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Miricor Enterprises Holdings Limited

卓珈控股集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1827)

DISCLOSEABLE TRANSACTION IN RELATION TO LEASE AGREEMENTS

THE LEASE AGREEMENTS

The Board announces that on 6 October 2021 (after trading hours), Vitae, an indirect wholly-owned subsidiary of the Company, as Lessee, entered into the Lease Agreement 2021 in respect of the lease of Premises 1 with the Lessor, an Independent Third Party, in which the lease of Premises 1 shall commence from 18 October 2021 and expire on 17 October 2027 (both days inclusive).

IMPLICATIONS UNDER THE LISTING RULES

Pursuant to HKFRS 16, as a result of the entering into the Lease Agreement 2021, the Group shall recognise the right-of-use asset in the consolidated financial statements of the Company, and the transaction contemplated thereunder will be regarded as an acquisition of asset by the Group in accordance with Rule 14.04(1)(a) of the Listing Rules. The estimated value of the right-of-use asset to be recognised by the Group under the Lease Agreement 2021 shall amount to approximately HK\$23,477,000.

CMM, an indirect wholly-owned subsidiary of the Company, has previously entered into Lease Agreement 2018 with the Lessor in respect of Premises 2 for a period commenced from 3 July 2018 and which shall expire on 2 July 2024, and as at the date of this announcement, the remaining value of the right-of-use asset recognized by the Group under the Lease Agreement 2018 was approximately HK\$19,768,000.

Premises 1 and Premises 2 are owned by the Lessor and as such, the Leases will be aggregated for the purposes of calculating the relevant percentage ratios (as defined in the Listing Rules). The estimated value of the right-of-use asset to be recognized by the Group under the Lease Agreements shall in aggregate amount to approximately HK\$43,245,000. As the applicable percentage ratio (as defined in the Listing Rules) in respect of the Lease Agreements based on the value of the right-of-use asset recognised by the Group pursuant to HKFRS 16 exceeds 5% but less than 25%, the entering into of the Lease Agreement 2021 constitutes a discloseable transaction of the Company and is accordingly subject to the notification and announcement requirements but is exempted from shareholders' approval requirement under Chapter 14 of the Listing Rules.

THE LEASE AGREEMENTS

The Board announces that on 6 October 2021 (after trading hours), Vitae, an indirect wholly-owned subsidiary of the Company, as Lessee, entered into the Lease Agreement 2021 in respect of the lease of Premises 1 with the Lessor, an Independent Third Party, in which the lease of Premises 1 shall commence from 18 October 2021 and expire on 17 October 2027 (both days inclusive).

Lease Agreement 2021

The principal terms of the Lease Agreement 2021 are set out below:

Date:	6 October 2021 (after trading hours)
Lessee:	Vitae Wellness Beauty Limited
Lessor:	Golden Relay Company Limited, an Independent Third Party
Premises:	The entire 22nd Floor of Soundwill Plaza, 38 Russell Road, Hong Kong
Use:	Medical Centre
Term of lease:	18 October 2021 to 17 October 2027 (both days inclusive)
Total rent payable:	the total rent payable under Lease Agreement 1, exclusive of air-conditioning charges, management fee and government rates is HK\$350,644 per month
Security Deposit:	HK\$1,737,691

The terms of the Lease Agreement 2021 were determined after arm's length negotiations between the Lessor and the Lessee and with reference to the prevailing market rental for properties of similar type, age and location.

Lease Agreement 2018

CMM, an indirect wholly-owned subsidiary of the Company, has previously entered into Lease Agreement 2018 with the Lessor in respect of Premises 2 for a period commenced from 3 July 2018 and which shall expire on 2 July 2024, and as at the date of this announcement, the remaining value of the right-of-use asset recognized by the Group under the Lease Agreement 2018 was approximately HK\$19,768,000.

Premises 1 and Premises 2 are owned by the Lessor and as such, the Leases will be aggregated for the purposes of calculating the relevant percentage ratios (as defined in the Listing Rules). The estimated value of the right-of-use asset to be recognized by the Group under the Lease Agreements shall in aggregate amount to approximately HK\$43,245,000.

The rent, service charge, government rates, other utilities charges and outgoings, and stamp duty under the Lease Agreements are expected to be funded through the internal resources of the Group.

INFORMATION OF THE PARTIES

The Company and the Group

The Company is an investment holding company. The Group is principally engaged in the provision of medical aesthetic service, and the sale of skin care products, mainly in Hong Kong.

The Lessee

The Lessee is a limited liability company incorporated under the laws of Hong Kong, incorporated on 21 February 2017 and is primarily engaged in provision of medical aesthetic services.

The Lessor

The Lessor is a limited liability company incorporated under the laws of Hong Kong, incorporated on 6 January 1989, and is primarily engaged in property investment.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the Lessor and the Lessor's ultimate beneficial owners are Independent Third Parties.

