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**EC Healthcare**

**醫思健康**

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

(Stock Code: 2138)

## **VOLUNTARY ANNOUNCEMENT ACQUISITION OF VETERINARY BUSIENSS**

This announcement is made by EC Healthcare (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis.

### **ACQUISITION OF VETERINARY BUSINESS**

The board (the “**Board**”) of directors (“**Directors**”) of the Company is pleased to announce that on 6 April 2022 (after trading hours), the Company and its wholly-owned subsidiary (as purchaser) (the “**Purchaser**”) entered into a sale and purchase agreement (the “**Agreement**”) with, amongst others, a registered veterinary surgeon in Hong Kong (as the seller) (the “**Seller**”), pursuant to which the Purchaser has conditionally agreed to acquire, and the Seller has conditionally agreed to sell, 75% equity interests in a company operating veterinary hospital in Tai Po (the “**Target Company**”) at a consideration of HK\$15,750,000 (the “**Acquisition**”).

Subject to the terms of the Agreement, the Seller guarantees to the Group that, amongst others, the aggregate of the audited net profit after taxation of the Target Company for the three years after the completion of the Acquisition shall be no less than HK\$10,500,000.

Upon completion of the Acquisition, the Group will own 75% of the issued share capital of the Target Company which will become an indirect non-wholly-owned subsidiary of the Company, and the financial results of the Target Company will be consolidated into the consolidated financial statements of the Group.

### **INFORMATION ABOUT THE TARGET COMPANY**

The Target Company is principally engaged in the provision of veterinary services in Hong Kong. Based on the unaudited financial information of the Target Company for the seven months ended 31

October 2021 provided by the Seller, the profit after taxation of the Target Company for such period was approximately HK\$2.6 million.

As at the date of this announcement, the Target Company operates a veterinary hospital in Tai Po with four registered veterinary surgeons.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Seller and the Target Company is a third party independent of the Company and its connected persons (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**")).

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

The Group has commenced veterinary business since 2021 and has been actively seeking opportunities in expanding in this market. In view of the growing demand for veterinary services in Hong Kong, the Company aims to consolidate the veterinary market and promote corporatization for veterinary business in Hong Kong. The Company is optimistic about the prospect of the Target Company and considers that the Acquisition will, amongst others, (i) create synergies between the business of the Target Company and that of the Group; (ii) diversify the Group's business portfolio; (iii) provide a new source of income to the Group; and (iv) provide a new source of clientele for the Group's existing businesses.

The consideration of HK\$15,750,000 was determined after arm's length negotiations between the Seller and the Company with reference to the historical performance and prospects of the Target Company, the profitability of the Target Company and the profit guarantee. The Directors consider the consideration of the Acquisition represents a fair and reasonable valuation of the Target Company.

Having considered the above, the Directors believe that the terms of the Agreement and the Acquisition are fair and reasonable and in the interests of the Company and its shareholders as a whole.

### **LISTING RULES IMPLICATIONS**

As all of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Acquisition are less than 5%, the Acquisition is not subject to notification, announcement nor shareholders' approval requirements under Chapter 14 of the Listing Rules.

**Completion of the Acquisition is conditional upon the fulfilment or waiver (as the case maybe) of the conditions pursuant to the Agreement, which may or may not be fulfilled. Accordingly, the Acquisition may or may not proceed. Shareholders and potential investors of the Company should exercise caution when they deal or contemplate dealing in the shares and other securities of the Company.**

By order of the Board

**EC Healthcare**  
**Raymond Siu**  
*Company Secretary*

Hong Kong, 6 April 2022

*As at the date of this announcement, the executive Directors of the Company are Mr. Tang Chi Fai, Mr. Lu Lyn Wade Leslie, Mr. Lee Heung Wing, Ms. Wong Ka Ki Ada and Mr. Wong Chi Cheung; the non-executive Director is Mr. Luk Kun Shing Ben; and the independent non-executive Directors are Mr. Ma Ching Nam, Mr. Look Andrew and Mr. Lam Chi Hang Josekin.*