the board of directors of Aidigong Maternal & Child Health Limited is set out on pages 5 to 18 of this circular. A letter from the Independent Board Committee (as defined herein), containing its advice to the Independent Shareholders (as defined herein), is set out on pages 19 and 20 of this circular. A letter from Advent Corporate Finance, the independent financial adviser, containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 21 to 42 of this circular.

A notice of SGM (as defined herein) to be held at Unit E, 28/F., YHC Tower, 1 Sheung Yuet Road, Kowloon Bay, Kowloon, Hong Kong on Monday, 28 December 2020 at 11:30 a.m. is set out on pages 63 and 64 of this circular.

A form of proxy for use by the Shareholders at the SGM is enclosed together with this circular. Whether or not you intend to attend and vote at the SGM in person, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's branch registrar and transfer office in Hong Kong, Tricor Secretaries Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as practicable but in any event not later than 48 hours before the time for holding the SGM. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM should you so wish.

PRECAUTIONARY MEASURES FOR THE SGM

To safeguard the health and safety of shareholders and to prevent the spreading of the COVID-19 pandemic, the following precautionary measures will be implemented at the SGM:

– compulsory temperature checks
– submission of health declaration form – anyone who is subject to quarantine, has any flu-like symptoms, has travelled overseas within 14 days immediately before the SGM, or has close contact with any person under quarantine or with recent travel history will not be permitted to attend the SGM
– compulsory wearing of surgical face masks
– no provision of souvenir or gift
– no provision of refreshments or drinks

Any person who does not comply with the precautionary measures may be denied entry into the SGM venue, at the Company's discretion to the extent permitted by law. For the health and safety of shareholders, the Company would like to encourage shareholders to exercise their right to vote at the SGM by appointing the chairman of the SGM as their proxy instead of attending the SGM in person.

8 December 2020

CONTENTS

Should there be any discrepancy between the English and Chinese versions, the English version shall prevail.

In view of the ongoing COVID-19 pandemic and recent requirements for prevention and control of its spread, the Company will implement the following preventive measures at the SGM to protect attending Shareholders, staff and other stakeholders from the risk of infection:

(i) compulsory body temperature checks will be conducted on every Shareholder, proxy and other attendee at the entrance of the SGM venue. Any person with a body temperature of over 37.4 degrees Celsius may be denied entry into the SGM venue or be required to leave the SGM venue;

(ii) all Shareholders, proxies and other attendees are required to complete and submit at the entrance of the SGM venue a declaration form confirming their names and contact details, and confirming that they have not travelled to, or to their best knowledge have not had physical contact with any person who has recently travelled to, any affected countries or areas outside of Hong Kong (as per guidelines issued by the Hong Kong government at www.chp.gov.hk/en/features/102742.html) at any time in the preceding 14 days. Any person who is subject to quarantine, has any flu-like symptoms, has travelled overseas within 14 days immediately before the SGM, or has close contact with any person under quarantine or with recent travel history or does not comply with this declaration requirement may be denied entry into the SGM venue or be required to leave the SGM venue;

(iii) every attendee is required to wear surgical face masks inside the SGM venue at all times, and to maintain a safe distance between seats; and

(iv) no refreshments or drinks will be served, and there will be no souvenirs or gifts.

To the extent permitted under law, the Company reserves the right to deny entry into the SGM venue or require any person to leave the SGM venue in order to ensure the safety of the attendees at the SGM.

In the interest of all Shareholders' health and safety and consistent with recent COVID-19 guidelines for prevention and control, the Company reminds all Shareholders that physical attendance in person at the SGM is not necessary for the purpose of exercising voting rights. As an alternative, by using proxy forms with voting instructions inserted, Shareholders may appoint the chairman of the SGM as their proxy to vote on the relevant resolutions at the SGM instead of attending the SGM in person.

The proxy form is attached to this circular for Shareholders who opt to receive physical circulars. Alternatively, the proxy form can be downloaded from the website of the Company at http://www.aidigong.hk or HKExnews at www.hkexnews.hk. If you are not a registered Shareholder (if your Shares are held via banks, brokers, custodians or the Hong Kong Securities Clearing Company Limited), you should consult directly with your banks or brokers or custodians (as the case may be) to assist you in the appointment of proxy.

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

"2019 Annual Report"	the annual report of the Group for the year ended 31 December 2019 published on 15 May 2020
"2020 Interim Report"	the interim report of the Group for the six months ended 30 June 2020 published on 25 September 2020
"Aidigong"	深圳愛帝宮母嬰健康管理股份有限公司 (Shenzhen Aidigong Maternity Health Management Co., Ltd.*), a non-listed joint stock company established under the laws of the PRC with limited liability, being a non-wholly owned subsidiary of the Company as at the Latest Practicable Date
"Assessment Period"	the 18-month period commencing from the date of commencement of operation (i.e. such postpartum care centre has obtained all relevant permits and approvals for the purpose of operation) of each New Postpartum Care Centre
"Board"	the board of Directors
"Company"	Aidigong Maternal & Child Health Limited, an exempted company incorporated in Bermuda with limited liability, the issued Shares of which are listed on the main board of the Stock Exchange
"Directors"	the director(s) of the Company
"Earn-out Period", "Earn-out Payment", "Equity Transfer Agreement", "Fifth Installment", "First Subscription", "First Subscription Agreement", "First Subscription Shares", "Fourth Installment" and "Subscriber B"	such terms shall have the same meanings as those defined in the circular of the Company dated 26 July 2019
"Group"	the Company and its subsidiaries

"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Incentive"	the amount payable to Zhu Associate by the Company in the form of Incentive Shares based on the NPA of New Postpartum Care Centres pursuant to the terms and conditions of the Incentive Agreement
"Incentive Agreement"	the agreement dated 27 October 2020 entered into by and between the Company and Zhu Associate in relation to the Incentive
"Incentive Base Period"	the six consecutive calendar months during the Assessment Period selected by Zhu Associate for the purpose of calculating the entitlement of the Incentive Shares
"Incentive Share(s)"	new Shares that shall be allotted and issued by the Company to Zhu Associate as the Incentive
"Independent Board Committee"	the independent board committee of the Company (comprising all the independent non-executive Directors) established to advise the Independent Shareholders as to whether the terms of the SGM Matters are fair and reasonable and whether the SGM Matters are in the interests of the Company and the Shareholders as a whole
"Independent Financial Adviser" or "Advent Corporate Finance"	Advent Corporate Finance Limited, a licensed corporation under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) to carry out Type 6 (advising on corporate finance) regulated activity, which has been appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in relation to the SGM Matters
"Independent Shareholder(s)"	Shareholders other than Ms. Zhu and her associates (including Subscriber B and Zhu Associate)
"Issue Price"	the issue price of HK$0.55 per Incentive Share

"Latest Practicable Date"	3 December 2020, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Ms. Zhu"	Ms. Zhu Yufei, an executive Director, a joint chairman of the Board and the chief executive officer of the Company, being the beneficial owner of Zhu Associate (a party to the Incentive Agreement)
"NPA"	aggregate net profit amount of a New Postpartum Care Centre during the Incentive Base Period prepared in accordance with Hong Kong accounting standards
"New Postpartum Care Centre(s)"	new postpartum care centres (other than the five existing postpartum care centres operated by the Group preceding the date of the Incentive Agreement), to be established and commence operations (i.e. such postpartum care centre has obtained all relevant permits and approvals for the purpose of operation) during the period commencing from the date of the Incentive Agreement, and ending on the third anniversary of the effective date of the Incentive Agreement to be operated by the Group under the existing brand of "Aidigong"
"RMB"	Renminbi, the lawful currency of the PRC
"PRC" or "China"	the People's Republic of China, which for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
"SFO"	the Securities and Futures Ordinance (Cap 571 of the Laws of Hong Kong)

"SGM"	the special general meeting of the Company to be held at Unit E, 28/F., YHC Tower, 1 Sheung Yuet Road, Kowloon Bay, Kowloon, Hong Kong on Monday, 28 December 2020 at 11:30 a.m., to consider and, if thought fit, approve the resolution in respect of the SGM Matters
"SGM Matters"	the Incentive Agreement (including the grant of Specific Mandate) and the transactions contemplated thereunder
"Share(s)"	ordinary share(s) of HK$0.01 each in the share capital of the Company
"Shareholder(s)"	holders of the issued Share(s)
"Specific Mandate"	a specific mandate to allot and issue the Incentive Shares to be sought from the Independent Shareholders at the SGM
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Zhu Associate"	Hongchang International Investment Limited, a company incorporated in the British Virgin Islands with limited liability and wholly-owned by Ms. Zhu
"%"	per cent.

* *For identification purpose only*

In this circular, the terms "associate", "close associate", "connected person", "percentage ratio", ''subsidiary'' and "substantial shareholder" have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.

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)

Executive Directors
Ms. Zhu Yufei
(Joint Chairman and Chief Executive Officer)
Mr. Cheung Wai Kuen *(Joint Chairman)*
Mr. Lin Jiang
Mr. Li Runping

Non-executive Directors
Mr. Wong Kin Man
Mr. Yang Zhibo

Independent non-executive Directors
Mr. Lam Chi Wing
Mr. Mai Yang Guang
Mr. Wong Yiu Kit, Ernest

Registered Office:
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Principal Office in Hong Kong:
Unit E, 28/F., YHC Tower,
1 Sheung Yuet Road,
Kowloon Bay, Kowloon
Hong Kong

8 December 2020

To the Shareholders

Dear Sir or Madam,

CONNECTED TRANSACTION:
INCENTIVE AGREEMENT – ISSUE OF NEW SHARES
TO A CONNECTED PERSON UNDER SPECIFIC MANDATE

INTRODUCTION

Reference is made to the announcement of the Company dated 27 October 2020 in relation to, among other matters, the Incentive Agreement.

The purpose of this circular is to provide you with, among other things, (i) details of the Incentive Agreement (including the Specific Mandate); (ii) the letter of advice from the Independent Board Committee to the Independent Shareholders; (iii) the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; and (iv) a notice of the SGM and other information as required under the Listing Rules.

BACKGROUND

The Board is pleased to announce that, on 27 October 2020, the Company and Zhu Associate entered into the Incentive Agreement, pursuant to which Zhu Associate will be entitled to Incentive Shares depending and based on the NPA of the New Postpartum Care Centres during the Incentive Base Period.

THE INCENTIVE AGREEMENT

Set out below are the principal terms and conditions of the Incentive Agreement: –

Date	:	27 October 2020
Parties	:	(i) The Company; and (ii) Zhu Associate
Obligations of Zhu Associate	:	Zhu Associate shall, during the term of the Incentive Agreement (i) assist and give advice to the Company on selection of suitable site(s) to establish New Postpartum Care Centres in the PRC; (ii) conduct market research and advise the Company on the establishment of such New Postpartum Care Centres (including location and positioning of such New Postpartum Care Centres); and (iii) liaise with intermediaries and cooperating institutions to implement the construction of the New Postpartum Care Centres.

Rewards : The Company shall conditionally reward Zhu Associate certain Incentive Shares (if any). The number of Incentive Shares which Zhu Associate will be entitled to shall be calculated in the following manner:

Within 18 months from the date of commencement of operation of each New Postpartum Care Centre (the "**Assessment Period**"), Zhu Associate may select any six consecutive calendar months within the Assessment Period (the "**Incentive Base Period**") and use the NPA of such New Postpartum Care Centre during the Incentive Base Period to calculate the number of Incentive Shares which Zhu Associate is entitled to, based on the following formula:

Annualised NPA x PE Ratio ÷ Issue Price

Where:

Annualised NPA: The annualised NPA shall be NPA of the relevant New Postpartum Care Centre during the Incentive Base Period x 2

Annualized NPA will be presented in RMB, which shall be converted into HK$ using the median exchange rate of RMB to HK$ published on the website of State Administration of Foreign Exchange quoted and traded on the date when Zhu Associate notifies the Company in writing the Incentive Base Period selected, for the purpose of calculating the number of Incentive Shares.

PE Ratio: The price to earnings ratio of the Company for the purpose of calculating the number of Incentive Shares (the "**PE Ratio**") shall be the average of the price to earnings ratios as at the last trading day of each calendar month during the Incentive Base Period (which is calculated by dividing the basic earnings per Share as stated in the latest published annual report of the Company as of the date of calculating such price to earnings ratio by the closing price of the Shares on the date of calculating such price to earnings ratio), and in any case the PE Ratio shall not be greater than five (5) but not less than three (3). In the event if during the Incentive Base Period, the price to earnings ratio of the last trading day of any calendar month cannot be ascertained (for example, the Company recorded a loss as stated in the consolidated statement of profit or loss and other comprehensive income in the latest published annual report of the Company on the date of calculating the price to earnings ratio), the PE Ratio will be calculated using the average of the price to earnings ratios of the other calendar months during the Incentive Base Period. In the event if during the Incentive Base Period, no price to earnings ratio can be calculated, the Company will adopt the average of the maximum and minimum price to earnings ratio as stated above (i.e. four (4)) for the purpose of calculation.

