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## **EuroEyes International Eye Clinic Limited**

**德視佳國際眼科有限公司**

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

**(Stock Code: 1846)**

### **DISCLOSEABLE TRANSACTION ACQUISITION OF THE ENTIRE ISSUED SHARES IN LONDON VISION CLINIC PARTNERS LIMITED INVOLVING THE ISSUE OF CONSIDERATION SHARES UNDER GENERAL MANDATE**

#### **THE ACQUISITION**

The Board is pleased to announce that on 20 January 2022 (after trading hours of the Stock Exchange), the Company, EuroEyes UK, the Legal Owners, the Partners and the Seller entered into the Share Purchase Agreement, pursuant to which EuroEyes UK has agreed to acquire, and the Legal Owners have agreed to sell, the Sale Shares. Subject to the terms and conditions set out in the Share Purchase Agreement, the Consideration for the sale and purchase of the Sale Shares shall be satisfied by (a) the Completion Cash Consideration; (b) the Completion Consideration Shares; (c) the Contingent Cash Consideration; and (d) the Earn Out Consideration, and subject to the Consideration Adjustment.

Upon Completion, the Seller (or the Partners as nominated in accordance with the terms and conditions of the Share Purchase Agreement) will hold approximately 1.20% of the issued share capital of the Company as enlarged by the allotment and issue of the Completion Consideration Shares.

#### **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Acquisition are more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the announcement requirement under the Listing Rules.

The Completion Consideration Shares will be issued under the General Mandate.

## INTRODUCTION

The Board is pleased to announce that, on 20 January 2022 (after trading hours of the Stock Exchange), the Company, EuroEyes UK, the Legal Owners, the Partners and the Seller entered into the Share Purchase Agreement, pursuant to which EuroEyes UK has agreed to acquire, and the Legal Owners have agreed to sell, the Sale Shares. Subject to the terms and conditions of the Share Purchase Agreement, the Consideration for the sale and purchase of the Sale Shares shall be satisfied by (a) the Completion Cash Consideration; (b) the Completion Consideration Shares; (c) the Contingent Cash Consideration; and (d) the Earn Out the Consideration, and subject to the Consideration Adjustment.

## THE SHARE PURCHASE AGREEMENT

The principal terms of the Share Purchase Agreement are set out below:

Date: 20 January 2022

Parties:

- (1) the Company, as the Buyer's guarantor;
- (2) EuroEyes UK, as the buyer of the Sale Shares;
- (3) the Legal Owners, as the owners of the legal title to the Sale Shares and holds the Sale Shares on trust for the Seller;
- (4) the Partners, as the partners of the Seller; and
- (5) the Seller, as the seller of the Sale Shares.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, each of the Seller, the Partners and the Legal Owners are Independent Third Parties.

Assets to be acquired: Pursuant to the Share Purchase Agreement, EuroEyes UK has agreed to acquire, and the Legal Owners have agreed to sell, the Sale Shares.

Consideration and payment terms: The maximum consideration for the Acquisition shall be £30,875,000, and shall be satisfied in the following manner:

### *Upon Completion*

(1) Completion Cash Consideration:

£7,635,000 shall be paid in cash by the Buyer to the Seller upon Completion;

(2) Completion Consideration Shares:

the Buyer shall procure the Company to settle the payment of £3,120,000 by way of allotment and issue of the Completion Consideration Shares at an issue price of HK\$8.323 (equivalent to £0.778) per Completion Consideration Share to the Seller (or the Partners as nominated in accordance with the terms and conditions of the Share Purchase Agreement) within 10 Business Days from Completion;

*By the end of the Contingency Period*

(3) Contingent Cash Consideration:

(i) if at the end of the Contingency Period, the Normalised EBIT for the Target Group is less than £1,250,000, the Buyer shall not be obliged to pay the Seller any Contingent Cash Consideration;

