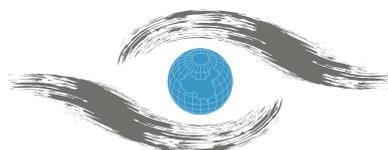


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C-MER 希瑪

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)

**CONNECTED TRANSACTION
ACQUISITION OF 90% EQUITY INTEREST IN HEALTH HOPE**

INTRODUCTION

On 9 February 2021 (after trading hours of the Stock Exchange), C-MER Lab, a wholly-owned subsidiary of the Company, executed (i) Bought and Sold Note A and Instrument of Transfer A with Dr. Dennis LAM, and (ii) Bought and Sold Note B and Instrument of Transfer B with Ms. LI Xiaoting, to effect the sale and transfer of the Sale Shares, representing 90% of the existing issued share capital of Health Hope in aggregate, at the total Consideration of HK\$9,000,000 in cash.

IMPLICATIONS UNDER THE LISTING RULES

Immediately prior to the Acquisition, Health Hope was owned as to 85% by Dr. Dennis LAM and 15% by Ms. LI Xiaoting, who are connected persons of our Company. Accordingly, the Acquisition constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

As all of the applicable percentage ratios in respect of the Acquisition exceed 0.1% but are less than 5.0%, the Acquisition is subject to the reporting and announcement requirements but is exempted from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

INTRODUCTION

On 9 February 2021 (after trading hours of the Stock Exchange), C-MER Lab, a wholly-owned subsidiary of the Company, executed (i) Bought and Sold Note A and Instrument of Transfer A with Dr. Dennis LAM, and (ii) Bought and Sold Note B and Instrument of Transfer B with Ms. LI Xiaoting, to effect the sale and transfer of the Sale Shares, representing 90% of the existing issued share capital of Health Hope in aggregate, at the total Consideration of HK\$9,000,000 in cash.

PRINCIPAL TERMS OF THE ACQUISITION

The table below sets forth the principal terms of the Acquisition:

Date:	9 February 2021
Parties:	(1) C-MER Lab as the buyer; and (2) Dr. Dennis LAM and Ms. LI Xiaoting as the sellers.
Objects of the Acquisition:	The Sale Shares, representing 90% of the entire issued share capital of Health Hope in aggregate.
Consideration:	<p>The total Consideration for the Acquisition of the Sale Shares is HK\$9,000,000 in cash, of which HK\$7,500,000 and HK\$1,500,000 was paid to Dr. Dennis LAM and Ms. LI Xiaoting, respectively.</p> <p>The Consideration has been fully settled as at the date of the execution of the Bought and Sold Notes and the Instruments of Transfer using internal financial resources of the Group.</p>
Basis of Consideration:	The Consideration was determined after arm's length negotiation among Dr. Dennis LAM, Ms. LI Xiaoting and C-MER Lab with reference to, among other things, (i) the paid-up share capital of Health Hope of HK\$10,000,000 immediately prior to the Acquisition, (ii) the costs incurred for inventory and equipment purchases by Health Hope and the expenses incurred by Health Hope in setting up the laboratory, (iii) Health Hope's laboratory has been accredited under the Hong Kong Laboratory Accreditation Scheme (HOKLAS) of the Hong Kong Accreditation Service (HKAS) and is a local COVID-19 nucleic acid testing institution recognised by the Hong Kong government, and (iv) the synergies between the Group and Health Hope that may be achieved.
Completion:	The Acquisition shall complete upon satisfaction of the relevant stamping requirements.

INFORMATION ON C-MER LAB AND THE GROUP

C-MER Lab is a wholly-owned subsidiary of the Company incorporated in Hong Kong. The principal activity of C-MER Lab is investment holding.

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. Dennis LAM, an ophthalmic surgeon with over 30 years of clinical experience.

As at the date of this announcement, the Group operates two day surgery centres and five satellite clinics in Hong Kong and six eye hospitals in Shenzhen (Futian and Baoan), Beijing, Shanghai, Zhuhai and Kunming. The Group also operates three satellite eye clinics in different districts in Shanghai. 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.