REASONS AND BENEFITS OF THE LEASE

The Group is principally engaged in the provision of medical aesthetic services, and the sale of skin care products, mainly in Hong Kong. The Directors believe that by entering into the Lease Agreement 2021, together with the other lease agreements entered on 20 May 2021 and 21 May 2021, the total service floor area of the Group will be increased by more than 132% (as compared to the total service floor area of the Group as at 31 March 2021) to approximately 50,000 sq ft, which are located in the prime locations in Causeway Bay, Central District and Tsim Sha Tsui. As such, the Group can enlarge its medical aesthetic service centre capacity to meet the increase in market demand for medical aesthetic services. In addition, the Group is currently exploring other potential opportunities to open further medical aesthetic service centers and retail stores of skincare products. The Directors consider that the transactions contemplated under the Lease Agreement 2021 was entered into in the ordinary and usual course of business of the Group, and the terms of the Lease Agreement 2021 are fair and reasonable and in the interest of the Company and its shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

Acquisition of asset by the Company

Pursuant to HKFRS 16, as a result of the entering into the Lease Agreement 2021, the Group shall recognise the right-of-use asset in the consolidated financial statements of the Company, and the transaction contemplated thereunder will be regarded as an acquisition of asset by the Group in accordance with Rule 14.04(1)(a) of the Listing Rules. The estimated value of the right-of-use asset to be recognised by the Group under the Lease Agreement 2021 shall amount to approximately HK\$23,477,000, which is the present value of aggregated rent payments to be made under the Lease Agreement 2021 in accordance with HKFRS 16.

CMM, an indirect wholly-owned subsidiary of the Company, has previously entered into Lease Agreement 2018 with the Lessor in respect of Premises 2 for a period commenced from 3 July 2018 and which shall expire on 2 July 2024, and as at the date of this announcement, the remaining value of the right-of-use asset recognized by the Group under the Lease Agreement 2018 was approximately HK\$19,768,000.

Premises 1 and Premises 2 are owned by the Lessor and as such, the Leases will be aggregated for the purposes of calculating the relevant percentage ratios (as defined in the Listing Rules). The estimated value of the right-of-use asset to be recognized by the Group under the Lease Agreements shall in aggregate amount to approximately HK\$43,245,000. Discount rate is equivalent to the Company's incremental borrowing rate during the entire term of the Lease Agreements, is applied to compute the present value of aggregate lease payments under the Lease Agreements.

As the applicable percentage ratio (as defined in the Listing Rules) in respect of the Lease Agreements based on the value of the right-of-use asset recognised by the Group pursuant to HKFRS 16 exceeds 5% but less than 25%, the entering into the Lease Agreement 2021 constitutes a discloseable transaction of the Company and is accordingly subject to the notification and announcement requirements but is exempted from shareholders' approval requirement under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Board”	the board of Directors
“CMM”	Cos Max Medical Centre Limited, a limited liability company incorporated in Hong Kong and an indirect wholly-owned subsidiary of the Company
“Company”	Miricor Enterprises Holdings Limited, an exempted company incorporated with limited liability in the Cayman Islands and, the shares of which are listed on of the Stock Exchange (Stock code: 1827)

“connected person”	has the meaning ascribed to it under Listing Rules
“Directors”	the directors of the Company
“Group”	collectively, the Company and its subsidiaries from time to time
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“HKFRS 16”	Hong Kong Financial Reporting Standard 16 “Leases” issued by the Hong Kong Institute of Certified Public Accountants
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner, to the best of the Directors’ knowledge, information and belief having made all reasonable enquires, is/are not connected persons of the Company and is/are third party independent of the Company and its connected persons in accordance with the Listing Rules
“Lease Agreement 2018”	an agreement entered into between the Lessee and the Lessor on 12 April 2018 for the lease of Premises 2
“Lease Agreement 2021”	an agreement entered into between the Lessee and the Lessor on 6 October 2021 (after trading hours) for the lease of Premises 1
“Lease Agreements”	collectively the Lease Agreement 2021 and the Lease Agreement 2018 and the lease thereto shall be the “Lease” and collectively the “Leases”
“Lessor”	Golden Relay Company Limited, a company incorporated in Hong Kong and the ultimate beneficial owners of which, to the best of the Directors’ knowledge, information and belief, and having made all reasonable enquiries, are Independent Third Parties
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Premises 1”	The entire 22nd Floor of Soundwill Plaza, 38 Russell Street, Hong Kong
“Premises 2”	The entire 39th Floor and the Penthouse of Soundwill Plaza, 38 Russell Street, Hong Kong
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Vitae” or “Lessee”

Vitae Wellness Beauty Limited, a limited liability company incorporated in Hong Kong and an indirect wholly-owned subsidiary of the Company

“%”

per cent.

By Order of the Board
Miricor Enterprises Holdings Limited
LAI Ka Yee Gigi
Chairlady and Chief Executive Officer

Hong Kong, 6 October 2021

As at the date of this announcement, the Board comprises three executive directors, namely, Ms. LAI Ka Yee Gigi, Mr. HO Tsz Leung Lincoln and Dr. LAM Ping Yan; and three independent non-executive directors, namely, Mr. CHENG Yuk Wo, Mr. CHENG Fu Kwok David and Mr. LI Wai Kwan.