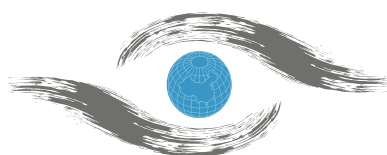


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**C-MER 希瑪**

**C-MER EYE CARE HOLDINGS LIMITED**

**希瑪眼科醫療控股有限公司**

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

**(Stock Code: 3309)**

**PLACING OF EXISTING SHARES AND  
SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE**

**Placing Agent**



On 19 June 2020 (before trading hours), the Company entered into the Agreement with the Seller and the Placing Agent in respect of the Placing and the Subscription.

Pursuant to the Agreement, the Placing Agent conditionally agreed, as agent of the Seller, to place, on a best effort basis, an aggregate amount of 68,000,000 existing Shares at the Placing Price of HK\$5.80 per Share and the Seller conditionally agreed to subscribe at the Placing Price, for the same number of new Shares as the Placing Shares that have been placed by the Placing Agent.

The net proceeds to be received by the Company from the Subscription, after deducting related fees and expenses, are estimated to be approximately HK\$387.6 million.

On 19 June 2020 (before trading hours), the Company entered into the Agreement with the Seller and the Placing Agent. The principal terms of the Agreement are set out below.

## **PLACING**

### **Number of Placing Shares**

The Placing Agent conditionally agreed, as agent of the Seller, to place, on a best effort basis, an aggregate of 68,000,000 existing Shares, representing approximately 6.32% of the issued share capital of the Company as at the date of this announcement and approximately 5.95% of the issued share capital of the Company as enlarged by the Subscription.

### **Placing Price**

The Placing Price of HK\$5.80 per Share represents:

- (i) a discount of approximately 11.6% to the closing price of HK\$6.56 per Share as quoted on the Stock Exchange on 18 June 2020, the Last Trading Day;
- (ii) a discount of approximately 14.5% to the average closing price of approximately HK\$6.78 per Share as quoted on the Stock Exchange for the last 5 trading days up to and including the Last Trading Day; and
- (iii) a discount of approximately 2.4% to the average closing price of approximately HK\$5.94 per Share as quoted on the Stock Exchange for the last 30 trading days up to and including the Last Trading Day.

The Placing Price was determined after arm's length negotiations among the Company, the Seller and the Placing Agent with reference to the prevailing market price of the Shares and market demand for the Placing Shares.

The Directors consider the Placing Price to be fair and reasonable under the current market conditions and is in the best interests of the Company and the Shareholders as a whole.

### **Rights of Placing Shares**

The Placing Shares will be sold free from all liens, charges, encumbrances and other third party rights and together with all rights attaching to them as of the date of the Agreement, including the right to receive all dividends and distribution declared, made or paid on or after the date of the Agreement. The Placing Shares rank *pari passu* in all respects with the other existing Shares.

## **Independence of the Placees**

It is expected that the Placing Shares will be placed by the Placing Agent to not less than six independent professional, institutional and/or individual investors. The investors, together with their respective ultimate beneficial owners, are third parties independent of, and not connected with, the Company or its connected persons. It is not expected that any placee will become a substantial shareholder of the Company as a result of the Placing.

The placees to be procured by the Placing Agent are or will be (as the case may be) independent of the directors, chief executive or substantial shareholders of the Company or any of their respective associates.

## **Conditions to the Placing**

The obligations of the Placing Agent under the Agreement shall be subject to the following conditions:

- (i) before the completion of the Placing, there shall not have occurred:
  - A. any material adverse change, or any development reasonably likely to involve a material adverse change, in the condition, financial or otherwise, or in the earnings, assets, business, operations or prospects of the Company, or the Company and its subsidiaries taken as a whole; or
  - B. any suspension or limitation of trading (a) in any of the Company's securities by the Stock Exchange, or (b) generally on the Stock Exchange, the Shanghai Stock Exchange, the Shenzhen Stock Exchange, the Tokyo Stock Exchange, the London Stock Exchange, the New York Stock Exchange, the Nasdaq National Market or other relevant exchanges; or
  - C. any outbreak or escalation of hostilities, act of terrorism, the declaration by Hong Kong, the PRC, Japan, Singapore, the United States, the United Kingdom or any other member of the EEA or other applicable jurisdiction(s) of a national emergency or war or other calamity or crisis; or
  - D. any material disruption in commercial banking or securities settlement or clearance services in Hong Kong, the PRC, Japan, Singapore, the United States, the United Kingdom or any other member of the EEA or other applicable jurisdiction(s) and/or a general moratorium on commercial banking activities having been declared by the relevant authorities in Hong Kong, the PRC, Japan, Singapore, the United States, the United Kingdom or any member of the EEA or other applicable jurisdiction(s); or