Issue Price: HK$0.55 per Incentive Share

For the avoidance of doubt, Zhu Associate is only entitled to a maximum of up to 30,000,000 Incentive Shares (equivalent to HK$16,500,000 calculated with reference to the Issue Price) for once for each New Postpartum Care Centre, and in aggregate not more than 200,000,000 Incentive Shares (equivalent to HK$110,000,000 calculated with reference to the Issue Price) shall be allotted and issued to Zhu Associate during the effective period of the Incentive Agreement notwithstanding the number of New Postpartum Care Centres established pursuant to the Incentive Agreement (the "**Maximum Incentive**").

A Hong Kong certified public accountants, mutually agreed by the parties to the Incentive Agreement, shall be appointed to certify the NPA for each New Postpartum Care Centre and the certification of such certified public accountants shall be final and binding on the parties to the Incentive Agreement.

Zhu Associate shall notify the Company in writing the selected Incentive Base Period within three (3) months from the end date of the selected Incentive Base Period. Zhu Associate may only irrevocably select Incentive Base Period once during the Assessment Period of each New Postpartum Care Centre.

The Incentive Shares shall be allotted and issued by the Company to Zhu Associate (and/or its designated entity(ies) controlled by it) within 30 calendar days after Zhu Associate entitled to Incentive Shares depending and based on the NPA of the New Postpartum Care Centres during the Incentive Base Period and upon the Hong Kong certified public accountants appointed by the Company and Zhu Associate having certified the relevant results.

Lock-up undertaking : Zhu Associate undertakes and warrants (and procure its designated entity(ies) controlled by it) not to directly or indirectly transfer, sell or otherwise dispose of the relevant Incentive Shares obtained by Zhu Associate or its designated entity(ies) controlled by it in accordance with the terms of the Incentive Agreement, within 3 years from the respective dates of issuance of relevant Incentive Shares.

Effective Period	:	The Incentive Agreement shall become effective from the date which the Company having obtained all necessary approvals, consents and permits in accordance with the relevant laws and regulations (including but not limited to the Listing Rules) applicable to the Incentive Agreement (including but not limited to the Independent Shareholders' approval for the allotment and issue of the Incentive Shares at the SGM under the Specific Mandate and the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, the Incentive Shares) and Ms. Zhu having executed a new Director's service contract with the Company for a term of 3 years effective from the effective date of the Incentive Agreement. If the above conditions are not fulfilled on or before 31 March 2021 (or such later date as the parties to the Incentive Agreement may agree in writing), the Incentive Agreement shall not become effective, and that the parties to the Incentive Agreement shall not claim one another for any losses or liabilities of the other party under the Incentive Agreement. As at the Latest Practicable Date, none of the above conditions has been fulfilled.
Termination	:	The Incentive Agreement shall automatically terminate from the date when any of the following events occurs, whichever is earlier:– 1. the Assessment Periods of all New Postpartum Care Centres have ended and all relevant Incentive Shares have been issued and allotted in accordance with the Incentive Agreement; 2. Zhu Associate has received the Maximum Incentive pursuant to the Incentive Agreement; or 3. Ms. Zhu ceases to be an executive Director *(Notes)*.

Notes:

1) For the avoidance of doubt, the Company shall issue and allot the relevant Incentive Shares in accordance with the Incentive Agreement, if:

   i) Ms. Zhu is not being removed as an executive Director by the Shareholders or for reasons including misconduct, inability or inappropriate to remain as a Director (such as bankruptcy, no longer qualify to act as a Director or mentally incapacitated), after Ms. Zhu ceased to be a Director, Zhu Associate may still select the Incentive Base Period during the Assessment Period of the relevant New Postpartum Care Centre, if any, and notify the Company in accordance with the terms of the Incentive Agreement; and/or

   ii) at the time when Ms. Zhu ceases to be an executive Director, there were outstanding Incentive Shares to be issued and alloted to Zhu Associate in accordance with the Incentive Agreement;

2) If Ms. Zhu voluntarily leaves the office as an executive Director, or the Company removes Ms. Zhu as a Director for reasons including misconduct, inability or inappropriate to remain as a Director (such as bankruptcy, no longer qualify to act as a Director or mentally incapacitated), and at the time when Ms. Zhu ceases to be an executive Director, Zhu Associate has not informed the Company the selected Incentive Base Period of the relevant New Postpartum Care Centre, in accordance with the Incentive Agreement, the Company shall not be obligated to allot and issue the Incentive Shares (if any) to Zhu Associate.

Notwithstanding the termination of the Incentive Agreement, any Incentive Shares already issued and allotted to Zhu Associate shall not be required to be returned to the Company under any circumstances.

MAXIMUM NUMBER OF INCENTIVE SHARES

The maximum number of the Incentive Shares to be issued to Zhu Associate by the Company is 200,000,000 Incentive Shares, representing approximately (i) 5.22% of the issued share capital of the Company as at the Latest Practicable Date; and (ii) 4.96% of the Company's issued share capital as enlarged by the issue of the maximum number of the Incentive Shares.

ISSUE PRICE

The Issue Price of HK$0.55 per Incentive Share represents:

(i) a premium of approximately 7.84% to the closing price of HK$0.51 per Share as quoted on the Stock Exchange on the date of the Incentive Agreement;

(ii) a premium of approximately 5.36% to the average closing price of HK$0.522 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Incentive Agreement;

(iii) a premium of approximately 3.97% to the average closing price of HK$0.529 per Share as quoted on the Stock Exchange for the last ten consecutive trading days immediately prior to the date of the Incentive Agreement;

(iv) a premium of approximately 12.24% to the closing price of HK$0.49 per Share as quoted on the Stock Exchange as at the Latest Practicable Date; and

(v) a premium of approximately 61.76 % to the unaudited consolidated net asset value per Share of the Group as at 30 June 2020 of approximately HK$0.34 as disclosed in the 2020 Interim Report.

The Issue Price was arrived at after arm's length negotiations between the Company and Zhu Associate with reference to, amongst others, the prevailing market price and the recent trading performance of the Shares.

RANKING OF THE INCENTIVE SHARES

The Incentive Shares will rank, upon issue, *pari passu* in all respect with the Shares in issue on the date of the allotment and issue of the Incentive Shares.

SPECIFIC MANDATE

The Incentive Shares will be issued and allotted pursuant to the Specific Mandate to be sought from the Independent Shareholders at the SGM.

APPLICATION FOR LISTING

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

ESTIMATED EXPENSE

The estimated amount of the expense of the issue and of the application for listing of the Incentive Shares is approximately HK$1.5 million, which will be borne by the Company.

BASIS FOR THE DETERMINATION OF THE TERMS OF THE INCENTIVE AGREEMENT

The terms of the Incentive Agreement was determined principally after arm's length commercial negotiations between the parties with reference to, among others, (i) the successful track record of the five (5) postpartum care centres under the "Aidigong" brand built by Ms. Zhu over the past 13 years; (ii) price-earnings ratio of the Company; (iii) existing level of remuneration of Ms. Zhu for her role as an executive Director, a joint chairman of the Board and the chief executive officer of the Company; (iv) long term commitment from Zhu Associate to receive Shares in lieu of cash as fee; and (v) the contingent nature of the Incentive Shares.

EFFECT ON THE SHAREHOLDING STRUCTURE

The effect on the shareholding structure of the Company as a result of the issue of the Incentive Shares pursuant to the Incentive Agreement are as follows, assuming that

(i) Ms. Zhu and the Subscriber B will be entitled to the full amount of the Fourth Installment and the Fifth Installment and having properly received their respective entitlements and use such proceeds to subscribe for the maximum of 264,099,966 First Subscription Shares in aggregate, of which Ms. Zhu and the Subscriber B will subscribe 222,006,334 First Subscription Shares and 42,093,632 First Subscription Shares, respectively;

(ii) the Group will issue and allot the maximum number of Incentive Shares to Zhu Associate (and/or its designated entity(ies) controlled by it) under the Incentive Agreement; and

(iii) save as disclosed in (i) and (ii) above, there will be no change in the issued share capital of the Company from the Latest Practicable Date up to and including the date when all the Incentive Shares pursuant to the Incentive Agreement and the First Subscription Shares under the First Subscription Agreement have been issued and allotted:

	As at the Latest Practicable Date		Immediately after the issue and allotment of the maximum number of the First Subscription Shares		Immediately after the issue and allotment of the maximum number of Incentive Shares		Immediately after the issue and allotment of the maximum number of both the First Subscription Shares and Incentive Shares	
	Number of Shares	*Approximate per cent.*	*Number of Shares*	*Approximate per cent.*	*Number of Shares*	*Approximate per cent.*	*Number of Shares*	*Approximate per cent.*
Substantial shareholders:								
Champion Dynasty Limited *(Note 1)*	930,379,671	24.29%	930,379,671	22.72%	930,379,671	23.08%	930,379,671	21.66%
Suntek Global Growth Fund SPC – Suntek Global Growth Fund Number One SP	500,000,000	13.05%	500,000,000	12.21%	500,000,000	12.41%	500,000,000	11.64%
Sub-total:	1,430,379,671	37.34%	1,430,379,671	34.93%	1,430,379,671	35.49%	1,430,379,671	33.30%
Ms. Zhu *(Note 2)*	–	–	222,006,334	5.42%	–	–	222,006,334	5.17%
Subscriber B *(Note 3)*	–	–	42,093,632	1.03%	–	–	42,093,632	0.98%
Zhu Associate *(Note 4)*	–	–	–	–	200,000,000	4.96%	200,000,000	4.66%
Sub-total:	–	–	264,099,966	6.45%	200,000,000	4.96%	464,099,966	10.81%
Public Shareholders:	2,400,535,337	62.66%	2,400,535,337	58.62%	2,400,535,337	59.55%	2,400,535,337	55.89%
Total:	3,830,915,008	100.00%	4,095,014,974	100.00%	4,030,915,008	100.00%	4,295,014,974	100.00%

Notes:

1. Mr. Cheung Wai Kuen ("**Mr. Cheung**") is a joint chairman of the Board and an executive Director. Mr. Cheung is the sole director of Champion Dynasty Limited and owns its entire issued capital. Mr. Cheung is deemed to be interested in the Shares held by Champion Dynasty Limited. 500,000,000 Shares registered in the name of Champion Dynasty Limited were charged in favour of Golden Full Holdings Limited pursuant to a share charge made by Champion Dynasty Limited as chargor based on a share charge agreement dated 8 January 2020.

2. Ms. Zhu is an executive Director, a joint chairman of the Board and the chief executive officer of the Company.

3. Ms. Zhu owns approximately 75.58% of the equity interest of the Subscriber B and is the executive partner of the Subscriber B as at the Latest Practicable Date. Ms. Zhu will be deemed to be interested in the Shares to be subscribed by the Subscriber B.

4. Zhu Associate is wholly-owned by Ms. Zhu. Ms. Zhu will be deemed to be interested in the Shares to be issued to Zhu Associate.

Upon completion of the First Subscription and the issue of the Incentive Shares under the Incentive Agreement, Ms. Zhu and her associates will hold 464,099,966 Shares, representing approximately 10.81% of the issued share capital of the Company as enlarged by the First Subscription Shares and the Incentive Shares. Thus, upon completion of the First Subscription and the issue of the Incentive Shares under the Incentive Agreement, Ms. Zhu will become a substantial Shareholder.

The Company and the subscribers of the First Subscription Shares are in the process of making arrangements in relation to the First Subscription in accordance with the relevant laws and regulations for the subscribers (including Subscriber B) to subscribe for the First Subscription Shares, which is one of the conditions precedent to the First Subscription Agreement.

The completion date of the First Subscription shall fall on no later than the 20th business day after the conditions precedent under the First Subscription Agreement having been fulfilled.

INFORMATION OF THE GROUP

The Group is principally engaged in the postpartum care services and health industry business. Postpartum care services primarily include provision of postpartum care services that provide healthcare services for postnatal mothers and babies, and the health industry business primarily includes medical anti-aging and healthcare industry investments.

For the year ended 31 December 2019, approximately 87.69% and 12.31% of the Group's revenue were from external customers located in the PRC and Hong Kong, respectively.

As at 31 December 2019, approximately HK$1,692 million and HK$344 million of the Group's its non-current assets were located in the PRC and Hong Kong, respectively.

Please refer to "Operating Segments – Geographical Information" in note 8 to the consolidated financial statements on page 159 of the 2019 Annual Report for details of the geographical analysis of its trading operations and information about its non-current assets by geographical location.

INFORMATION OF MS. ZHU

Ms. Zhu is an executive Director, a joint chairman of the Board and the chief executive officer of the Company. She is the founder, chairman, general manager and a director of Aidigong since its establishment in November 2007. Please refer to the paragraph headed "Directors' Biographical Information" in Appendix II of this circular for the full biography of Ms. Zhu.