INFORMATION ON HEALTH HOPE, DR. DENNIS LAM AND MS. LI XIAOTING

Health Hope is a company incorporated in Hong Kong with limited liability in August 2020. Immediately prior to the Acquisition, Health Hope was owned by Dr. Dennis LAM and Ms. LI Xiaoting, the executive Directors and the Controlling Shareholders, as to 85% and 15%, respectively. The original investment/acquisition costs of the entire issued share capital of Health Hope by Dr. Dennis LAM and Ms. LI Xiaoting were approximately HK\$8.5 million and HK\$1.5 million, respectively.

Health Hope is primarily engaged in the provision of medical laboratory services. It is one of the local COVID-19 nucleic acid testing institutions recognised by the Hong Kong government and has been accredited by the Hong Kong Laboratory Accreditation Scheme (HOKLAS) of the Hong Kong Accreditation Service (HKAS) in December 2020. Currently, Health Hope is staffed by a team of qualified medical and laboratory staff and has its own laboratory equipment. Health Hope has commenced commercial operations in January 2021 after being accredited under the Hong Kong Laboratory Accreditation Scheme (HOKLAS).

Based on the unaudited management accounts of Health Hope, (a) its unaudited net asset value and paid-up capital as at 31 December 2020 were approximately HK\$4,949,000, which constituted primarily of inventory, deposits, equipment, furniture and fixtures at the premises of Health Hope, and approximately HK\$8,908,000, respectively, and (b) since its date of incorporation and up to 31 December 2020, Health Hope did not generate any revenue, and had incurred a net loss (both before and after tax) of approximately HK\$3,959,000 for the year ended 31 December 2020. Health Hope started to generate revenue upon its commencement of commercial operations in January 2021, and based on its unaudited management accounts, its revenue for the month ended 31 January 2021 was approximately HK\$198,000.

REASONS FOR AND BENEFITS OF THE ACQUISITION

It has always been the Group's core business to establish, own and run eye hospital/clinic chain and to provide high-quality eye services to patients, we are also keen to explore opportunities for strategic partnerships, alliances and investment on medical innovation and technology projects. As at the date of this announcement, Health Hope has been accredited by the Hong Kong Laboratory Accreditation Scheme (HOKLAS) of the Hong Kong Accreditation Service (HKAS) and is a local COVID-19 nucleic acid testing institutions recognised by the Hong Kong government. The Board believes that the Acquisition will complement and leverage the Group's existing services and enhance the Group's medical services as an integrated medical service provider. The Board considers that the Acquisition is in line with the Group's development strategy and represents a strategic investment opportunity for the Group. After the Acquisition, the Group may further expand the scope of services of Health Hope to other medical laboratory testing services, including but not limited to ophthalmology.

Having considered the above reasons, the Directors (including the independent non-executive Directors) believe that the Acquisition is in line with the overall business direction of the Group, and the Consideration paid for the Sale Shares is on normal commercial terms and fair and reasonable, and the Acquisition is in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

Immediately prior to the Acquisition, Health Hope was owned as to 85% by Dr. Dennis LAM and as to 15% by Ms. LI Xiaoting, who are connected persons of our Company. Accordingly, the Acquisition constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

As all of the applicable percentage ratios in respect of the Acquisition exceed 0.1% but are less than 5.0%, the Acquisition is subject to the reporting and announcement requirements but is exempted from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

As Dr. Dennis LAM and Ms. LI Xiaoting, the executive Directors and the Controlling Shareholders, are the owners of the entire equity interest in Health Hope immediately prior to the Acquisition, Dr. Dennis LAM and Ms. LI Xiaoting are deemed to have a material interest in the Acquisition. Therefore, Dr. Dennis LAM and Ms. LI Xiaoting had abstained from the voting on the relevant Board resolutions approving the Acquisition.

Upon the completion of the Acquisition, Dr. Dennis LAM will own 10% of the issued shares of Health Hope, and Health Hope will be an indirect non-wholly owned subsidiary of the Company, where a connected person of the Company at the issuer level can exercise or control the exercise of 10% of the voting power at its general meetings. As such, Health Hope will become a connected subsidiary and therefore a connected person of the Company under the Listing Rules.