(ii) if at the end of the Contingency Period, the Normalised EBIT for the Target Group is equal to or more than £1,250,000 but less than £2,000,000, the Buyer shall pay the Seller the Contingent Cash Consideration of up to £2,375,000 in cash calculated on a straight line basis and as set out in the agreed form by 31 March 2022; and

(iii) if at the end of the Contingency Period, the Normalised EBIT for the Target Group is equal to or more than £2,000,000, the Buyer shall pay the Seller the Contingent Cash Consideration of £2,375,000 in cash by 31 March 2022;

*By the end of the First Earn Out Period*

(4) First Earn Out Consideration Shares:

if the Target Group achieves a total cumulative Adjusted EBIT of at least £7,629,000 for the period commencing on 1 January 2022 and ending on 31 December 2024, the Buyer shall procure the allotment and issue to the Seller (or the Partners as nominated in accordance with the terms and conditions of the Share Purchase Agreement) such number of First Earn Out Consideration Shares having an aggregate value of up to £1,560,000 on or before 31 March 2025;

*By the end of the Second Earn Out Period*

(5) Second Earn Out Consideration Shares:

if during the Second Earn Out Period, the Target Group achieves the relevant target Adjusted EBIT as follows:

- (i) for the financial year ending 31 December 2022, achieves the target Adjusted EBIT of at least £2,250,000;
- (ii) for the financial year ending 31 December 2023, achieves the target Adjusted EBIT of at least £2,531,000;
- (iii) for the financial year ending 31 December 2024, achieves the target Adjusted EBIT of at least £2,848,000;
- (iv) for the financial year ending 31 December 2025, achieves the target Adjusted EBIT of at least £3,204,000;

the Buyer shall procure the allotment and issue to the Seller (or the Partners as nominated in accordance with the terms and conditions of Share Purchase Agreement) such number of Second Earn Out Consideration Shares having an aggregate value of up to £390,000 for each financial year that the target Adjusted EBIT was met by the Target Group prior to 31 March 2026, but not before 1 January 2026. The aggregate value of the Second Earn Out Consideration Shares shall not exceed the amount of £1,560,000;

*For each of the four Financial Years ending 31 December 2025*

(6) Cash Earn Out Cash Consideration:

Subject to the adjustments set out in the Share Purchase Agreement:

- (i) if the revenue and the Adjusted EBIT of the Target Group for the year ending 31 December 2022 increase by 10%, and 35% over £2,000,000, respectively as compared to the year ended 31 December 2021, the Buyer shall pay £1,620,000 to the Seller on or before 31 March 2023;
- (ii) if the revenue and the Adjusted EBIT of the Target Group for the year ending 31 December 2023 increase by 10%, and 35%, respectively as compared to the year ending 31 December 2022, the Buyer shall pay £2,000,000 to the Seller on or before 31 March 2024;
- (iii) if the revenue and the Adjusted EBIT of the Target Group for the year ending 31 December 2024 increase by 10%, and 35%, respectively as compared to the year ending 31 December 2023, the Buyer shall pay £2,880,000 to the Seller on or before 31 March 2025; and

- (iv) if the revenue and the Adjusted EBIT of the Target Group for the year ending 31 December 2025 increase by 10%, and 25%, respectively as compared to the year ending 31 December 2024, the Buyer shall pay £3,250,000 to the Seller on or before 31 March 2026.

Each of the above Cash Earn Out Cash Consideration shall be adjusted as follows:

- (i) if the Seller partially achieves the relevant revenue and EBIT growth targets, the amount of Cash Earn Out Cash Consideration shall be adjusted pro rata in proportion to the level of partial achievement; and
- (ii) if the Seller overachieves the relevant revenue and EBIT growth targets, the amount of Cash Earn Out Cash Consideration shall be adjusted to the level of over achievement up to a maximum of 150%.