INFORMATION OF ZHU ASSOCIATE

Zhu Associate is an investment holding company incorporated in the British Virgin Islands with limited liability. Zhu Associate is wholly owned by Ms. Zhu.

REASON FOR AND BENEFITS OF THE INCENTIVE AGREEMENT

The revenue of Aidigong for each of the three years ended 31 December 2019 was approximately RMB220.80 million, RMB385.20 million and RMB583.5 million, representing an increase of approximately 74.46% and 51.48% respectively. As at the Latest Practicable Date, Aidigong operates, through its subsidiaries, five (5) postpartum care centres under the brand name of "Aidigong", four of which are located in first-tier cities (Shenzhen and Beijing) and one in new first-tier city (Chengdu) in the PRC.

Given the continuous growth of postpartum care services industries and the unceasingly increase in the penetration rate of postpartum care centre, more and more postpartum mothers choose to use the postpartum care services provided by postpartum care centres. As operated by technologies specialized in the delivery of high-quality health care services of postpartum mother and baby, postpartum care centres operated under the brand name of “Aidigong” are keenly sought after. As postpartum care centres operated under the brand name of “Aidigong” only exist in Shenzhen, Beijing and Chengdu for the time being, there are a lot of requests received from the customer residing at other cities of the PRC for providing services by Aidigong. On the other hand, due to the fact that the Group’s existing postpartum care centres operated in Shenzhen, Beijing and Chengdu have always been fully utilized and saturated, some postpartum mothers are unable to book the services provided in those centres. Therefore, the demand from the customers for an increase in the provision of postpartum care services in those cities also arises. In the past several years, with the unceasingly increase of enquiries and demand for this service, the number of customers and revenue of Aidigong have increased. The Group plans to increase the number of postpartum care centres operated under the brand name of “Aidigong” in the existing cities, first-tier cities and new first-tier cities in the PRC in order to expand its coverage for the provision of postpartum care services to more people.

Ms. Zhu retains as the chairman and the general manager of Aidigong during the Earn-out Period ending 31 December 2020 and she is entitled to the Earn-out Payment should the net profit of Aidigong for the two years ended 31 December 2019 and 2020 meet the prescribed amount as set out in the Equity Transfer Agreement and use part of the Earn-out Payment to subscribe for the First Subscription Shares.

After arm’s length negotiation between the Group and Ms. Zhu, adopting similar payment method/terms as under the Equity Transfer Agreement, Zhu Associate (being an entity wholly-owned by Ms. Zhu) will be entitled to the Incentive Shares depending and based on the NPA of the New Postpartum Care Centres during the Incentive Base Period. The Group does not have any cash outlay for the issue of Incentive Shares to Zhu Associate (and/or its designated entity(ies) controlled by it) pursuant to the Incentive Agreement, and the potential dilution effect resulting form the allotment and issue of the Incentive Shares is considered acceptable.

The Directors (including the independent non-executive Directors whose opinion has been set out in the letter from the Independent Board Committee of this circular) consider that though the entering into of the Incentive Agreement is not in the Group’s ordinary and usual course of business, the terms of the Incentive Agreement (including the Issue Price) are fair and reasonable, on normal commercial terms and in the interests of the Company and its Shareholders as a whole. Ms. Zhu, an executive Director, is the beneficial owner of Zhu Associate (a party to the Incentive Agreement), did abstain from voting on the Board’s resolution in relation to the Incentive Agreement. Save as disclosed, no other Directors have to abstain from voting on the Board’s resolution in relation to the Incentive Agreement.

LISTING RULES IMPLICATIONS

As mentioned above, Ms. Zhu is an executive Director, a joint chairman of the Board and the chief executive officer of the Company as at the Latest Practicable Date. Ms. Zhu is a connected person of the Company at the issuer's level.

Zhu Associate is wholly-owned by Ms. Zhu and therefore a connected person of the Company. The issue of Incentive Shares under the Incentive Agreement constitutes a connected transaction for the Company and is subject to the announcement, reporting and Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules. The Incentive Shares to be issued pursuant to the Incentive Agreement will be issued pursuant to the Specific Mandate to be sought from the Independent Shareholders at the SGM.

SGM

The Company will convene the SGM to seek the Independent Shareholders' approval for the SGM Matters. As Zhu Associate (being wholly-owned by Ms. Zhu) is a party to the Incentive Agreement, Ms. Zhu and her associates (including Subscriber B and Zhu Associate) are required to and will abstain from voting on the resolution to be proposed at the SGM for approving the above matters. At the SGM, votes will be taken by way of poll. As at the Latest Practicable Date, Ms. Zhu and her associates (including Subscriber B and Zhu Associate) in aggregate did not own any Shares.

RECOMMENDATIONS

The Independent Board Committee, having taken into account the advice of the Independent Financial Adviser, is of the view that though the entering into of the Incentive Agreement is not in the Group's ordinary and usual course of business, the terms of the Incentive Agreement (including the Issue Price) are fair and reasonable, on normal commercial terms and in the interests of the Company and its Shareholders as a whole. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the ordinary resolution to approve the SGM Matters at the SGM.

GENERAL

Your attention is drawn to the letter from the Independent Board Committee, the letter from the Independent Financial Adviser, the additional information set out in the appendices to this circular and the notice of the SGM.

Yours faithfully,
By order of the Board
Aidigong Maternal & Child Health Limited
Zhu Yufei and Cheung Wai Kuen
Joint Chairmen

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)

8 December 2020

Dear Independent Shareholders,

CONNECTED TRANSACTION: INCENTIVE AGREEMENT – ISSUE OF NEW SHARES TO A CONNECTED PERSON UNDER SPECIFIC MANDATE

We refer to the circular dated 8 December 2020 of the Company (the "**Circular**") of which this letter forms part. Terms defined in the Circular bear the same meanings herein unless the context otherwise requires.

We have been appointed as members of the Independent Board Committee to consider the terms of the Incentive Agreement and to advise the Independent Shareholders in connection with the transaction under the Incentive Agreement as to whether, in our opinion, the terms of the Incentive Agreement are fair and reasonable so far as the Independent Shareholders are concerned. Advent Corporate Finance has been appointed as the independent financial adviser to advise us and the Independent Shareholders in this regard.

Having considered the terms of the Incentive Agreement, and having taken into account the principal factors and reasons considered by, and the opinion of, the Independent Financial Adviser as stated in its letter dated 8 December 2020, we consider that though the entering into of the Incentive Agreement is not in the Group's ordinary and usual course of business, the terms of the Incentive Agreement (including the Issue Price) are fair and reasonable, on normal commercial terms and in the interests of the Company and its Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution proposed at the SGM approving the Incentive Agreement and the transactions contemplated there under.

We draw the attention of the Independent Shareholders to (i) the letter from the Board; (ii) the letter from the Independent Financial Adviser; and (iii) the appendices to the Circular.

Yours faithfully,
Independent Board Committee

Lam Chi Wing	**Mai Yang Guang**	**Wong Yiu Kit, Ernest**

Independent non-executive Directors

The following is the full text of the letter of advice from Advent Corporate Finance Limited, the independent financial adviser to the Independent Board Committee and the Independent Shareholders, which have been prepared for the purpose of inclusion in this circular, setting out its advice to the Independent Board Committee and the Independent Shareholders in respect of the Incentive Agreement.

ADVENT
宏智融資
Advent Corporate Finance Limited

8 December 2020

To the Independent Board Committee and the Independent Shareholders

Dear Sirs and Madams,

CONNECTED TRANSACTION
INCENTIVE AGREEMENT –
ISSUE OF NEW SHARES TO A CONNECTED PERSON
UNDER SPECIFIC MANDATE

INTRODUCTION

We refer to our engagement as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Incentive Agreement (including the grant of Specific Mandate), details of which are set out in the Letter from the Board (the "**Letter from the Board**") contained in the circular issued by the Company dated 8 December 2020 (the "**Circular**"), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context otherwise requires.

Reference is made to the announcement of the Company dated 27 October 2020. On 27 October 2020, the Company and Zhu Associate entered into the Incentive Agreement, pursuant to which Zhu Associate will be entitled to Incentive Shares based on the NPA of New Postpartum Care Centres pursuant to the terms and conditions of the Incentive Agreement.

As at the Latest Practicable Date, Ms. Zhu is an executive Director, a joint chairman of the Board and the chief executive officer of the Company. Ms. Zhu is a connected person of the Company at the issuer's level. Zhu Associate is wholly-owned by Ms. Zhu and therefore a connected person of the Company. The issue of Incentive Shares under the Incentive Agreement constitutes a connected transaction for the Company and is subject to the announcement, reporting and Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules. The Incentive Shares to be issued pursuant to the Incentive Agreement will be issued pursuant to the Specific Mandate to be sought from the Independent Shareholders at the SGM.

The Independent Board Committee, comprising all the independent non-executive Directors, namely Mr. Lam Chi Wing, Mr. Mai Yang Guang and Mr. Wong Yiu Kit, Ernest has been established to advise the Independent Shareholders as to whether the terms of the Incentive Agreement (including the Issue Price) are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole. As Independent Financial Adviser, our role is to give an independent opinion to the Independent Board Committee and the Independent Shareholders in such regard.

OUR INDEPENDENCE

As at the Latest Practicable Date, we, Advent Corporate Finance Limited, were not aware of any relationships or interests between us and (i) the Company; (ii) Zhu Associate; (iii) Ms. Zhu and (iv) any other parties that could be reasonably regarded as a hindrance to our independence as defined under Rule 13.84 of the Listing Rules to act as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the transactions contemplated under the Incentive Agreement (including the grant of Specific Mandate). Apart from normal professional fees paid or payable to us in connection with this appointment as the independent financial adviser, no arrangement exist whereby we had received or will receive any fees or benefits from the Company or any other party to the transaction.

BASIS OF OUR OPINION

In formulating our opinion, we have relied on (i) the information contained or referred to in the annual report of the Company for the year ended 31 December 2019 (the "**2019 Annual Report**"), the interim report of the Company for the six months ended 30 June 2020 (the "**2020 Interim Report**"), the Circular, the Incentive Agreement and certain published information of the Company; (ii) the information supplied by the Group and its advisers; (iii) the opinions expressed by and the representations of the Directors and management of the Group; and (iv) certain relevant public information, and have assumed that all such information and facts provided and any opinions and representations made to us are true, accurate and complete in all material aspects at the time they were made and as up to the date of the SGM. We have also sought and received confirmation from the Directors that no material facts have been withheld or omitted from the information provided and referred to in the Circular and that all information or representations provided to us by the Directors and the management of the Group were reasonably made after due and careful enquiry and are true, accurate, complete and not misleading in all respects at the time they were made and continued to be so until the date of the SGM. We have relied on such information and consider that the information we have received is sufficient for us to reach an informed view and have no reason to believe that any material information has been withheld, nor doubt the completeness, truth or accuracy of the information and facts provided. We have not, however, conducted any investigation into the business and affairs of the Group, nor have we carried out any independent verification of the information supplied. The Company will notify the Shareholders of any material changes as soon as practicable, if any.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and recommendation with regard to the Incentive Agreement, we have taken into account the following principal factors and reasons:

1. Information on the Group

1.1. Business of the Group

The Group is principally engaged in the postpartum care services and health industry business. Postpartum care services primarily include provision of postpartum care services that provide healthcare services for postnatal mothers and babies, and the health industry business primarily includes medical anti-aging and healthcare industry investments.

Set out below is the audited consolidated financial information of the Group for the two years ended 31 December 2018 and 2019 ("**FY2018**" and "**FY2019**", respectively) as extracted from the 2019 Annual Report and the unaudited consolidated financial information of the Group for the six months ended 30 June 2019 and 2020 ("**6M2019**" and "**6M2020**", respectively) as extracted from the 2020 Interim Report.

	For the six months ended 30 June		**For the year ended 31 December**	
	2020	**2019**	**2019**	**2018**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
	(unaudited)	*(unaudited)*	*(audited)*	*(audited)*
Revenue	324,342	230,841	610,612	377,035
Gross profit	139,110	48,946	191,581	97,543
Gross profit margin	42.89%	21.20%	31.38%	25.87%
Profit for the year/period	25,668	2,128	17,087	11,108

	As at 30 June	**As at 31 December**	
	2020	**2019**	**2018**
	HK$'000	*HK$'000*	*HK$'000*
	(unaudited)	*(audited)*	*(audited)*
Non-current assets	2,160,332	2,259,123	886,227
Current assets	898,336	877,506	481,491
Current liabilities	675,545	816,910	355,768
Net current assets	222,791	60,596	125,723
Non-current liabilities	1,069,233	1,012,912	49,723

Revenue of the Group increased from approximately HK$377.04 million for FY2018 to approximately HK$610.61 million for FY2019, representing an increase of approximately 61.95%. Gross profit of the Group for FY2019 was approximately HK$191.58 million, which was approximately HK$94.04 million or approximately 96.41% higher than that of FY2018. Gross profit margin of the Group for FY2019 improved by approximately 5.51% against FY2018, mainly driven by increase in income generated from the postpartum care services which has a higher profit margin. Profit for the year for FY2019 was approximately HK$17.09 million, which was approximately 53.83% higher than that for FY2018, partially driven by the increase in revenue and gross profit of the postpartum care services.