E. any material adverse change or development involving a prospective material adverse change in or affecting the financial markets in Hong Kong, the PRC, Japan, Singapore, the United States, the United Kingdom or any member of the EEA or other applicable jurisdiction(s) or in international financial, political or economic conditions, currency exchange rates, exchange controls or taxation, that,

in the sole judgment of the Placing Agent, would make the placement of the Placing Shares or the enforcement of contracts to purchase the Placing Shares impracticable or inadvisable, or would materially prejudice trading of the Placing Shares in the secondary market;

- (ii) the representations and warranties made by any of the Company and the Seller pursuant to the Agreement being true and accurate and not misleading as of the date of the Agreement and the Closing Date;
- (iii) each of the Company and the Seller having complied with all of the agreements and undertakings and satisfied all of the conditions on its part to be complied with or satisfied under the Agreement on or before the Closing Date; and
- (iv) the Placing Agent having received on the Closing Date an opinion from the legal advisers of the Seller on the Seller's due incorporation and valid existence, corporate power and authority to enter into and perform the Agreement, the legal and binding effect and the enforceability of the Agreement against the Seller.

### **Completion of the Placing**

Completion of the Placing is expected to take place on 23 June 2020 (or such other time or date as the Seller and the Placing Agent to the Agreement may agree).

### **SUBSCRIPTION**

#### **Number of new Shares to be subscribed**

68,000,000 new Shares to be subscribed by the Seller, representing approximately 6.32% of the issued share capital of the Company as at the date of this announcement and approximately 5.95% of the issued share capital of the Company as enlarged by the Subscription.

#### **Subscription Price**

The subscription price per Subscription Share is equal to the Placing Price of HK\$5.80 per Placing Share. The Subscription Price was determined after arm's length negotiations between the Company and the Seller with reference to the Placing Price. The net price per Subscription Share is approximately HK\$5.70.

The Directors (including the independent non-executive Directors) consider that the terms of the Subscription are fair and reasonable under the current market conditions and are in the interest of the Company and the Shareholders as a whole.

## **General mandate to issue the Subscription Shares**

The Subscription Shares will be allotted and issued under the General Mandate granted to the Directors at the 2020 AGM.

Under the General Mandate, a maximum of 215,145,595 new Shares may fall to be allotted and issued. Since the date of the 2020 AGM and up to the date of this announcement, no Share has been allotted and issued by the Company under the General Mandate, and the General Mandate has not been utilised. Accordingly, no Shareholders' approval is required for the allotment and issue of the Subscription Shares.

## **Ranking of the Subscription Shares**

The Subscription Shares, when fully paid, will rank *pari passu* in all respects with the Shares in issue on the completion date of the Subscription including the right to any dividends or distributions after the completion date of the Subscription.

## **Conditions of the Subscription**

The Subscription is conditional upon fulfilment of the following conditions:

- (1) the Listing Committee of the Stock Exchange granting listing of and permission to deal in the Subscription Shares and such listing and permission not subsequently revoked prior to the delivery of definitive share certificate(s) representing the Subscription Shares in accordance with the Agreement; and
- (2) closing of the Placing having occurred pursuant to the terms of the Agreement.

In the event that the conditions are not fulfilled within 14 days after the date of the Agreement (or such later date as may be agreed among the parties to the Agreement), the obligations and liabilities of the Seller and the Company under the Subscription shall be null and void and neither the Company nor the Seller shall have any claim against the other for costs, damages, compensation or otherwise.

## **Completion of the Subscription**

Completion of the Subscription will take place on the second business day (or such other time and/or date as the parties to the Agreement may agree in writing) after the date upon satisfaction of the last of the above conditions.

As the Seller (a controlling shareholder) is a connected person of the Company and the Subscription constitutes a connected transaction of the Company that is exempt under Rule 14A.92(4) of the Listing Rules, if the Subscription is not completed within 14 days after the date of the Agreement, the relevant provisions of the Listing Rules in relation to connected transaction will apply (including the independent Shareholders' approval requirement) to the Subscription, unless otherwise waived by the Stock Exchange. Further announcement will be made if this occurs.

### **Application for listing**

An application will be made by the Company to the Stock Exchange for the granting of the listing of, and permission to deal in, the Subscription Shares.