The aggregate amount of the Cash Earn Out Cash Consideration shall not exceed the amount of £14,625,000

(7) Consideration Adjustment:

The Consideration shall be adjusted by the Consideration Adjustment once the Actual Cash, Actual Debt, Actual Working Capital and Target Working Capital have been determined in accordance with the Share Purchase Agreement:

- (i) if the Actual Cash exceeds the Actual Debt, the Consideration shall be increased by the amount exceeding the Actual Debt;
- (ii) if the Actual Working Capital exceeds the Target Working Capital, the Consideration shall be increased by the amount exceeding the Target Working Capital; and
- (iii) if the Actual Working Capital is less than the Target Working Capital, the Consideration shall be decreased by the amount less than the Target Working Capital.

The Consideration Adjustment shall be payable at the same time which the Contingent Cash Consideration is paid.

Allotment and issuance of Consideration Shares: The allotment and issue of the Consideration Shares are conditional upon the Listing Committee having granted to the Company the approval for the listing of and permission to deal in the Consideration Shares, and all other consent and approval document involving the Stock Exchange. In the event that the Company fails to allot and issue any Consideration Shares in accordance with the Share Purchase Agreement, the Buyer shall satisfy such consideration by way of cash.

The issue price for each Earn Out Consideration Share shall be equal to the average of the closing price per Share as shown by the daily official list of the Stock Exchange for each of the 20 trading days immediately preceding the proposed date of issue for such Earn Out Consideration Shares and shall be in compliance with Rule 13.36(5) of the Listing Rules.

Lock-in period: Save for circumstances permitted under the Share Purchase Agreement, each of the Partners undertook to the Buyer that he/she shall not sell, transfer or otherwise dispose of, or create any encumbrance over, any of his/her Completion Consideration Shares for six calendar months after the Completion.

Guarantee: The Company has agreed to provide a guarantee in favour of the Seller and each of the Partners the due and punctual performance, observance and discharge by the Buyer of all the Guaranteed Obligations.

## **BASIS OF THE CONSIDERATION**

The Consideration was determined after arm's length negotiations between the Legal Owners and the Company with reference to (i) the latest business development and future prospects of the Target Company; (ii) the reasons and benefits of the Acquisition as stated under the section headed "Reasons for and benefits of the Acquisition" below; and (iii) the historical financial performance of the Target Company.

## **THE COMPLETION CONSIDERATION SHARES AND THE GENERAL MANDATE**

The Completion Consideration Shares to be allotted and issued by the Company, assuming there will not be any issue or repurchase of Shares prior to Completion, will represent (i) approximately 1.22% of the existing issued share capital of the Company as at the date of this announcement and (ii) approximately 1.20% of the issued share capital of the Company as enlarged by the allotment and issue of the Completion Consideration Shares.

The Completion Consideration Shares will be issued at the issue price of HK\$8.323 per Completion Consideration Share which represents:

- (i) a discount of approximately 11.1% to the closing price of HK\$9.36 per Share as quoted on the Stock Exchange on the trading day immediately preceding the date of this announcement; and
- (ii) a discount of approximately 6.9% to the average closing price of HK\$8.94 per Share as quoted on the Stock Exchange on the five consecutive trading days ended on the trading day immediately preceding the date of this announcement.

The issue price of the Completion Consideration Shares was arrived at after arm's length negotiations between the Legal Owners and EuroEyes UK with reference to (i) the trading prices of the Shares; and (ii) other factors as set out in the paragraph headed "Reasons for and benefits of the Acquisition" in this announcement. The Directors consider that the issue price is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Completion Consideration Shares will be issued under the General Mandate. The General Mandate entitles the Directors to issue, allot and deal up to 65,846,800 Shares, representing 20% of the issued share capital of the Company as at the date on which the General Mandate was granted. As at the date of this announcement, no Shares have been allotted and issued by the Company under the General Mandate. Accordingly, the allotment and issue of the Completion Consideration Shares is within the limit of the General Mandate and is not subject to the approval of the Shareholders.

The Completion Consideration Shares, when allotted and issued, shall rank pari passu in all respects with the Shares of the Company in issue at the time of allotment and issue of the Completion Consideration Shares, including the right to receive all dividends, distributions and other payments made or to be made, on the record date which falls on or after the date of such allotment and issuance.