As disclosed in 2019 Annual Report, the postpartum care service industry is an emerging health service industry that provides healthcare services for postnatal mothers and babies. The industry is currently at a high-growth stage with tremendous market potential in future. Consumer groups have rapidly penetrated from first-tier cities into second-tier and third-tier cities with increasing double-digit market penetration rate. It is the choice of more and more pregnant mothers to enjoy health care at postpartum care centres after labour and it has become an irresistible trend. The postpartum care services are obviously the most rigid demand segment in the health service industry.

As at 31 December 2019, the non-current assets of the Group amounted to approximately HK$2,259.12 million, representing an increase of approximately 154.91% compared to approximately HK$886.23 million recorded for FY2018. The current assets of the Group amounted to approximately HK$877.51 million for FY2019, representing an increase of approximately 82.25% compared to approximately HK$481.49 million recorded for FY2018. For FY2019, current liabilities of the Group amounted to approximately HK$816.91 million and non-current liabilities of the Group amounted to approximately HK$1,012.91 million, representing an increase of approximately 129.62% and increase of approximately 1,937.11% compared with approximately HK$355.77 million and approximately HK$49.72 million recorded for FY2018 respectively.

For the 6M2020, revenue of the Group reached approximately HK$324.34 million, representing an increase of approximately 40.50% from approximately HK$230.84 million for 6M2019. Gross profit of the Group for 6M2020 amounted to approximately HK$139.11 million, representing an increase of approximately 184.21% from approximately HK$48.95 million for 6M2019. Profit for the 6M2020 amounted to approximately HK$25.67 million, representing an increase of approximately 1,106.20% from approximately HK$2.13 million for 6M2019.

As at 30 June 2020, the non-current assets of the Group amounted to approximately HK$2,160.33 million, representing a decrease of approximately 4.37% compared to approximately HK$2,259.12 million as at 31 December 2019. The current assets of the Group amounted to approximately HK$898.34 million as at 30 June 2020, representing an increase of approximately 2.37% compared to approximately HK$877.51 million as at 31 December 2019. As at 30 June 2020, current liabilities of the Group amounted to approximately HK$675.55 million and non-current liabilities of the Group amounted to approximately HK$1,069.23 million, representing a decrease of approximately 17.30% and increase of approximately 5.56% compared with approximately HK$816.91 million and approximately HK$1,012.91 million as at 31 December 2019 respectively.

2. Information on Ms. Zhu

Ms. Zhu is an executive Director, a joint chairman of the Board and the chief executive officer of the Company. She is the founder, chairman, general manager and a director of Aidigong since its establishment in November 2007. Please refer to the paragraph headed "Directors' Biographical Information" in Appendix II of the Circular for the full biography of Ms. Zhu.

3. Information on Zhu Associate

Zhu Associate is an investment holding company incorporated in the British Virgin Islands with limited liability. Zhu Associate is wholly owned by Ms. Zhu.

4. Reasons for establishing new postpartum care centres and benefits of entering into the Incentive Agreement

The Group is principally engaged in the postpartum care services and health industry business. The postpartum care service industry is an emerging health service industry that provides healthcare services for postnatal mothers and babies.

Successful track record of "Aidigong" brand postpartum care centres

Reference is made to the announcements of the Company dated 25 January 2019 and 23 July 2019, and the circular of the Company dated 26 July 2019 in relation to, among others, the acquisition of 88.5184% equity interest in Aidigong (the "**Step-up Acquisition**"). The acquisition was completed on 13 September 2019.

According to the 2019 Annual Report, immediately before the Step-up Acquisition, the Group held 11.4816% equity interest in Shenzhen Aidigong Group through a non-wholly owned subsidiary of the Company. Upon completion of the Step-up Acquisition, the Group held aggregate approximately 94.95% effective interest having taken into account the Group's 56% interest in a non-wholly owned subsidiary holding such 11.4816% equity interest in Shenzhen Aidigong Group. Since the Step-up Acquisition, Shenzhen Aidigong Group contributed approximately HK$232.83 million to the Group's revenue and profit of approximately HK$59.94 million included in the consolidated statement of profit or loss and other comprehensive income for FY2019. Had the Step-up Acquisition taken place at the beginning of the year, the revenue of the Group and the profit of the Group for FY2019 would have been approximately HK$1,036.27 million and approximately HK$62.10 million, respectively.

According to the information on reportable segments in the 2019 Annual Report, postpartum care services segment contributed approximately HK$232.83 million, or 38.13% to the total consolidated revenue of the Group for FY2019, and such segment contributed approximately HK$52.92 million, or 130.34% to the total consolidated segment results for reportable segment. The postpartum care services segment's contribution of over 100% was due to loss making segment results for others segment, which primarily comprises investment and finance business and others operations that do not meet the quantitative thresholds.

According to the Letter from the Board, as at the Latest Practicable Date, Aidigong operates, through its subsidiaries, five postpartum care centres under the brand name of "Aidigong", four of which are located in first-tier cities (Shenzhen and Beijing) and one in new first tier city (Chengdu) in the PRC. The revenue of Aidigong for each of the three years ended 31 December 2019 were approximately RMB220.80 million, RMB385.20 million and RMB583.5 million, representing an increase of approximately 74.46% and 51.48% respectively.

According to the representation from the management of the Company, the profit for the year of Aidigong for the three years ended 31 December 2019 were approximately RMB4.66 million, RMB59.01 million and RMB70.72 million, representing an increase of approximately 1,166.02% and 19.85% respectively.

As disclosed in the Letter from the Board, given the continuous growth of postpartum care services industries and the unceasingly increase in the penetration rate of postpartum care centre, more and more postpartum mothers choose to use the postpartum care services provided by postpartum care centres. As operated by technologies specialized in the delivery of high-quality health care services of postpartum mother and baby, postpartum care centres operated under the brand name of "Aidigong" are keenly sought after. As postpartum care centres operated under the brand name of "Aidigong" only exist in Shenzhen, Beijing and Chengdu for the time being, there are a lot of requests received from the customer residing at other cities of the PRC for providing services by Aidigong. On the other hand, due to the fact that the Group's existing postpartum care centres operated in Shenzhen, Beijing and Chengdu have always been fully utilized and saturated, some postpartum mothers are unable to book the services provided in those centres. Therefore, the demand from the customers for an increase in the provision of postpartum care services in those cities also arises. In the past several years, with the unceasingly increase of enquiries and demand for this service, the number of customers and revenue of Aidigong have increased. The Group plans to increase the number of postpartum care centres operated under the brand name of "Aidigong" in the existing cities, first tier cities and new first-tier cities in the PRC in order to expand its coverage for the provision of postpartum care services to more people.

Potential market opportunities in postpartum care services industry in the PRC

According to an article published by the National Bureau Statistic of China on 18 September 2018, there is profound changes in marriage and childbirth behaviour in the PRC. In particular, the average age of first marriage of women has increased by 4.3 years from 21.4 to 25.7, and such increasing trend is expected to continue; while women's average age of giving birth for the first time has increased by 3.4 years from 23.4 to 26.8.

According to the 2018 Monitoring Report of "Framework of Women Development in PRC (2011-2020)"*（中國婦女發展綱要（2011-2020年））by the National Bureau Statistic of China published on 6 December 2019, the rates of prenatal examinations and postpartum visits for pregnant women have varying degrees of improvements as compared to 2010. The pregnant women in the PRC have increased awareness of maternal health care.

According to National Bureau Statistic of China, the per capita disposable income of urban households grew from RMB28,844 in 2014 to RMB42,359 in 2019, representing a five-year cumulative annual growth rate ("**CAGR**") of approximately 7.99%. On the expenditure side, the per capita expenditure of urban households grew from RMB19,968 in 2014 to RMB28,063 in 2019, representing a five-year CAGR of approximately 7.04%; and the per capita expenditure of urban households – health care and medical services increased from RMB1,306 in 2014 to RMB2,283 in 2019, representing a five-year CAGR of approximately 11.82%, which is approximately 4.78% higher than the CAGR of per capita expenditure of urban households during the same period.

Contingent nature of the Incentive

According to the Letter from the Board, within 18 months from the date of commencement of operation of each New Postpartum Care Centre (the "**Assessment Period**"), Zhu Associate may select any six consecutive calendar months within the Assessment Period (the "**Incentive Base Period**") and use the NPA of such New Postpartum Care Centre during the Incentive Base Period to calculate the number of Incentive Shares which Zhu Associate is entitled to, based on the following formula:

Annualised NPA x PE Ratio ÷ Issue Price

Where:

Annualised NPA: The annualised NPA shall be NPA of the relevant New Postpartum Care Centre during the Incentive Base Period x 2

Issue Price: HK$0.55 per Incentive Share

Please refer to the paragraph headed "5. Principal terms for the Incentive Agreement" below for details of the determination of Incentive Shares.

Based on the reward mechanism of the Incentive Shares, the Company shall be required to issue Incentive Shares only if there is net profit for each New Postpartum Care Centre during the Incentive Base Period. Zhu Associate is only entitled to a maximum of up to 30,000,000 Incentive Shares (equivalent to HK$16,500,000 calculated with reference to the Issue Price) for once for each New Postpartum Care Centre, and in aggregate not more than 200,000,000 Incentive Shares (equivalent to HK$110,000,000 calculated with reference to the Issue Price) shall be allotted and issued to Zhu Associate during the effective period of the Incentive Agreement notwithstanding the number of New Postpartum Care Centres established pursuant to the Incentive Agreement (the "**Maximum Incentive**"). Moreover, Zhu Associate undertakes and warrants (and procure its designated entity(ies) controlled by it) not to directly or indirectly transfer, sell or otherwise dispose of the relevant Incentive Shares obtained by Zhu Associate or its designated entity(ies) controlled by it in accordance with the terms of the Incentive Agreement, within 3 years from the respective dates of issuance of relevant Incentive Shares. Hence, the issue of Incentive Shares in lieu of cash payment not only allow the Group to retain cash for other possible corporate developments, but also better align the interests of Zhu Associate and Ms. Zhu to the long term interests of the Group.

Please refer to the paragraph headed "5. Principal terms for the Incentive Agreement" below for further assessment on the fairness and reasonableness of the reward mechanism of the Incentive Shares.

Considering (i) successful track record of "Aidigong" brand postpartum care centres, (ii) potential market opportunities in postpartum care services industry in the PRC, and (iii) contingent nature of the Incentive Shares reward, we concur with the Directors' view as to the reasons for and benefits of entering into the Incentive Agreement.

5. Principal terms for the Incentive Agreement

Principal terms and conditions

Date	:	27 October 2020
Parties	:	(i) The Company; and (ii) Zhu Associate
Obligations of the Zhu Associate	:	Zhu Associate shall, during the term of the Incentive Agreement (i) assist and give advice to the Company on selection of suitable site(s) to establish New Postpartum Care Centres in the PRC; (ii) conduct market research and advise the Company on the establishment of such New Postpartum Care Centres (including location and positioning of such New Postpartum Care Centres); and (iii) liaise with intermediaries and cooperating institutions to implement the construction of the New Postpartum Care Centres.
Rewards	:	The Company shall conditionally reward Zhu Associate certain Incentive Shares (if any). The number of Incentive Shares which Zhu Associate will be entitled to shall be calculated in the following manner: Within 18 months from the date of commencement of operation of each New Postpartum Care Centre (the "**Assessment Period**"), Zhu Associate may select any six consecutive calendar months within the Assessment Period (the "**Incentive Base Period**") and use the NPA of such New Postpartum Care Centre during the Incentive Base Period to calculate the number of Incentive Shares which Zhu Associate is entitled to, based on the following formula: **Annualised NPA x PE Ratio ÷ Issue Price**

Where:

Annualised NPA: The annualised NPA shall be NPA of the relevant New Postpartum Care Centre during the Incentive Base Period x 2

Annualized NPA will be presented in RMB, which shall be converted into HK$ using the median exchange rate of RMB to HK$ published on the website of State Administration of Foreign Exchange quoted and traded on the date when Zhu Associate notifies the Company in writing the Incentive Base Period selected, for the purpose of calculating the number of Incentive Shares.

