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CLARITY MEDICAL GROUP HOLDING LIMITED

清晰醫療集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1406)

VOLUNTARY ANNOUNCEMENT BUSINESS UPDATE

This announcement is made by Clarity Medical Group Holding Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis to provide shareholders and potential investors of the Company with the latest business update of the Group.

EXPANSION OF BUSINESS OPERATIONS

The board (the “**Board**”) of directors (the “**Director(s)**”) of the Company wishes to announce that, the Group is in the process of expanding its existing medical centre in Mong Kok and establishing a new medical centre in Tsim Sha Tsui for the provision of private ophthalmic healthcare services.

The Group recently entered into a tenancy agreement with a third party independent from the Company and its connected persons (as defined under The Rules (the “**Listing Rules**”) Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”)) (“**Independent Third Party**”) for a term of three years to expand the scale of its existing medical centre located at Wai Fung Plaza, Mong Kok (the “**New Mong Kok Centre**”). The New Mong Kok Centre has a gross floor area of approximately 5,966 sq.ft. which shall mainly focus on the provision of refractive treatment services and other treatment services. The New Mong Kok Centre together with the existing medical centre at Wai Fung Plaza will provide a better environment and experience for the Group’s customer. The Group expects the New Mong Kok Centre will commence operations by end of this year. The Company expects to fund the expansion with its internal resources.

Furthermore, on 29 August 2022, the Group entered into another tenancy agreement with an Independent Third Party for a term of three years to establish a new medical centre in Tsim Sha Tsui for the provision of a full range of ophthalmic consultation and examination services and treatment services (the “**New Tsim Sha Tsui Centre**”). The New Tsim Sha Tsui Centre will be located at The ONE, a premium shopping mall in Hong Kong, and has a gross floor area of approximately 13,674 sq.ft.. The Group expects the New Tsim Sha Tsui Centre will commence operations in or around the first or second quarter of 2023. The Company expects to fund the establishment of the New Tsim Sha Tsui Centre with the proceeds from the initial public offering by the Company.

REASONS FOR ENTERING INTO OF THE TENANCY AGREEMENTS

Since the Company was listed on the Stock Exchange, the Board has been seeking for opportunities to expand its business scale. The Directors are of the view that the expansion and the establishment of the new medical centres and the entering into the tenancy agreements are in line with the Group’s business development and it will have a positive impact on the future development of the Group.

The terms of the tenancy agreements are determined after arm’s length negotiation by the parties. The Directors (including independent non-executive Directors) are of the view that the entering into the tenancy agreements is fair and reasonable, on normal commercial or better terms, and in the interest of the Company and its shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As all of the applicable percentage ratios, as defined under the Listing Rules, in respect of each of the value of the right-of-use of the New Mong Kok Centre and the New Tsim Sha Tsui Centre under the respective tenancy agreement are less than 5%, therefore the entering into of each of the tenancy agreement is not subject to the requirements pursuant to Chapter 14 of the Listing Rule.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
CLARITY MEDICAL GROUP HOLDING LIMITED
WU Ting Yuk Anthony
Non-Executive Director and Chairman

Hong Kong, 29 August 2022

As at the date of this announcement, the Board comprises Mr. HUI Yung Chris, Dr. TSE Wai Ip and Mr. LO Tsz Hong as executive Directors, Mr. WU Ting Yuk Anthony as Chairman and non-executive Director, Mr. NG Roy and Ms. ZHAO Wei as non-executive Directors and Mr. LI Michael Hankin, Mr. MA Wai Hung Vincent and Professor LAU Wan Yee Joseph as independent non-executive Directors.