Save for the above, to the best of knowledge, information and belief of the Directors after having made all reasonable enquiries, no other Director has a material interest in the Acquisition and was required to abstain from voting on the relevant Board resolutions approving the Acquisition.

DEFINITIONS USED IN THIS ANNOUNCEMENT

Unless the context requires otherwise, capitalised terms used herein shall have the following meanings:

“Acquisition”	the acquisition of the Sale Shares pursuant to the Instruments of Transfer and the Bought and Sold Notes;
“Board”	the board of Directors;
“Bought and Sold Notes”	Bought and Sold Note A and Bought and Sold Note B;
“Bought and Sold Note A”	the bought and sold note dated 9 February 2021 executed by C-MER Lab and Dr. Dennis LAM in respect of the sale and purchase of the Sale Shares A;
“Bought and Sold Note B”	the bought and sold note dated 9 February 2021 executed by C-MER Lab and Ms. LI Xiaoting in respect of the sale and purchase of the Sale Shares B;
“C-MER Lab”	C-MER Lab Limited (希瑪檢測有限公司), a company incorporated in Hong Kong with limited liability on 26 November 2020 and a wholly-owned subsidiary of the Company;
“Company”	C-MER Eye Care Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange;
“connected person”	has the meaning as ascribed to this term under the Listing Rules;
“Consideration”	the total consideration for the sale and transfer of the Sale Shares in the sum of HK\$9,000,000 in cash;
“Controlling Shareholders”	the controlling shareholders (as defined under the Listing Rules) of the Company;
“Directors”	directors of the Company;

“Dr. Dennis LAM”	Dr. LAM Shun Chiu Dennis <i>JP</i> (林順潮醫生), one of the executive Directors, one of the Controlling Shareholders and spouse of Ms. LI Xiaoting;
“Group”	the Company and its subsidiaries;
“Health Hope”	Health Hope International Medical Laboratory Limited (希華檢測(國際)有限公司), a company incorporated in Hong Kong with limited liability on 7 August 2020, which was beneficially owned as to 85% by Dr. Dennis LAM and 15% by Ms. LI Xiaoting immediately prior to the Acquisition;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Instrument of Transfer A”	the instrument of transfer dated 9 February 2021 executed by C-MER Lab and Dr. Dennis LAM in respect of the transfer of the Sale Shares A to C-MER Lab;
“Instrument of Transfer B”	the instrument of transfer dated 9 February 2021 executed by C-MER Lab and Ms. LI Xiaoting in respect of the transfer of the Sale Shares B to C-MER Lab;
“Instruments of Transfer”	Instrument of Transfer A and Instrument of Transfer B;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Ms. LI Xiaoting”	Ms. LI Xiaoting, one of the executive Directors, one of the Controlling Shareholders and spouse of Dr. Dennis LAM;
“Sale Shares”	Sale Shares A and Sale Shares B;
“Sale Shares A”	3,750,000 shares in the issued share capital of Health Hope, representing 75% of the issued share capital of Health Hope immediately prior to the Acquisition;
“Sale Shares B”	750,000 shares in the issued share capital of Health Hope, representing 15% of the issued share capital of Health Hope immediately prior to the Acquisition;
“Shareholder(s)”	holder(s) of the Shares;

“Stock Exchange”

The Stock Exchange of Hong Kong Limited; and

“%”

per cent.

By order of the Board

C-MER Eye Care Holdings Limited

Dr. LAM Shun Chiu Dennis JP

Chairman and Chief Executive Officer and Executive Director

Hong Kong, 9 February 2021

As of the date of this announcement, the Board comprises four executive Directors, namely Dr. LAM Shun Chiu Dennis, Ms. LI Xiaoting, Dr. LEE Yau Wing Vincent and Mr. LI Chunshan and six independent non-executive Directors, namely, Dr. LI Kwok Tung Donald, Mr. MA Andrew Chiu Cheung, Mr. CHAN Chi Leong, Ms. BENTLEY Annie Liang, Mr. AU YEUNG Rex Pak-kuen and Mr. IP Shu Kwan Stephen.