PE Ratio: The price to earnings ratio of the Company for the purpose of calculating the number of Incentive Shares (the "**PE Ratio**") shall be the average of the price to earnings ratios as at the last trading day of each calendar month during the Incentive Base Period (which is calculated by dividing the basic earnings per Share as stated in the latest published annual report of the Company as of the date of calculating such price to earnings ratio by the closing price of the Shares on the date of calculating such price to earnings ratio), and in any case the PE Ratio shall not be greater than five (5) but not less than three (3). In the event if during the Incentive Base Period, the price to earnings ratio of the last trading day of any calendar month cannot be ascertained (for example, the Company recorded a loss as stated in the consolidated statement of profit or loss and other comprehensive income in the latest published annual report of the Company on the date of calculating the price to earnings ratio), the PE Ratio will be calculated using the average of the price to earnings ratios of the other calendar months during the Incentive Base Period. In the event if during the Incentive Base Period, no price to earnings ratio can be calculated, the Company will adopt the average of the maximum and minimum price to earnings ratio as stated above (i.e. four (4)) for the purpose of calculation.

Issue Price: HK$0.55 per Incentive Share

For the avoidance of doubt, Zhu Associate is only entitled to a maximum of up to 30,000,000 Incentive Shares (equivalent to HK$16,500,000 calculated with reference to the Issue Price) for once for each New Postpartum Care Centre, and in aggregate not more than 200,000,000 Incentive Shares (equivalent to HK$110,000,000 calculated with reference to the Issue Price) shall be allotted and issued to Zhu Associate during the effective period of the Incentive Agreement notwithstanding the number of New Postpartum Care Centres established pursuant to the Incentive Agreement (the "**Maximum Incentive**").

A Hong Kong certified public accountants, mutually agreed by the parties to the Incentive Agreement, shall be appointed to certify the NPA for each New Postpartum Care Centre and the certification of such certified public accountants shall be final and binding on the parties to the Incentive Agreement.

Zhu Associate shall notify the Company in writing the selected Incentive Base Period within three (3) months from the end date of the selected Incentive Base Period. Zhu Associate may only irrevocably select Incentive Base Period once during the Assessment Period of each New Postpartum Care Centre.

The Incentive Shares shall be allotted and issued by the Company to Zhu Associate (and/or its designated entity(ies) controlled by it) within 30 calendar days after Zhu Associate entitled to Incentive Shares depending and based on the NPA of the New Postpartum Care Centres during the Incentive Base Period and upon the Hong Kong certified public accountants appointed by the Company and Zhu Associate having certified the relevant results.

Lock-up undertaking	:	Zhu Associate undertakes and warrants (and procure its designated entity(ies) controlled by it) not to directly or indirectly transfer, sell or otherwise dispose of the relevant Incentive Shares obtained by Zhu Associate or its designated entity(ies) controlled by it in accordance with the terms of the Incentive Agreement, within 3 years from the respective dates of issuance of relevant Incentive Shares.
Effective Period	:	The Incentive Agreement shall become effective from the date which the Company having obtained all necessary approvals, consents and permits in accordance with the relevant laws and regulations (including but not limited to the Listing Rules) applicable to the Incentive Agreement (including but not limited to the Independent Shareholders' approval for the allotment and issue of the Incentive Shares at the SGM under the Specific Mandate and the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, the Incentive Shares) and Ms. Zhu having executed a new Director's service contract with the Company for a term of 3 years effective from the effective date of the Incentive Agreement. If the above conditions are not fulfilled on or before 31 March 2021 (or such later date as the parties to the Incentive Agreement may agree in writing), the Incentive Agreement shall not become effective, and that the parties to the Incentive Agreement shall not claim one another for any losses or liabilities of the other party under the Incentive Agreement. As at the Latest Practicable Date, none of the above conditions has been fulfilled.

Termination : The Incentive Agreement shall automatically terminate from the date when any of the following events occurs, whichever is earlier:

1. the Assessment Periods of all New Postpartum Care Centres have ended and all relevant Incentive Shares have been issued and allotted in accordance with the Incentive Agreement;

2. Zhu Associate has received the Maximum Incentive pursuant to the Incentive Agreement; or

3. Ms. Zhu ceases to be an executive Director *(Notes)*.

Notes:

1) For the avoidance of doubt, the Company shall issue and allot the relevant Incentive Shares in accordance with the Incentive Agreement, if:

   i) Ms. Zhu is not being removed as an executive Director by the Shareholders or for reasons including misconduct, inability or inappropriate to remain as a Director (such as bankruptcy, no longer qualify to act as a Director or mentally incapacitated), after Ms. Zhu ceased to be a Director, Zhu Associate may still select the Incentive Base Period during the Assessment Period of the relevant New Postpartum Care Centre, if any, and notify the Company in accordance with the terms of the Incentive Agreement; and/or

   ii) at the time when Ms. Zhu ceases to be an executive Director, there were outstanding Incentive Shares to be issued and alloted to Zhu Associate in accordance with the Incentive Agreement;

2) If Ms. Zhu voluntarily leaves the office as an executive Director, or the Company removes Ms. Zhu as a Director for reasons including misconduct, inability or inappropriate to remain as a Director (such as bankruptcy, no longer qualify to act as a Director or mentally incapacitated), and at the time when Ms. Zhu ceases to be an executive Director, Zhu Associate has not informed the Company the selected Incentive Base Period of the relevant New Postpartum Care Centre, in accordance with the Incentive Agreement, the Company shall not be obligated to allot and issue the Incentive Shares (if any) to Zhu Associate.

Notwithstanding the termination of the Incentive Agreement, any Incentive Shares already issued and allotted to Zhu Associate shall not be required to be returned to the Company under any circumstances.

Ms. Zhu is an executive Director, a joint chairman of the Board and the chief executive officer of the Company. She is the founder of Aidigong which was established in 2007. According to 2019 Annual Report, before the establishment of Aidigong, Ms Zhu was the head nurse of the delivery room at the Peking University Shenzhen Hospital*（北京大學深圳醫院產科）. Ms. Zhu is the first batch of domestic entrepreneurs to develop postpartum care services. She is a member of the 6th CPPCC and the president of Shenzhen Maternal and Child Services Association*（深圳市母嬰服務業協會）.

According to the representation from the management of the Company, Ms. Zhu is the founder and chairman of Aidigong since its establishment in 2007 involving in and responsible for the day-to-day operation. Although the Board considers the Directors and senior management have experience in operating healthcare business and have understood the business operation of postpartum care centres with the assistance of Ms. Zhu during the Earn-out Period, the success of "Aidigong" brand postpartum care centres relies heavily on the contribution, experience, expertise, market knowledge and business networks of Ms. Zhu. Moreover, the Directors consider that the major and indispensable successful factors of establishing a new postpartum care centre are, among others, selection of suitable site location and market positioning of the postpartum care centres, which are the advices and assistance to be provided by Zhu Associate under the Incentive Agreement. Accordingly, the contribution, assistance and advice given by Ms. Zhu would provide the necessary factors of a well-established on track postpartum care centre. In order to determine the Incentive, the Board considers the use of price-to-earnings multiple ("**P/E multiple**") is an appropriate measure. The P/E multiple is able to gauge the future direction of an enterprise and whether the value of such enterprise is high or low as compared to the past or other similar enterprise in the same sector. According to the representation from the management of the Company, the Board has considered other price multiples such as price-to-book value multiple and price-to-sales multiple and considered P/E multiple is the most appropriate measure as P/E multiple is the only ratio that can measure the profitability of an enterprise, being one of the most direct ways of creating shareholder value.

Accordingly, given the contingent nature of the Incentive, we concur the Directors' view that the use of P/E multiple under the Incentive reward mechanism is fair and reasonable.

In order to assess the fairness and reasonableness of value of P/E multiple under the Incentive reward, we have, to the best of our knowledge and as far as we are aware of, identified a representative list of comparable companies (the "**Comparable Companies**") listed on the Stock Exchange of which, according to the latest available annual financial statements, (i) their principal activities are located in the Greater China Region (ii) they are principally engaged in the provision of general healthcare services and/or the related operation; (iii) they have positive earnings. It should be noted that the Comparable Companies may have different market capitalisations, profitability and financial positions as compared to those of the Company.

According to the 2019 Annual Report, the postpartum care services provided by "Aidigong" postpartum care centres include five major service segments, being (i) basic maternal and infant nursing service during the postpartum care period; (ii) postpartum rehabilitation; (iii) yoga shaping; (iv) breast management; and (v) baby photography. We consider the above postpartum care services would be comparable to general healthcare services and hence adopted it as one of the selection criteria of the Comparable Companies. Although none of the Comparable Companies is engaged in postpartum care services, the principal business activities of each of the Comparable Companies include provision of healthcare or medical services; and the Comparable Companies collectively provide, among others, (i) healthcare services; (ii) hospital management services; (iii) rehabilitation services; and (iv) auxiliary medical services. We consider the business activities of the Comparable Companies in general would be proxy for the operation of the postpartum care centres and provision of related postpartum care services by the Company.

Stock code	**Name of company**	**Principal business activities**	**P/E multiples** *(note 1)*
1515	China Resources Medical Holdings Company Limited	Provision of general healthcare services, hospital management services, group purchasing organisation business and other hospital-derived services in the PRC.	13.09
722	UMP Healthcare Holdings Ltd.	Provision of healthcare services which include corporate healthcare solution services; medical and dental services; medical imaging and laboratory services; other auxiliary medical services; and healthcare management services in Hong Kong, Macau and the PRC.	15.92

Stock code	Name of company	Principal business activities	P/E multiples *(note 1)*
3689	Guangdong Kanghua Health Co., Ltd.	Provision of hospital services, provision of rehabilitation and other healthcare services, provision of hospital management services, sale of pharmaceutical products and provision of other services (represents elderly healthcare services) in the PRC.	11.20
3869	Hospital Corporation of China Limited	Principally engaged in (i) operation and management of its privately owned hospital; (ii) provision of management and consultation services to three not-for-profit hospitals and (iii) wholesale of pharmaceutical products in the PRC.	8.68
		Average	**12.22**

Note 1:

The P/E multiple is calculated by dividing the closing price per share as quoted on the Stock Exchange of the Comparable Companies on the date of the Incentive Agreement (i.e. 27 October 2020) by the basic earnings per share as shown on the latest published annual profit or loss statement of the Comparable Companies. Should the basic earnings per share of the Comparable Companies is denominated in RMB, the exchange rate of HK$1 to RMB0.86 is used, which is the exchange rate announced by the People's Bank of China on 27 October 2020.

The average P/E multiples of the Comparable Companies were approximately 12.22, and the PE Ratio under the Incentive reward mechanism shall not be greater than five but not less than three, with an average value of four. The average value of PE Ratio of four represents a discount of approximately 67.27% to the average P/E multiple of the Comparable Companies.

Considering (i) the contribution, assistance and advice given by Ms. Zhu are the major and indispensable successful factors of establishing a well-established on track postpartum care centre; (ii) the contingent nature of the Incentive; (iii) the PE Ratio employed in the Incentive reward mechanism represents a significant discount to the average P/E multiples of Comparable Companies; (iv) the maximum of up to 30,000,000 Incentive Shares for once for each New Postpartum Care Centre; (v) the lock-up period of three years of the relevant Incentive Shares that would align the interests of Zhu Associate and Ms. Zhu to the long term interests of the Group; and (vi) the retention of Ms. Zhu as a Director for a term of three years as one of the conditions of the Incentive Agreement, we concur with the Directors' view that the Incentive reward mechanism, which forms part of the terms of the Incentive Agreement, is fair and reasonable, on normal commercial terms and in the interests of the Company and its Shareholders as a whole.

6. Maximum number of incentive shares and effect on the shareholding structure

The maximum number of the Incentive Shares to be issued to the Zhu Associate by the Company is 200,000,000 Incentive Shares, representing approximately (i) 5.22% of the issued share capital of the Company as at the Latest Practicable Date; and (ii) 4.96% of the Company's issued share capital as enlarged by the issue of the maximum number of the Incentive Shares.

Assuming the allotment of the maximum number of Incentive Shares, the shareholding percentage of public shareholders would be diluted from approximately 62.66% to approximately 59.55%, representing a decrease of approximately 3.11%. Taking into account the benefits of the Incentive Agreement discussed under the paragraph headed "4. Reasons for establishing new postpartum care centres and benefits of entering into the Incentive Agreement", we concur with the view of Directors that the potential dilution effect resulting from the allotment and issue of Incentive Shares is considered acceptable.

7. Issue price

The Issue Price of HK$0.55 per Incentive Share represents:

(i) a premium of approximately 7.84% to the closing price of HK$0.51 per Share as quoted on the Stock Exchange on the date of the Incentive Agreement;

(ii) a premium of approximately 5.36% to the average closing price of HK$0.52 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Incentive Agreement;

(iii) a premium of approximately 3.97% to the average closing price of HK$0.53 per Share as quoted on the Stock Exchange for the last ten consecutive trading days immediately prior to the date of the Incentive Agreement;

(iv) a premium of approximately 12.24% to the closing price of HK$0.49 per Share as quoted on the Stock Exchange as at the Latest Practicable Date; and

(v) a premium of approximately 61.76 % to the unaudited consolidated net asset value per Share of the Group as at 30 June 2020 of approximately HK$0.34 as disclosed in the 2020 Interim Report.