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Completion Consideration Shares.

## EFFECT ON THE SHAREHOLDING STRUCTURE

Assuming there being no other change in the shareholding structure of the Company (other than those as contemplated under the Share Purchase Agreement), the following illustrates the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately following the Completion and the allotment and issue of the Completion Consideration Shares:

	As at the date of this announcement		Immediately following the Completion and the allotment and issue of the Completion Consideration Shares	
	<i>No. of Shares</i>	<i>Approximate % of shareholding</i>	<i>No. of Shares</i>	<i>Approximate % of shareholding</i>
Dr Jørgensen ( <i>Note 1</i> )	177,742,100	53.99	177,742,100	53.34
Dr Markus Braun	263,000	0.08	263,000	0.08
Dr Ralf-Christian Lerche ( <i>Note 2</i> )	3,131,000	0.95	3,131,000	0.94
Mr Jannik Jonas Slot Jørgensen	5,901,000	1.79	5,901,000	1.77
Mr Marcus Huascar Bracklo	238,000	0.07	238,000	0.07
The Seller	–	–	4,006,000	1.20
Public Shareholders	141,958,900	43.12	141,958,900	42.60
<b>Total</b>	<b>329,234,000</b>	<b>100.00</b>	<b>333,240,000</b>	<b>100.00</b>

*Note 1:* Out of 177,742,100 Shares that Dr Jørgensen was interested, 4,007,000 Shares were held by EuroEyes Holding AG which is owned as to 100% by Dr Jørgensen and 379,100 Shares were held by Susanne Jørgensen, the spouse of Dr Jørgensen.

*Note 2:* Out of 3,131,000 shares that Dr Ralf-Christian Lerche was interested, 14,000 shares were held by Ms. Claudia Lerche, the spouse of Dr Ralf-Christian Lerche.

## **INFORMATION ON THE COMPANY AND EUROEYES UK**

The Company has been listed on the Stock Exchange since 15 October 2019. It was established in 1993 and is one of the leading brands in the vision correction industry in Germany and Denmark that combines German ophthalmology excellence and 25 years of experience with individualised customer-care. The Group provides premium services to a targeted clientele with a mid-to-high income level. The Group is also one of the few eye clinic groups with a wide geographical reach, with operations in Germany, Denmark and the PRC. The Group's vision correction services can be broadly categorised into: (i) refractive laser surgery (which includes ReLEx SMILE and Femto LASIK); (ii) phakic lens (ICL) surgery; (iii) lens exchange surgery (which includes mono focal and trifocal lens exchange surgeries); and (iv) others (which include PRK/LASEK and ICRS implantation).

EuroEyes UK is a wholly-owned subsidiary of the Company incorporated in England and Wales and is an investment holding company.

## **INFORMATION ON THE LEGAL OWNERS , THE PARTNERS AND THE SELLER**

The Legal Owners are the legal owners, and the Seller is the beneficial owner of, the entire issued share capital of the Target Company, respectively. The Seller is a traditional partnership formed under the UK Partnership Act 1890 and the Partners are the partners of the Seller.