### **LOCK-UP UNDERTAKINGS**

Pursuant to the terms of the Agreement,

- (i) The Seller shall not, and shall procure that none of its nominees, any person controlled by it, any trust associated with it or any person acting on its or their behalf shall, without the prior written consent of the Placing Agent, (i) offer, sell, lend, contract to sell, pledge, grant any option over, make any short sale or otherwise dispose of (or enter into any transaction which is designed to, or might reasonably be expected to, result in the disposition (whether by actual disposition or effective economic disposition due to cash settlement or otherwise) by the Seller or any Affiliate (as defined below) of the Seller or any person in privity with the Seller or any Affiliate of the Seller), directly or indirectly, any equity securities of the Company or any securities convertible into, or exercisable, or exchangeable for, equity securities of the Company, (ii) enter into any swap or similar agreement that transfers, in whole or in part, the economic risk of ownership of such Shares, whether any such transaction described in (i) or (ii) above is to be settled by delivery of Shares or such other securities, in cash or otherwise, or (iii) publicly announce an intention to effect any such transaction, for a period beginning on the date of the Agreement and ending on the date which is 90 days after the Closing Date. The foregoing shall not apply to the sale of the Shares under this Agreement. As used in this Agreement, "Affiliate" shall have the meaning specified in Rule 501(b) of Regulation D under the Securities Act.
- (ii) The Company shall not, and the Seller shall procure that the Company will not, without the prior written consent of the Placing Agent, (i) effect or arrange or procure placement of, allot or issue or offer to allot or issue or grant any option, right or warrant to subscribe for, or enter into any transaction which is designed to, or might reasonably be expected to, result in any of the aforesaid (whether by actual disposition or effective economic disposition due to cash settlement or otherwise), directly or indirectly, any equity securities of the Company or any securities convertible into, or exercisable, or exchangeable for, equity securities of the Company, or (ii) enter into any swap or similar agreement that transfers, in whole or in part, the economic risk of ownership of

such Shares, whether any such transaction described in (i) or (ii) above is to be settled by delivery of Shares or such other securities, in cash or otherwise, or (iii) publicly announce an intention to effect any such transaction, for a period beginning on the date of the Agreement and ending on the date which is 90 days after the Closing Date. The foregoing shall not apply to the issue of the Subscription Shares under the Agreement or the issue of Shares pursuant to the exercise of the share options granted or to be granted pursuant to the share option schemes adopted by the Company.

## EFFECT ON THE SHAREHOLDING STRUCTURE

Assuming there is no change to the issued share capital of the Company from the date of this announcement to the date of completion of the Placing and the Subscription, the shareholding structures of the Company before and after completion of the Placing and the Subscription are summarised as follows:

	Shareholding as at the date of this announcement		Shareholding immediately after completion of the Placing but before the Subscription		Shareholding immediately after completion of the Placing and the Subscription	
	Number of Shares	Approximate % of shareholding	Number of Shares	Approximate % of shareholding	Number of Shares	Approximate % of shareholding
Seller ( <i>Note 1</i> )	722,696,756	67.18%	654,696,756	60.86%	722,696,756	63.19%
Dr. LEE Yau Wing Vincent	12,953,000	1.20%	12,953,000	1.20%	12,953,000	1.13%
LI Chunshan ( <i>Note 2</i> )	1,036,000	0.10%	1,036,000	0.10%	1,036,000	0.09%
CHAN Chi Leong ( <i>Note 3</i> )	2,200,000	0.20%	2,200,000	0.20%	2,200,000	0.19%
Public Shareholders						
<i>Placees under the Placing</i>	–	–	68,000,000	6.32%	68,000,000	5.95%
<i>Other public Shareholders</i>	336,842,221	31.32%	336,842,221	31.32%	336,842,221	29.45%
<b>Total</b>	<b>1,075,727,977</b>	<b>100.00%</b>	<b>1,075,727,977</b>	<b>100.00%</b>	<b>1,143,727,977</b>	<b>100.00%</b>

*Notes:*

- (1) The Seller is beneficially wholly-owned by Dr. LAM Shun Chiu Dennis as to 70% and Ms. LI Xiaoting as to 30%. By virtue of the Securities and Futures Ordinance, Dr. LAM Shun Chiu Dennis is deemed to be interested in the same number of Shares which the Seller is interested in.
- (2) Inclusive of interest held by spouse.
- (3) Representing interest held by spouse.
- (4) The percentage figures included in the shareholding structures have been subject to rounding adjustment.



## **EQUITY FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE-MONTH PERIOD**

The Company has not conducted any other equity fund raising activity in the past twelve-month period immediately preceding the date of this announcement.

## **REASONS FOR THE PLACING AND THE SUBSCRIPTION**

The Company has been listed on the Stock Exchange since 15 January 2018. The Group is one of the leading ophthalmic service providers in Hong Kong and Guangdong Province, the PRC established under the brand of “C-MER Dennis Lam (希瑪林順潮)”. Headquartered in Hong Kong, the Group became the first foreign investor to wholly own an eye hospital in the PRC. The business of the Group was founded in Hong Kong in January 2012 by Dr. LAM Shun Chiu Dennis JP, an ophthalmic surgeon with over 30 years of clinical experience. As of the date of this announcement, the Group operates two day surgery centres and four satellite clinics in Hong Kong and four eye hospitals in Shenzhen, Beijing, Shanghai and Kunming. The Group is specialised in offering treatment and therapy services for ophthalmic diseases which include, amongst others, cataract, corneal and external eye diseases, glaucoma, vitreoretinal and macular diseases, as well as ancillary treatment by way of acupuncture and traditional Chinese medicine.