In order to assess the fairness and reasonableness of the Issue Price, we have obtained the average closing price (the "**Average Closing Price**") of the Shares as quoted on the Stock Exchange for the period from 28 October 2019 to 27 October 2020, being one year prior to the date of the Incentive Agreement. The Average Closing Price was approximately HK$0.55, which is the same as the Issue Price. Considering the Issue Price is the same as the Average Closing Price, we concur with the Director's view that the Issue Price is fair and reasonable.

RECOMMENDATION

Having considered the principal factors and reasons described above, we are of the opinion that although the entering into of the Incentive Agreement is not in the ordinary and usual course of business of the Group, the terms of the Incentive Agreement (including the Issue Price) are fair and reasonable, on normal commercial terms and in the in the interests of the Company and its Shareholders as a whole.

Accordingly, we recommend the Independent Shareholders, as well as the Independent Board Committee to advise the Independent Shareholders, to vote in favour of the resolutions to approve the Incentive Agreement and the transactions contemplated thereunder.

Yours faithfully,
for and on behalf of
Advent Corporate Finance Limited
Kan Tsz Yan Arthur
Managing Director

Mr. Kan Tsz Yan Arthur is a licensed person registered with the Securities and Futures Commission and a responsible officer of Advent Corporate Finance Limited to carry out Type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance (chapter 571 of the laws of Hong Kong). He has over 19 years of experience in corporate finance and investment banking industry.

* *for identification purpose only*

1. FINANCIAL INFORMATION OF THE GROUP

Financial information of the Group for each of the three financial years ended 31 December 2017, 2018 and 2019 and the six months ended 30 June 2020 are disclosed in the following documents which have been published on the websites of the Stock Exchange (http://www.hkexnews.hk) and the Company (http://www.aidigong.hk):

- annual report of the Company for the year ended 31 December 2017 (the "**2017 Annual Report**") published on 30 April 2018 (pages 102 to 230). Please see below hyperlink to the 2017 Annual Report:

  https://www1.hkexnews.hk/listedco/listconews/sehk/2018/0430/ltn20180430301.pdf

- annual report of the Company for the year ended 31 December 2018 (the "**2018 Annual Report**") published on 26 April 2019 (pages 106 to 258). Please see below hyperlink to the 2018 Annual Report:

  https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0426/ltn20190426425.pdf

- 2019 Annual Report (pages 90 to 218). Please see below hyperlink to the 2019 Annual Report:

  https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0515/2020051500392.pdf

- 2020 Interim Report (pages 3 to 29). Please see below hyperlink to the 2020 Interim Report:

  https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0925/2020092500207.pdf

2. MAJOR CUSTOMERS AND SUPPLIERS

The aggregate turnover attributable to the Group's largest customer and five largest customers amounted for approximately 12% and 27% respectively, of the Group's total turnover for the year ended 31 December 2019.

The aggregate purchases attributable to the Group's largest supplier and five largest suppliers accounted for approximately 30% and 64% respectively, of the Group's total purchases for the year ended 31 December 2019.

At no time during the year ended 31 December 2019 did the Directors, their respective close associates or any Shareholders (which, to the knowledge of the Directors, owned more than 5% of the issued capital of the Company) had beneficial interests in any of the Group's top five largest customers and five largest suppliers.

3. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

In the first half of 2020, the novel coronavirus epidemic brought challenges to the Group's development. However, the postpartum care service business was still able to maintain its sound growth, thus fully reflected the anti-cyclical ability of the postpartum care service business and further justified the Group's smart choice to focus on the long-term development of the postpartum care service business. During the first half of 2020, the Group completed the disposal of the medical anti-aging business in the PRC, moving towards to the Group's operation concentration regime further. The Health Preservation Residential Project of the Group in Luofu Mountain is scheduled to open for sale in the second half of the year. It is expected to contribute considerable cash flows to the Group and provide more financial support for the Group to develop the postpartum care service business.

The outbreak of the epidemic in 2020 brought both challenges and opportunities to the Group, which have prompted the team of the Group to grow faster, improve its management capability continuously, and respond to future development in a more matured manner. Not only the management team of the postpartum care service business quickly formulated the epidemic prevention measures, they also strictly implemented and followed the same and achieved zero infection, thereby creating a secured place for mothers, babies and family members during the postpartum care period.

As the postpartum care service business is in contrarian growth, the Group firmly believe that the already recognized, high-quality, safe and professional postpartum care centres with brand influence will equip stronger risk prevention capabilities. The impact of the epidemic on the economy and increasing property vacancy rate will lead to a drop in property price. The Group will seize the opportunities brought by the epidemic to expand against the tide, and grab the increasing industry concentration opportunities by leveraging the advantages as a leading company to obtain market share further.

4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 December 2019, being the date to which the latest published audited financial statements of the Group were made up.

5. STATEMENT OF INDEBTEDNESS

As at the close of business on 31 October 2020, being latest practicable date prior to the printing of this circular for the purpose of ascertaining information contained in this statement of indebtedness, the Group has a principal amount of HK$129,500,000 unsecured and unguaranteed bonds payable, approximately HK$639,736,000 secured and guaranteed bank loan, HK$2,211,000 unsecured and unguaranteed bank loan, HK$1,158,000 guaranteed and unsecured bank loan, HK$30,000,000 secured and guaranteed other borrowings and HK$15,000,000 unsecured and unguaranteed other borrowings.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities and normal trade payables in the normal course of business, the Group did not have any loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptance credits, debentures, mortgages, charges, hire purchases commitments, guarantees or other material contingent liabilities as at the close of business on 31 October 2020.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. SHARE CAPITAL

The authorized and issued share capital of the Company as at the Latest Practicable Date and upon issuance of the Incentive Shares are as follows:

Authorised		*HK$*
80,000,000,000	Shares	800,000,000.00

Issued and to be issued, fully paid and/or credited as fully paid upon issue of the maximum number of the First Subscription Shares and the Incentive Shares

3,830,915,008	Shares in issue as at the Latest Practicable Date	38,309,150.08
264,099,966	First Subscription Shares to be issued	2,640,999.66
200,000,000	Incentive Shares to be allotted and issued	2,000,000.00
4,295,014,974	Shares	42,950,149.74

The Shares are listed and traded on the Main Board of the Stock Exchange. No Shares are listed on or dealt in, nor is any listing of or permission to deal in the Shares being, or proposed to be, sought on any other stock exchange.

As at the Latest Practicable Date, none of the capital of any member of the Group is under option, or agreed conditionally or unconditionally to be put under option.

Since 31 December 2019, being the date to which the latest published audited consolidated financial statements of the Company were made up, and up to and including the Latest Practicable Date, there had not been any alteration in the issued share capital of the Company or any of its subsidiaries.

3. DISCLOSURE OF INTERESTS

(a) Directors' and chief executive(s)'s interests

As at the Latest Practicable Date, the interests and/or short positions, if any, of each Director and chief executive of the Company in the shares, underlying shares and/or debentures of the Company and/or any of its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the directors and chief executive were taken or deemed to have under such provisions of the SFO), or (ii) which were required to be and were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or (iii) which were otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") adopted by the Company were as follows:

Name of director/chief executive	Capacity/ Nature of interest	Total number of ordinary shares	Approximate percentage of interest in the Company[(3)]
Mr. Cheung[(1)]	Interest of controlled corporation	930,379,671(L)	24.29%
Ms. Zhu[(2)]	Interest of controlled corporation	200,000,000(L)	5.22%

Notes:

(1) Mr. Cheung, through his controlled corporation, Champion Dynasty Limited is deemed to be interested in 930,379,671 Shares held by Champion Dynasty Limited. 500,000,000 Shares registered in the name of Champion Dynasty Limited were charged in favour of Golden Full Holdings Limited pursuant to a share charge made by Champion Dynasty Limited as chargor based on a share charge agreement dated 8 January 2020.

(2) Pursuant to the Incentive Agreement, a maximum of 200,000,000 Incentive Shares shall be conditionally granted to Zhu Associate by the Company. Ms. Zhu, through her controlled corporation, Zhu Associate is deemed to be interested in 200,000,000 Shares to be held by Zhu Associate.

(3) Percentage of interest is calculated based on 3,830,915,008 Shares in issue as at the Latest Practicable Date.

(4) The letter "L" denotes the long position in Shares of the Company held by this person.

Save as disclosed above, none of the directors or chief executive of the Company had, as at Latest Practicable Date, any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (i) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the directors and chief executive of the Company were taken or deemed to have under such provisions of the SFO), or (ii) which were required to be and were recorded in the register required to be kept by the Company under Section 352 of the SFO, or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

(b) Substantial shareholders' interests

So far as is known to any director of the Company, as at the Latest Practicable Date, Shareholders (other than the directors or chief executive of the Company) who had interests and short positions in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were required to be and were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Name of substantial shareholder	Capacity/ Nature of interest	Total number of ordinary shares	Approximate percentage of interest in the Company[(5)]
Champion Dynasty Limited[(1)]	Beneficial owner	930,379,671(L)	24.29%
Wang Aier[(1) (2)]	Interest of controlled corporation	900,000,000(L)	23.49%
Golden Full Holdings Limited[(1) (2)]	Beneficial owner	500,000,000(L)	13.05%
Suntek Global Growth Fund SPC – Suntek Global Growth Fund Number One SP[(3)]	Investment manager	500,000,000(L)	13.05%
Zhu Associate[(4)]	Beneficial owner	200,000,000(L)	5.22%

Notes:

(1) Mr. Cheung is the sole director of Champion Dynasty Limited and owned its entire issued capital. 500,000,000 Shares registered in the name of Champion Dynasty Limited were charged in favour of Golden Full Holdings Limited pursuant to a share charge made by Champion Dynasty Limited as chargor based on a share charge agreement dated 8 January 2020.

(2) 500,000,000 Shares were held by Wang Aier through Golden Full Holdings Limited, which is wholly owned by Wang Aier, and 400,000,000 Shares were held by Wang Aier as a beneficial owner.

(3) According to the relevant Disclosure of Interest Notice dated 17 September 2019 in connection with the Company available on www.hkex.com.hk as at the Latest Practicable Date, Suntek Global Growth Fund SPC - Suntek Global Growth Fund Number One SP is interested in 500,000,000 Shares as an investment manager, which accounted for 13.40% of the Company's issued share capital based on 3,730,915,008 Shares then in issue.

(4) Zhu Associate is wholly-owned by Ms. Zhu. Ms. Zhu will be deemed to be interested in the Shares to be issued to Zhu Associate.

(5) Percentage of interest is calculated based on 3,830,915,008 Shares in issue as at the Latest Practicable Date

(6) The letter "L" denotes the long position in Shares held by this person.

Save as disclosed above, as at the Latest Practicable Date, the Company had not been notified by any persons (other than the Directors or chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required to be and were recorded in the register required to be kept by the Company under Section 336 of the SFO.

4. EXPERT AND CONSENT

The following is the qualification of the expert who has been named in this circular or has given opinion or advice contained in this circular:

Name of expert	**Qualification**
Advent Corporate Finance Limited	a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity under the SFO

As at the Latest Practicable Date, Advent Corporate Finance was not beneficially interested in the share capital of any member of the Group nor had any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

Advent Corporate Finance had given and had not withdrawn its written consent to the issue of this circular with the inclusion of its letter and references to its name and/or logo in the form and context in which they appear.

The letter and recommendation given by Advent Corporate Finance are given as of the date of this circular for incorporation herein.

As at the Latest Practicable Date, Advent Corporate Finance had no direct or indirect interest in any assets which had been acquired or disposed of by, or leased to, or which were proposed to be acquired of or disposed of by, or leased to, any member of the Group since 31 December 2019, being the date to which the latest published audited financial statements of the Group was made up.

5. TRADEMARKS

The trademarks from health industry and postpartum care services are material in relation to the Group's business and are key to customer loyalty and essential to future growth of the Group.

6. PRINCIPAL INVESTMENTS OF THE GROUP

Investment projects currently held by the Group includes JP Partners Medical Group, Fengshuo Bio Medical Tech Group and Wanqi Marine Bio. The JP Partners Medical Group comprises eighteen private medical centres in Hong Kong. The Fengshuo Bio Medical Tech Group is principally engaged in the research of the dioscorea composita root extract technology's commercial applications and production. The Wanqi Marine Bio, a national high-tech enterprise located in Shenzhen, is principally engaged in seahorse breeding, which is a health product for food and medical purposes.

Save for the proposed construction of the New Postpartum Care Centre(s), the Group has no planned investment as at the Latest Practicable Date.

7. DIRECTORS' BIOGRAPHICAL INFORMATION

The business addresses of all the Directors is located at Unit E, 28/F., YHC Tower, 1 Sheung Yuet Road, Kowloon Bay, Kowloon, Hong Kong.