### **Professor Dan Zoltan Reinstein, MD MA(Cantab) FRCSC DABO FRCOphth FEBO**

Professor Dan Zoltan Reinstein (“**Professor Reinstein**”) founded London Vision Clinic in 2002, which is currently located on Harley Street in London, UK. Professor Reinstein serves as the medical director chief surgeon and senior partner of London Vision Clinic, which is one of the leading brands in the vision correction industry in the UK. Professor Reinstein has garnered worldwide reputation for his inventions and major contributions to the refractive surgery field, including the invention of the PRESBYOND® Laser Blended Vision treatment as commercialised by Carl Zeiss Meditec for reading vision in ageing eyes (presbyopia) which is designed to treat patients from the age of 40 years old, who have developed presbyopia (decreased ability to read up close). PRESBYOND® provides an additional method of treating younger patients with presbyopia by a LASIK procedure, which avoids the need to perform surgery inside the eye to replace the natural lens. Professor Reinstein is also a bioengineering pioneer, inventor and developer in the field of layered corneal mapping and imaging and biometry. In 1991 he was the first to map the epithelium of the cornea having developed very high-frequency digital ultrasound scanning technology at Cornell University for this purpose and which is now commercially available world-wide as the Arcscan Insight 100 robotic scanner. His Insight 100 technology, as well as more recent optical coherence tomography (OCT) devices enable superior diagnostic capabilities to improve the safety and accuracy of both laser corneal and ICL surgery. Application of his patented biometric technologies has resulted in major contributions to the clinical and scientific development of both LASIK and SMILE. Professor Reinstein is amongst the most scientifically published clinician scientists in the field of corneal laser surgery as well as being recognised as one of the leading surgeons in Therapeutic Refractive Surgery. He graduated in 1989 from the University of Cambridge School of Clinical Medicine and received his first professorship at Sorbonne University in 1999. He holds professorships at Columbia University Irving Medical Center, New York and Ulster University, UK. He has been the Lead Refractive Surgery Consultant for Carl Zeiss Meditec since 2001. He was awarded the Waring Medal in 2006, the Kritzinger Award in 2013, the International Society of Refractive Surgery President's Award and the Senior Achievement Award from the America Academy of Ophthalmology in 2020. He is a Partner and a Legal Owner.



### **Mr Craig Thomas Engelfried**

Mr Craig Thomas Engelfried (“**Mr. Engelfried**”) is a founder and has been the managing director of London Vision Clinic since its inception in 2002. Mr Engelfried is an Economics graduate from the University of San Francisco. As the managing director, he is responsible for operations, finance and human resources at the London Vision Clinic. He is a Partner and a Legal Owner.

### **Mr Glenn Ian Carp, MBBCh, FC Ophth (SA), PG Dip Cat & Ref, Cert LRS**

Mr Glenn Ian Carp (“**Mr Carp**”) is a senior surgeon of London Vision Clinic. Mr Carp trained in his native South Africa, where he was awarded the Tetski Patterson Award for clinical research. He emigrated to the UK for a prestigious corneal fellowship at London’s Western Ophthalmic Hospital in 2006, followed by his fellowship in refractive surgery with Professor Reinstein. He joined the practice as a faculty surgeon in 2007 and is now one of the most knowledgeable and experienced corneal refractive surgeons in the world. He obtained the Certificate for Laser Refractive Surgery from the Royal College of Ophthalmologists in 2009 and a Postgraduate Diploma in Cataract and Refractive Surgery from Ulster University in 2017 and is on the visiting faculty. He lectures internationally as part of the London Vision Clinic research team and also serves as a consultant for Carl Zeiss Meditec. He is a Partner and a Legal Owner.

### **Dr Timothy James Archer, MA(Oxon) DipCompSci(Cantab) PhD**

Dr Timothy James Archer (“**Dr Archer**”) is the research manager of London Vision Clinic having joined the organisation in 2003. As a programmer and mathematician by training he has led to the design and customisation of many proprietary IT business control systems as well as research tools for the organisation. He manages the clinical quality control analytics which contribute to the outstanding outcome levels that are achieved by the London Vision Clinic. Dr Archer obtained his undergraduate degree in Mathematics from the University of Oxford, and the Masters in Computer Science from the University of Cambridge. He was awarded his PhD in Biomedical Science from Ulster University on the extension of the limits of laser eye surgery. The research team at London Vision Clinic have produced 193 publications in the peer-reviewed literature to date, published a textbook on small incision lenticule extraction (SMILE), and run unique and high level training courses in refractive surgery. He is one of the Partners.

### **Dr Ursula Inge Reinstein, DVM MRCVS**

Dr Ursula Inge Reinstein (“**Dr Reinstein**”), spouse of Professor Reinstein, is a founder and a research associate of London Vision Clinic. She has joined London Vision Clinic since 2002. Dr Reinstein obtained her doctorate degree in veterinary medicine from the University of Vienna in 1993, and completed her postdoctoral fellowship at the University of British Columbia in Vancouver. She is a Partner and a Legal Owner.