The Directors consider that the Placing and the Subscription represent an opportunity to raise capital for the Company while broadening its Shareholder and capital base. The Directors are of the view that the Placing and the Subscription would strengthen the financial position of the Group and provide working capital for the Group and/or possible acquisition and/or establishment of eye hospital(s) in the PRC.

The Directors consider that the terms of the Agreement (including the Subscription Price and the Placing Price) are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

## **USE OF PROCEEDS FROM THE PLACING AND THE SUBSCRIPTION**

The net proceeds to be received by the Company from the Subscription, after deducting related fees and expenses, are estimated to be approximately HK\$387.6 million.

The Company intends to use the net proceeds from the Subscription for possible acquisition and/or establishment of eye hospital(s) in the PRC and/or as working capital for the Group.



## GENERAL

As at the date of this announcement, the Seller holds 722,696,756 Shares, representing approximately 67.18% of the existing issued share capital of the Company. The Seller is beneficially wholly-owned by Dr. LAM Shun Chiu Dennis as to 70% and Ms. LI Xiaoting as to 30%, both of them are executive Directors.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Placing Agent is independent of, and not connected with, the Company and the connected persons of the Company.

**As the Placing and the Subscription may or may not proceed to completion, Shareholders and investors are advised to exercise caution when dealing in the securities of the Company.**

## DEFINITIONS

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

“2020 AGM”	the annual general meeting of the Company held on 19 May 2020;
“Agreement”	the agreement dated 19 June 2020 entered into among the Company, the Seller and the Placing Agent in relation to the Placing and the Subscription;
“Board”	the board of Directors;
“Business Day”	any day (excluding a Saturday) on which banks are generally open for business in Hong Kong;
“Closing Date”	23 June 2020 or such other date as the Seller and the Placing Agent may agree in writing;
“Company”	C-MER Eye Care Holdings Limited (希瑪眼科醫療控股有限公司), a company incorporated in the Cayman Islands on 1 February 2016 with all of its shares in issue listed on the Main Board of the Stock Exchange (Stock Code: 3309);
“connected person(s)”	has the meaning as ascribed to it under the Listing Rules;
“Director(s)”	director(s) of the Company;

“General Mandate”	the general authority granted to the Directors to issue up to 215,145,595 Shares, representing 20% of the total number of Shares in issue as at date of the 2020 AGM pursuant to an ordinary resolution passed at the 2020 AGM;
“Group”	the Company and its subsidiaries and the expression “member of the Group” shall be construed accordingly;
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Last Trading Day”	18 June 2020, being the last full trading day prior to the date of the Agreement;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Placing”	the placing of the Placing Shares by the Placing Agent to places at the Placing Price pursuant to the Agreement;
“Placing Agent”	The Hong Kong and Shanghai Banking Corporation Limited;
“Placing Price”	HK\$5.80 per Placing Share;
“Placing Shares”	the 68,000,000 Shares to be placed by the Placing Agent pursuant to the Agreement;
“PRC”	the People’s Republic of China;
“Securities Act”	the U.S. Securities Act of 1933, as amended;
“Share(s)”	ordinary share(s) of the Company of HK\$0.1 each in the share capital of the Company;
“Shareholders”	holders of the Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;

“Subscription”	the subscription of the Subscription Shares by the Seller pursuant to the Agreement;
“Subscription Price”	HK\$5.80 per Subscription Share;
“Subscription Shares”	the 68,000,000 Shares to be subscribed by the Seller pursuant to the Subscription;
“Seller”	C-MER Group Limited (希瑪集團有限公司), a company incorporated in the British Virgin Islands with limited liability on 26 January 2016 and one of our controlling shareholders (as defined under the Listing Rules); and
“%”	per cent.

By order of the Board  
**C-MER Eye Care Holdings Limited**  
**Dr. LAM Shun Chiu Dennis JP**

*Chairman, Chief Executive Officer and Executive Director*

Hong Kong, 19 June 2020

*As of the date of this announcement, the Board comprises four executive Directors, namely Dr. LAM Shun Chiu Dennis JP, Ms. LI Xiaoting, Dr. LEE Yau Wing Vincent and Mr. LI Chunshan and four independent non-executive Directors, namely, Dr. LI Kwok Tung Donald, Mr. MA Andrew Chiu Cheung, Mr. CHAN Chi Leong and Ms. BENTLEY Annie Liang.*