Set out below are the biographical information of the Directors:

Executive Directors

Ms. Zhu Yufei, aged 57, is the founder of Aidigong, joined the Company as executive Director, joint chairman of the Board ("**Joint Chairman**") and chief executive officer in December 2019. Before the establishment of Aidigong, she was the head nurse of the delivery room at the Peking University Shenzhen Hospital*（北京大學深圳醫院產科）. Ms. Zhu is the first batch of domestic entrepreneurs to develop postpartum care services. She currently is a member of the 6th CPPCC and the president of Shenzhen Maternal and Child Services Association*（深圳市母嬰服務業協會）.

As disclosed in the announcement dated 25 January 2019 and the circular of the Company dated 26 July 2019, on 25 January 2019, the Company, Ms. Zhu and Subscriber B entered into the First Subscription Agreement pursuant to which the Company conditionally agreed to issue, and Ms. Zhu and Subscriber B conditionally agreed to subscribe for, in aggregate of not more than 264,099,966 First Subscription Shares. Ms. Zhu owns approximately 75.58% of the equity interest of Subscriber B, and Ms. Zhu is the executive partner of Subscriber B as at the Latest Practicable Date.

Mr. Cheung Wai Kuen, aged 46, joined the Company as executive Director in August 2012 and has been appointed as the chairman of the Board since September 2012 and he became a Joint Chairman upon Ms. Zhu Yufei's appointment as one of the Joint Chairmen. He is also a director of certain subsidiaries of the Group. Mr. Cheung has 20 years of operational experience in the healthcare industry as well as rich industry resources. He has successfully found a number of hospitals and health management center. Mr. Cheung is a director of Champion Dynasty, a substantial Shareholder. Mr. Cheung was retired from Greentech Technology International Limited (Stock Code: 195) as an executive director since 31 May 2019.

Mr. Lin Jiang ("**Mr. Lin**"), aged 56, was appointed as a non-executive Director on 1 February 2013 and was re-designated as an executive Director on 14 February 2020. He has over 20 years of experience in economic and financial areas. He obtained a bachelor degree and a master degree of economics from Sun Yat-sen University, a doctor degree of economics from Jinan University, and finished his postdoctoral research on applied economics in Zhongnan University of economics and law.

Mr. Lin is currently an economics professor and a doctoral tutor in Lingnan College of Sun Yat-sen University. Moreover, he serves as an instructional committee member of Public Financial Majors of Higher Education Institutes of the Ministry of National Education*（國家教育部高等學校財政學類教學指導委員會）, an adjunct research fellow for Cross-Strait Relation Research Center*（海峽兩岸關係研究中心特約研究員）, a vice president of Guangdong Public Finance Society*（廣東省財政學會）, an advisory member of Guangzhou Municipal Public Finance Experts Committee*（廣州市財政專家諮詢委員會）, a consultation expert for Decision Making, Guangzhou Municipal Government, 4th session（廣州市人民政府第四屆決策諮詢專家）and a consultation expert of the Budget Work Committee, the Standing Committee of Guangzhou Municipal People's Congress, 15th session（廣州市第十五屆人大常委會預算工作委員會諮詢專家）. In addition, he was the then a deputy general manager for the financial division of China Merchants Group Limited.

Mr. Li Runping ("**Mr. Li**"), aged 39, was appointed as executive Director on 16 April 2020. He obtained a bachelor's degree in accounting from the International Business School, Nankai University（南開大學國際商學院）in June 2004, and a master's degree in business administration from Nankai University（南開大學）in June 2011. Mr. Li has over ten years of experience in the financial industry. He served as senior management in a number of corporations and was responsible for industry research, investment and matters relating to mergers and acquisitions.

Non-executive Directors

Mr. Wong Kin Man ("**Mr. Wong**"), aged 69, was appointed as non-executive Director on 16 August 2019. He has extensive experience in brand marketing and public relations management. Mr. Wong previously served as the deputy general manager of China Division of Crocodile Garments Limited (stock code: 122), a company listed on the Main Board of the Stock Exchange which principally engaged in the manufacture, retail and wholesale of fashions in Hong Kong, Macau and mainland China. Subsequently, Mr. Wong served at Hong Kong Seibu Holdings (China) Limited, a subsidiary of Dickson Concepts (International) Limited (stock code: 113), a company listed on the Main Board of the Stock Exchange that is principally engaged in sale of luxury goods and securities investment, where he was responsible for store expansion, management coordination, marketing, corporate relations and business development matters of the relevant company. Mr. Wong then served as the chief operating officer of Hong Kong Investment Holdings Limited, where he was responsible for the overall planning and development of a shopping mall in Tsim Sha Tsui, Hong Kong. Following that, Mr. Wong served as general manager of 太陽新天地購物中心 (Happy Valley Mall), one of the landmark shopping malls in Tianhe District, Guangzhou, China.

Mr. Wong obtained a diploma in business management from Jinan University, China in 1985.

Mr. Yang Zhibo ("**Mr. Yang**"), aged 35, was appointed as non-executive Director on 16 April 2020. He graduated with a bachelor's degree in administrative management from Xi'an Jiaotong University（西安交通大學）in July 2008, and obtained a master's degree in finance from Anhui University（安徽大學）in June 2013. Mr. Yang served as senior management in a number of corporations, where he was responsible for corporate audit, risk management and investment management, and has more than five years of relevant experience.

Independent non-executive Directors

Mr. Mai Yang Guang ("**Mr. Mai**"), aged 56, joined the Company as independent non-executive Directors ("**INED**") in February 2013. He is also the chairman of the nomination committee (the "**Nomination Committee**") of the Company, the chairman of the remuneration committee (the "**Remuneration Committee**") of the Company and a member of the audit committee (the "**Audit Committee**") of the Company. Mr. Mai has over 20 years of experience in enterprise management in the PRC. He graduated from thermal engineering department of Northeastern University in the PRC. Mr. Mai is the executive director and general manager of Shenzhen Xinyinji Enterprise Development Limited*(深圳市新銀基實業發展有限公司)and the chairman of board of directors and general manager of Shenzhen Haojiahua Investment Limited*(深圳市好嘉華投資有限公司).

Mr. Wong Yiu Kit, Ernest ("**Mr. Wong**"), aged 53, joined the Company as INED in September 2017. He is also the chairman of the Audit Committee, and a member of the Remuneration Committee and the Nomination Committee. Mr. Wong has over 25 years of experience in venture capital, corporate finance, business development and general management. He is the president and group chief financial officer of KVB Kunlun Holdings Limited. Mr. Wong is as an independent non-executive director of Renheng Enterprise Holdings Limited (Stock Code: 3628), HongDa Financial Holding Ltd (Stock Code: 1822) and Progressive Path Group Holdings Limited (Stock Code: 1581), each of the shares of such companies are listed on the Stock Exchange. Mr. Wong also served several positions at Adamas Finance Asia Limited, a company listed on the London Stock Exchange ("**LSE**") (LSE Stock Code: ADAM), including its executive director, chief financial officer and non-executive director. Mr. Wong also served as the executive director, the chief financial officer and the company secretary of KVB Kunlun Financial Group Limited (Stock Code: 6877) and an independent non-executive director of China Regenerative Medicine International Limited (Stock Code: 8158) and Legend Strategy International Holdings Group Company Limited (Stock Code: 1355).

Mr. Wong obtained a master's degree in management from Saïd Business School of Oxford, a bachelor's degree in business administration from The University of Hong Kong, a master's degree of science in investment management from The Hong Kong University of Science and Technology and a master's degree of science in electronic engineering from The Chinese University of Hong Kong. Mr. Wong was admitted as a fellow member of the Association of Chartered Certified Accountants, the Hong Kong Institute of Certified Public Accountants and the Institute of Chartered Accountants in England and Wales. He was admitted as a chartered financial analyst of the Institute of Chartered Financial Analysts. He is a current member of the Hong Kong Securities Institute. He is also acting the deputy chairman of the HKU Convocation, the court member of The University of Hong Kong, and a vice chairman of the Association of Chartered Certified Accountants Hong Kong.

Mr. Lam Chi Wing ("**Mr. Lam**"), aged 40, joined the Company as INED in March 2016. He is also a member of the Remuneration Committee, the Nomination Committee and the Audit Committee. Mr. Lam obtained a bachelor of business administration degree in accounting & finance at The University of Hong Kong in 2003. Subsequently, Mr. Lam obtained a master of science degree in knowledge management at The Hong Kong Polytechnic University in 2006 and a master of business administration degree at The Chinese University of Hong Kong in 2010. Mr. Lam is currently a doctoral candidate in global creative industries of The University of Hong Kong.

Mr. Lam served at PricewaterhouseCoopers in 2003. Mr. Lam subsequently joined Li & Fung Group, which he served as group chief representative and general manager, Southern China of Li & Fung Development (China) Limited prior to his departure. Mr. Lam currently serves as director or consultant at a number of companies in Hong Kong and the PRC.

Mr. Lam is a member of the Twelfth Guangdong Committee of the Chinese People's Political Consultative Conference*(中國人民政治協商會議第十二屆廣東省委員), and the Eleventh & Twelfth Zhongshan Committee of the Chinese People's Political Consultative Conference*(中國人民政治協商會議第十一屆、十二屆中山市委員), a member of the Committee of the Chinese Association of Hong Kong & Macao Studies*(全國港澳研究會港區特邀代表), a member of the Expert Committee to the Second Ministry of Commerce Advisory Committee for Economic & Trade Policy*(第二屆國家商務部經貿政策諮詢委員會專家), a vice chairman of the Hong Kong Guangdong Youth Association*(香港廣東青年總會), executive vice chairman of the Hong Kong Zhongshan Youth Association*(香港中山青年協會), a member of The Hong Kong Professionals And Senior Executives Association(香港專業及資深行政人員協會), a member of The Y. Elites Association Limited(香港菁英會成員) and a member of the Chinese Academy of Governance (HK) Industrial and Commercial Professionals Alumni Association Limited*(中國國家行政學院(香港)工商專業同學會成員). Mr. Lam served as a part-time member of the Central Policy Unit of the Government of Hong Kong from 2011 to 2012, and is currently serving as an advisory committee of the Sustainable Agricultural Development Fund of the Government of Hong Kong, a committee member of the Appeal Panel (Housing) of the Government of Hong Kong, and a committee member of China Commerce & Trade Advisory Committee of the Hong Kong Trade and Development Council(香港貿易發展局內地商貿諮詢委員會).

Mr. Lam is currently the member of the China Commerce & Economy Society*（中國商業經濟學會）and the vice chairman of the Youth Division of China Commerce & Economy Society*（中國商業經濟學會青年分會）, vice chairman of the Guangdong Society of Commercial Economy*（廣東省商業經濟學會）, vice chairman of the Promotion of Cooperation between Guangdong, Hong Kong & Macao*（廣東省粵港澳合作促進會）, deputy dean of the Guangdong Asia Pacific E-Commerce Institute*（廣東亞太電子商務研究院）, executive deputy secretary-general of the Society of Guangdong Logistics and Supply Chain*（廣東省物流與供應鏈學會）.

Mr. Lam is currently an adjunct professor at each of School of Business of the Renmin University of China *（中國人民大學商學院）, the Business School of The Hong Kong University of Science and Technology*（香港科技大學商學院）, School of Management at Zhejiang University*（浙江大學管理學院）, the School of Economics and Management at The Chinese University of Hong Kong, Shenzhen*（香港中文大學（深圳）經管學院）, a part-time researcher at Guangdong University of Finance and Economics' Research Institute of Circulation Economy*（廣東財經大學流通經濟研究所）, a special researcher at each of Jinan University's Modern Distribution Research Centre*（暨南大學現代流通研究中心）and Shenzhen University's Center for Basic Laws of Hong Kong and Macau Special Administrative Regions*（深圳大學港澳基本法研究中心）.

Mr. Lam also serves as an independent non-executive director, chairman of the remuneration committee, member of the nomination committee and the audit committee of Wai Hung Group Holdings Limited (Stock Code: 3321), a company listed on the Main Board of the Stock Exchange.

8. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered or proposed to enter into any service contract with any member of the Group which does not expire or which is not determinable by the Company or its subsidiaries (as the case may be) within one year without payment of compensation (other than statutory compensation).

9. INTEREST IN CONTRACTS AND ASSETS

On 5 October 2018, the Company, as lender, entered into a new facility agreement (the "**Facility Agreement**") and agreed to renew a loan agreement with Champion Dynasty Limited, as borrower, and Mr. Cheung Wai Kuen, as individual guarantor, for a period of three years from 19 November 2018 to 18 November 2021 in relation to a three-year revolving loan facility of up to HK$200,000,000 to Champion Dynasty Limited at an interest rate of 12% per annum (the "**Loan Transaction**"). The Loan Transaction was approved by the independent Shareholders at the special general meeting held on 19 November 2018. The loan is repayable on demand.