## INFORMATION ON THE TARGET GROUP

### The Target Company

The Target Company is a company incorporated in England and Wales with limited liability and is principally engaged in, among other things, the provision of premium vision correction services, including PRK, LASIK, SMILE, phakic lens (ICL) surgery and refractive cataract surgery. The Target Company has been a market and price leader in the UK with its capabilities in conducting detailed and comprehensive testing and diagnosis and has a world reputation for expertise in providing training to specialist surgeons and managing complicated cases. The Target Company is one of the leading providers of laser vision correction treatments for presbyopia in the UK.

### London Vision Clinic Training

London Vision Clinic Training is a company incorporated in England and Wales and a wholly-owned subsidiary of the Target Company. As London Vision Clinic Training is newly incorporated on 25 August 2021, it will start trading post-Acquisition, and will be principally engaged in the provision of online and offline training relating to refractive surgery. Professor Reinstein will be one of the key speakers and trainers at London Vision Clinic Training.

## FINANCIAL INFORMATION OF THE TARGET COMPANY

Set out below is a summary of the financial information of the Target Company for the two years ended 31 December 2020 and the eleven months ended 30 November 2021, as extracted from the unaudited management accounts of the Target Company, which was prepared in accordance with the generally accepted accounting practice in the United Kingdom (“UK GAAP”), and being adjusted by the Company in order to fully reflect the Target Company’s financial positions.

	<b>For the Eleven months ended 30 November 2021 (unaudited) (in £'000)</b>	<b>For the year ended 31 December</b>	
		<b>2020 (unaudited) (in £'000)</b>	<b>2019 (unaudited) (in £'000)</b>
Adjusted revenue ( <i>Note 1</i> )	8,942	6,692	8,384
Adjusted net profit before taxation ( <i>Note 2</i> )	2,199	94	361
Adjusted net profit after taxation ( <i>Note 2</i> )	1,781	85	326

#### Notes:

1. Adjusted to exclude uncorrelated revenue
2. Adjusted due to salaries of directors of the Target Company being regarded as dividend and to exclude uncorrelated revenue

The unaudited net asset value of the Target Company as at 31 December 2020 was approximately £694,871.

Upon Completion, the Target Group will become indirect wholly-owned subsidiaries of the Company, and the financial results of the Target Group will be consolidated into the financial statements of the Group.

## **REASONS FOR AND BENEFITS OF THE ACQUISITION**

The Group has been actively seeking opportunities in the market for the expansion of its service network, which can improve the synergy and bring benefits to the Group's ophthalmic services. The Directors consider that the Acquisition represents a good opportunity for the Group to tap into London's high-end refractive and presbyopia surgery markets and expand its business. Upon completion of the Acquisition, Professor Reinstein will also serve as a medical director of the international medical advisory board of the Group. Taking into account the expertise of Professor Reinstein, the Board considers that this will allow the Group to reach out to more potential patients who are suffering from presbyopia at an early stage. The Directors believe that the Acquisition will support the long-term growth of the Group's revenue and profit.

The terms of the Share Purchase Agreement were determined after arm's length negotiations between the parties thereto and the Directors consider that the terms of the Share Purchase Agreement are fair and reasonable, on normal commercial terms, and are in the interests of the Company and the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Acquisition exceeds 5% but all of them are less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is subject to the announcement requirement under Chapter 14 of the Listing Rules.