Other than the Facility Agreement, there is no contract or arrangement entered into by any member of the Group, subsisting as at the Latest Practicable Date in which any of the Directors is materially interested and which is significant in relation to the business of the Group as a whole.

None of the Directors has any direct or indirect interest in any assets which have been, since 31 December 2019, being the date to which the latest published audited financial statements of the Company were made up, acquired or disposed of by or leased to any member of the Group, or which are proposed to be acquired or disposed of by or leased to any member of the Group.

10. DIRECTORS' INTEREST IN COMPETING BUSINESS

As at the Latest Practicable Date, none of the Directors or their respective close associates had any interest in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group as required to be disclosed pursuant to the Listing Rules.

11. MATERIAL CONTRACTS

The following contracts (not being contracts that were entered into in the ordinary course of business) were entered into by members of the Group within the two years immediately preceding the date of this circular and up to the Latest Practicable Date and is, or may be, material:

(a) the supplemental agreement dated 30 November 2018 made among Guangdong Fengyuan Technology Innovation Bio Tech Company Limited*（廣東豐源科創生物科技有限公司）(“**GF Vendor**”), Mr. Zhao, Guangdong Fengyuan Huake Bio Tech Company Limited*（廣東豐源華科生物科技有限公司）(“**Guangdong Fengyuan**”), Guangdong Fengshuo Bio Medical Tech Company Limited*（廣東豐碩生物醫藥科技有限公司）and Guangdong Tongjia Investment Management Limited*（廣東同佳投資管理有限公司）(“**Purchaser**”), a wholly owned subsidiary of the Company, pursuant to which, among other matters, the GF Vendor has agreed to compensate the Purchaser in the amount of RMB5.69 million and Guangdong Fengyuan has undertaken its guarantee net profit for the years ended 31 December 2018 and 31 December 2019 and the year ending 31 December 2020 will not be less than RMB20 million, RMB20 million and RMB38 million respectively;

(b) the Equity Transfer Agreement dated 24 January 2019 made among 廣東同佳健康產業集團有限公司 (Guangdong Common Splendor Health Industry Company Limited*) (“**Guangdong CS**”), as the purchaser, Ms. Zhu, 成都鵬益企業管理有限公司 (Chengdu Pengyi Enterprise Management Company Limited*), 深圳市陶潤管理諮詢合夥企業（有限合夥）(Shenzhen City Taorun Management Advisory Partnership (Limited Partnership)*, 深圳市愛心恆久遠資本管理合夥企業（有限合夥）(Shenzhen City Aixinhengjiuyuan Assets Management Partnership (Limited Partnership) (“**Shenzhen Aixinhengjiuyuan**”)*, 深圳市創富博大投資中心（有限合夥）(Shenzhen City Chuangfuboda Investment Centre (Limited Partnership)*, 深圳市三好泰富資本投資合夥企業（有限合夥）(Shenzhen City Sanhaotaifu Capital Investment Partnership) (Limited Partnership)*, as the vendors (collectively, the “**Vendors**”), and the Company, pursuant to which, among other matters, the Vendors conditionally agreed to sell and Guangdong CS conditionally agreed to acquire 88.5184% of the issued share capital of Aidigong, at the aggregate maximum consideration of RMB888,000,000 (equivalent to approximately HK$1,025,404,157) (subject to downward adjustments);

(c) the subscription agreement dated 25 January 2019 made among Ms. Zhu, Shenzhen Aixinhengjiuyuan and the Company, pursuant to which, subject to the fulfillment of the conditions precedent as mentioned herein, each of the Ms. Zhu and Shenzhen Aixinhengjiuyuan will respectively subscribe for, and the Company will allot and issue up to 222,006,334 and 42,093,632 new shares, at the subscription price of HK$0.70 per subscription share. The aggregate nominal value of the 264,099,966 subscription shares is HK$2,640,999.66;

(d) the disposal agreement dated 6 March 2019 between Wealthy Kingdom Group Limited ("**Wealthy Kingdom**"), a non wholly-owned subsidiary of the Company as at the time of the agreement, as the vendor, and Yellow Dragon Medical Alliance Limited ("**Yellow Dragon**"), as the purchaser, pursuant to which, Yellow Dragon has conditionally agreed to purchase and Wealthy Kingdom has conditionally agreed to sell approximately 12.2% of the issued shares of Dragon Pride Enterprises Limited, at a consideration of approximately HK$19.52 million;

(e) the acquisition agreement dated 6 March 2019 between Gold Stable Limited ("**Gold Stable**"), a wholly-owned subsidiary of the Company, as the purchaser, and Billion High Worldwide Investments Limited ("**Billion High**"), as the vendor, pursuant to which, Gold Stable has agreed to purchase and Billion High has agreed to sell the 30% of the issued shares of Wealthy Kingdom at a consideration of approximately HK$11.71 million;

(f) the subscription agreement dated 28 May 2019 between the Suntek Global Growth Fund SPC ("**Suntek**") and the Company, pursuant to which, Suntek has conditionally agreed to subscribe, and the Company has conditionally agreed to allot and issue, an aggregate of 500,000,000 new shares at the subscription price of HK$0.4 per subscription share;

(g) the placing agreement dated 28 May 2019 between Kingston Securities Limited and the Company ("**May 2019 Placing Agreement**"), pursuant to which, Kingston Securities Limited has conditionally agreed, as agent of the Company, to procure placees to subscribe for up to the maximum of 750,000,000 placing shares at the placing price of HK$0.4 per placing share;

(h) the supplemental agreement dated 23 July 2019 between Guangdong CS and Ms. Zhu to extend the acquisition long stop date of the Equity Transfer Agreement to 31 August 2019 (or such later date to be agreed between the parties in writing);

(i) the side letter dated 15 August 2019 between the Kingston Securities Limited and the Company to extend the placing long stop date of the May 2019 Placing Agreement;

(j) the placing agreement dated 18 December 2019 between AJ Securities Limited and the Company, pursuant to which AJ Securities Limited conditionally agreed, as agent of the Company, to procure placees on a best efforts basis for up to an aggregate of 86,000,000 placing shares at the placing price of HK$0.5 per placing share;

(k) the placing agreement dated 18 December 2019 between First Shanghai Securities Limited and the Company, pursuant to which First Shanghai Securities Limited conditionally agreed, as agent of the Company, to procure placees on a best efforts basis for up to an aggregate of 14,000,000 placing shares at the placing price of HK$0.5 per placing share;

(l) the disposal agreement dated 8 May 2020 entered into among Guangzhou Biou International Medical Management Co., Ltd.*（廣州拜歐國際醫療管理有限公司）, as purchaser, an independent third party individual, as guarantor, and Guangzhou Common Splendor Health Technology Limited*（廣州同佳醫療科技有限公司）(“**CS Health Technology**”), as vendor, disposing (i) the entire equity interest in Guangzhou Ruiang Comprehensive Clinic Co., Ltd.*（廣州瑞昂綜合門診部有限公司）; (ii) 51% equity interest in Guangzhou Common Splendor Cell Technology Co., Ltd*（廣州同佳細胞科技有限公司）; and (iii) 1.1% equity interest in Guangzhou Ruiang Health Industry Investment Center (Limited Partnership)*（廣州瑞昂健康產業投資中心（有限合夥））, for an aggregate consideration of RMB2.18 million;

(m) the disposal agreement dated 13 June 2020 between Shenzhen Weimei Jinxiu Biotechnology Co., Ltd.*（深圳維美錦繡生物科技有限公司）, as purchaser, and CS Health Technology, as vendor, disposing its entire equity interest in Shenzhen Common Splendor Clinic*（深圳同佳門診部）at a consideration of RMB3 million;

(n) the disposal agreement dated 17 June 2020 between an independent third party individual as purchaser, and CS Health Technology, as vendor, disposing its entire interest in Huizhou Common Splendor Medical Technology Co., Ltd.*（惠州市同佳醫療科技有限公司）at a consideration of RMB1.75 million; and

(o) the Incentive Agreement as described in the section headed “The Incentive Agreement” in the Letter from the Board in this circular.

Save as disclosed above, there are no other contracts, not being contracts entered into in the ordinary course of business of the Group, that are, or may be, material, having been entered into by the Group within the two years immediately preceding the date of this circular and up to the Latest Practicable Date.

12. LITIGATION

As of the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

13. GENERAL

(a) The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda, and the principal place of business in Hong Kong of the Company is at Unit E, 28/F., YHC Tower, 1 Sheung Yuet Road, Kowloon Bay, Kowloon, Hong Kong.

(b) The principal share registrar and transfer office of the Company is MUFG Fund Services (Bermuda) Limited, 4th Floor, North Cedar House, 41 Cedar Avenue, Hamilton HM12, Bermuda.

(c) The branch share registrar and transfer office of the Company is Tricor Secretaries Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong.

(d) The company secretary of the Company is Mr. Wong Wing Cheung, who is a practicing member of the Hong Kong Institute of Certified Public Accountants.

14. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the Company's office in Hong Kong at Unit E, 28/F., YHC Tower, 1 Sheung Yuet Road, Kowloon Bay, Kowloon Hong Kong during normal business hours on any weekday (except public holidays in Hong Kong) from the date of this circular up to the date of the SGM (both dates inclusive) and also at the SGM:

(a) the memorandum of association and bye-laws of the Company;

(b) the Incentive Agreement;

(c) the letter from the Independent Board Committee to the Independent Shareholders, the text of which is set out in the section headed "Letter from the Independent Board Committee" of this circular;

(d) the letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, the text of which is set out in the section headed "Letter from the Independent Financial Adviser"of this circular;

(e) the material contracts referred to in the paragraph headed "Material Contracts" in this appendix;

(f) this circular;

(g) the written consent referred to in the paragraph headed "Expert and Consent" in this appendix;

(h) the audited consolidated financial statements of the Group for the two financial years ended 31 December 2018 and 31 December 2019; and

(i) the unaudited consolidated financial statements of the Group for the 6 months ended 30 June 2020.

* *For identification purpose only*

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)

NOTICE IS HEREBY GIVEN that the Special General Meeting (the "**Special General Meeting**") will be held at Unit E, 28/F., YHC Tower, 1 Sheung Yuet Road, Kowloon Bay, Kowloon, Hong Kong on Monday, 28 December 2020 at 11:30 a.m. for the purpose of considering and, if thought fit, passing with or without modifying the following resolution which will be proposed as an ordinary resolution of the Company:

ORDINARY RESOLUTION

1. "**THAT**:

(a) the incentive agreement dated 27 October 2020 (the "**Incentive Agreement**") entered into by and between the Company and Hongchang International Investment Limited ("**Zhu Associate**") in relation to the amount payable to Zhu Associate by the Company in the form of incentive shares based on the aggregate net profit amount of a new postpartum care centre during the incentive base period pursuant to the terms and conditions of the Incentive Agreement, a copy of which is marked "A" and signed by the chairman of the Special General Meeting for identification purpose, and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified in all respects;

(b) subject to the fulfilment of the conditions of the Incentive Agreement and conditional upon passing of resolution (a) above, the board of directors of the Company be and is hereby authorised to allot and issue the incentive shares under a specific mandate in accordance with and subject to the terms and conditions of the Incentive Agreement; and

(c) each of the directors of the Company be and is hereby authorised to do all such acts and things and sign, ratify or execute all such documents and take all such steps as the director in his/her discretion may consider necessary, appropriate, desirable and expedient to implement, give effect to or in connection with the Incentive Agreement and any of the transactions contemplated thereunder."

By Order of the Board
Aidigong Maternal & Child Health Limited
Zhu Yufei and Cheung Wai Kuen
Joint Chairmen

Hong Kong, 8 December 2020

Notes:

1. Any Shareholder entitled to attend and vote at the Special General Meeting is entitled to appoint one or more separate proxies to attend and to vote instead of him. A proxy need not be a Shareholder.

2. To be valid, a form of proxy in the prescribed form together with the power of attorney or other authority (if any) under which it is signed (or a notarially certified copy thereof) must be deposited at the Company's branch registrar and transfer office in Hong Kong, Tricor Secretaries Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time fixed for holding the Special General Meeting or at any adjournment thereof.

3. All resolutions as set out in this notice will be taken by poll.

4. For the purpose of ascertaining shareholders' right to attend and vote at the above meeting, the register of members of the Company will be closed and the relevant details are set out below:

   Latest time to lodge transfer: 4:30 p.m. on 21 December 2020 (Monday)

   Book closure: 22 December 2020 (Tuesday) to 28 December 2020 (Monday)

   Record date: 28 December 2020 (Monday)

   During the above closure period, no transfer of shares will be registered. In order to qualify for the right to attend and vote at the above meeting, all relevant share certificates and properly completed transfer forms must be lodged for registration with the Company's Branch Share Registrar, Tricor Secretaries Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong before the above latest time to lodge transfer.

5. As at the date hereof, 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. Lam Chi Wing, Mr. Wong Yiu Kit, Ernest and Mr. Mai Yang Guang as independent non-executive Directors.