## **DEFINITIONS**

Unless the context requires otherwise, the capitalised terms used in this announcement shall have the following meanings:

“Acquisition”	the acquisition of the entire issued shares in the Target Company pursuant to the Share Purchase Agreement
“Actual Cash”	the aggregate amount of cash held by or on behalf of the Target Group at the Completion Date as derived from the Completion Accounts and as stated in the pro-forma set out in the Share Purchase Agreement
“Actual Debt”	the aggregate amount of Debt owed by the Target Group at the Completion Date as derived from the Completion Accounts and as stated in the pro-forma set out in the Share Purchase Agreement
“Actual Working Capital”	the aggregate amount of Working Capital as at the Completion Date as derived from the Completion Accounts and as stated in the pro-forma set out in the Share Purchase Agreement
“Adjusted EBIT”	the EBIT for the Target Company as adjusted in each relevant period in accordance with the Share Purchase Agreement
“Board”	the board of Directors of the Company
“Business Day(s)”	a day other than a Saturday, Sunday or public holiday in England when banks in London are open for business

“Buyer” or “EuroEyes UK”	EuroEyes UK Holding Limited , a company incorporated in England and Wales with limited liability and a wholly-owned subsidiary of the Company
“Cash Earn Out Cash Consideration”	as described in sub-paragraph headed “(6) Cash Earn Out Cash Consideration” of the sub-section headed “Consideration and payment terms” under the section headed “THE SHARE PURCHASE AGREEMENT” of this announcement
“Company”	EuroEyes International Eye Clinic 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
“Completion”	completion of the Acquisition in accordance with the Share Purchase Agreement which shall take place on the Completion Date
“Completion Accounts”	the statement of financial position of the Target Group as at the Completion Date
“Completion Cash Consideration”	as described in sub-paragraph headed “(1) Completion Cash Consideration” of the sub-section headed “Consideration and payment terms” under the section headed “THE SHARE PURCHASE AGREEMENT” of this announcement
“Completion Consideration Shares”	the 4,006,000 Shares to be allotted and issued by the Company in consideration for the purchase of the Sale Shares, details of which are set out in sub-paragraph headed “(2) Completion Consideration Shares” of the sub-section headed “Consideration and payment terms” under the section headed “THE SHARE PURCHASE AGREEMENT” of this announcement
“Completion Date”	the date of the Share Purchase Agreement
“Consideration”	up to £30,875,000, being the maximum consideration for the Acquisition
“Consideration Adjustment”	as described in sub-paragraph headed “(7) Consideration Adjustment” of the sub-section headed “Consideration and payment terms” under the section headed “THE SHARE PURCHASE AGREEMENT” of this announcement
“Consideration Shares”	collectively, the Completion Consideration Shares and the Earn Out Consideration Shares
“Contingency Period”	the period commenced on 1 March 2021 and ended on 31 December 2021
“Contingent Cash Consideration”	as described in sub-paragraph headed “(3) Contingent Cash Consideration” of the sub-section headed “Consideration and payment terms” under the section headed “THE SHARE PURCHASE AGREEMENT” of this announcement

“Directors”	directors of the Company
“Earn Out Consideration”	collectively, the Earn Out Consideration Shares and the Cash Earn Out Cash Consideration
“Earn Out Consideration Shares”	collectively, the First Earn Out Consideration Shares and the Second Earn Out Consideration Shares
“EBIT”	the earnings of the Target Company for the relevant Financial Year before all interest and tax and after exclusion of all exceptional items, non-recurring items and excluding interest expenses from patient surgery fee financing
“Financial Year”	financial year of the Target Company ending 31 December
“First Earn Out”	the Target Group achieving a total cumulative Adjusted EBIT for the First Earn Out Period of at least £7,629,000
“First Earn Out Consideration Shares”	the Shares to be allotted and issued by the Company in consideration for the purchase of the Sale Shares, details of which are set out in sub-paragraph headed “(4) First Earn Out Consideration Shares” of the sub-section headed “Consideration and payment terms” under the section headed “THE SHARE PURCHASE AGREEMENT” of this announcement
“First Earn Out Period”	the period commencing on 1 January 2022 and ending on 31 December 2024
“GBP” or “£”	the British Pound, the lawful currency of the United Kingdom
“General Mandate”	the mandate granted to the Directors by the Shareholders at the annual general meeting of the Company held on 21 May 2021 to issue, allot and deal with up to 20% of the then issued share capital of the Company as at the date of the annual general meeting
“Group”	the Company and its subsidiaries
“Guaranteed Obligations”	all present and future obligations and liabilities of the Buyer under the Transaction Documents
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“ICRS implantation”	implantation of intrastromal corneal ring segments.
“Independent Third Party (ies)”	independent third party(ies) who is/are not connected person(s) (as defined under the Listing Rules) of the Company and is/are independent of, and not connected with, the Company and its connected persons (as defined under the Listing Rules)

“LASIK”	laser assisted in-situ keratomi, a surgical procedure used to correct refractive errors of the eye
“Legal Owner(s)”	the legal shareholders of the Target Company, being Mr Craig Thomas Engelfried, Professor Dan Zoltan Reinstein and Dr Ursula Reinstein
“Listing Committee”	the listing committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“London Vision Clinic Training”	London Vision Clinic Training Limited, a company incorporated in England and Wales and a wholly-owned subsidiary of the Target Company
“Normalised EBIT”	the EBIT for the Target Company as adjusted for the Contingency Period in accordance with the Share Purchase Agreement
“Partner(s)”	the partners of the Seller, being Dr Timothy James Archer, Mr Glenn Ian Carp, Mr Craig Thomas Engelfried, Professor Dan Zoltan Reinstein and Dr Ursula Reinstein as at the date of this announcement
“phakic lens (ICL) surgery”	a process in which a custom made IOL (i.e. an intraocular contact lens, or “ICL”) is placed inside the eye, similar to a contact lens
“PRC”	People’s Republic of China
“PRK”	photorefractive keratectomy, a surgical procedure used to correct refractive errors of the eye
“refractive cataract surgery”	a surgical procedure used to remove cataracts and correct refractive errors of the eye
“Sale Shares”	the 10,000 ordinary shares of £1 each of the Target Company, which are legally owned by the Legal Owners and beneficially owned by the Seller
“Second Earn Out Consideration Shares”	the Shares to be allotted and issued by the Company in consideration for the purchase of the Sale Shares, details of which are set out in sub-paragraph headed “(5) Second Earn Out Consideration Shares” of the sub-section headed “Consideration and payment terms” under the section headed “THE SHARE PURCHASE AGREEMENT” of this announcement
“Second Earn Out Period”	the period commencing from 1 January 2022 and ending on 31 December 2025
“Seller”	LVC Partnership, a traditional partnership formed under the UK Partnership Act 1890

“Share(s)”	ordinary share(s) of USD0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Share Purchase Agreement”	the share purchase agreement dated 20 January 2022 entered into among the Company, EuroEyes UK, the Legal Owners, the Partners and the Seller in relation to the Acquisition
“SMILE”	small incision lenticule extraction, a minimally invasive surgical procedure used to correct refractive errors of the eye
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	London Vision Clinic Partners Limited, a company incorporated in England and Wales
“Target Group”	collectively, the Target Company and London Vision Clinic Training
“Target Working Capital”	the amount of £250,000
“Transaction Documents”	the Share Purchase Agreement and other documents entered into by the parties on or about the date of the Share Purchase Agreement in connection with the transactions contemplated under the Share Purchase Agreement
“United Kingdom” or “UK”	the United Kingdom of Great Britain and Northern Ireland
“Working Capital”	the aggregate amount of the net working capital items of the Target Group as of the Completion Date
“%”	per cent.

By order of the Board  
**EuroEyes International Eye Clinic Limited**  
**Dr. Jørn Slot Jørgensen**  
*Chairman and Executive Director*

Hong Kong, 20 January 2022

*As at the date of this announcement, the Board comprises Dr. Jørn Slot Jørgensen, Dr. Markus Braun, Dr. Ralf-Christian Lerche, Mr. Jannik Jonas Slot Jørgensen as executive Directors; Mr. Marcus Huascar Bracklo as non-executive Director; Mr. Hans Helmuth Hennig, Ms. Katherine Rong Xin and Mr. Philip Duncan Wright as independent non-executive Directors.*