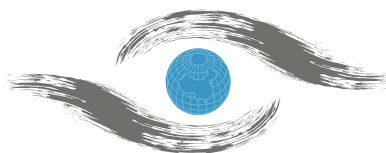


Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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
ENTERING INTO OF THE JOINT VENTURE AGREEMENT
TO DEVELOP INNOVATIVE DRUGS IN THE FIELDS
OF OPHTHALMOLOGY AND ONCOLOGY**

ENTERING INTO OF THE JOINT VENTURE AGREEMENT

The Board is pleased to announce that Dr. Dennis LAM and C-MER Medical Group entered into the Joint Venture Agreement on 6 July 2023 to jointly invest in and develop innovative drug projects in ophthalmology and oncology.

According to the Joint Venture Agreement, Dr. Dennis LAM and C-MER Medical Group shall inject up to US\$4.67 million (approximately HK\$36.4 million) and US\$2.0 million (approximately HK\$15.6 million) respectively, in cash, by way of shareholders' loan to the JV Company, in the same proportion as their respective equity interest in the JV Company (i.e. 70% and 30% of the registered share capital of the JV Company respectively), as and when such capital needs arise in the course of the JV Business and in which case, within 10 business days upon reasonable notice by the JV Company to the JV Parties to support the JV Company to further its business aim.

LISTING RULES IMPLICATIONS

The JV Company was recently incorporated with a registered capital of HK\$10,000 in June 2023. As Dr. Dennis LAM is one of the executive Directors and one of the Controlling Shareholders, he is a connected person of the Company under the Listing Rules. As such, the establishment of the JV Company and the entering into of the Joint Venture Agreement constitute connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the capital injection commitment to be made by the JV Parties in the JV Company under the Joint Venture Agreement, when aggregated with the initial capital contribution made by the JV Parties for the JV Company's incorporation, is more than 0.1% but all are less than 5%, the incorporation of the JV Company and the entering into of the Joint Venture Agreement are therefore subject to the reporting and announcement requirements, but are exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

As Dr. Dennis LAM has a material interest in the Joint Venture Agreement, therefore he had abstained from the voting on the relevant Board resolutions approving the matters contemplated under the incorporation of the JV Company and the Joint Venture Agreement. Ms. LI Xiaoting, one of the executive Directors and spouse of Dr. Dennis LAM, had also voluntarily abstained from the voting on the relevant Board resolutions approving the same. 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 incorporation of the JV Company and the Joint Venture Agreement and was required to abstain from voting on the relevant Board resolutions approving it.

ENTERING INTO OF THE JOINT VENTURE AGREEMENT

The Board is pleased to announce that Dr. Dennis LAM (an executive Director and Controlling Shareholder) and C-MER Medical Group (a direct wholly-owned subsidiary of the Company) entered into the Joint Venture Agreement on 6 July 2023 to jointly invest in and develop innovative drug projects in ophthalmology and oncology, the principal terms of which are set out below.

THE JOINT VENTURE AGREEMENT

Date

6 July 2023

Signing Parties

- (i) Dr. LAM Shun Chiu Dennis (林順潮醫生), one of the executive Directors and one of the Controlling Shareholders
- (ii) C-MER Eye Care Medical Group Limited, a direct wholly-owned subsidiary of the Company.

Name of the JV Company and term of joint venture

The name of the JV Company is Health Hope Pharma Limited (希華醫藥有限公司), and as of the date of this announcement, the JV Company is and will continue to be owned as to 70% by Dr. Dennis LAM and 30% by C-MER Medical Group, respectively. The cooperation shall commence from the date of the Joint Venture Agreement and shall continue until it is terminated in the manner provided for under the Joint Venture Agreement.

Registered capital of the JV Company and details of capital injection commitment

As of the date of this announcement, the JV Company has a total issued share capital of HK\$10,000, which is held as to 70% by Dr. Dennis LAM and 30% by C-MER Medical Group, respectively, all of which has been fully paid up.

According to the Joint Venture Agreement, Dr. Dennis LAM shall inject up to US\$4.67 million (approximately HK\$36.4 million), and C-MER Medical Group shall inject up to US\$2.0 million (approximately HK\$15.6 million) in cash as and when such capital needs arise in the course of the JV Business and in which case, within 10 business days upon reasonable notice by the JV Company to the JV Parties. The capital contribution shall be made by way of a provision of an interest-free shareholders' loan to the JV Company, which is in their respective proportion of shareholding in the JV Company (i.e. 70% and 30% of the registered share capital of the JV Company respectively).

The amount of the capital injection commitment under the Joint Venture Agreement was determined after arm's length negotiations between the JV Parties after taking into account various factors, including the nature of the JV Business, the estimated working capital requirements and the future development plans of the JV Company on, among other things, the acquisition of rights over drugs and/or medical devices, and for further research and development of such acquired rights drugs and medical devices.

The capital injection commitment by C-MER Medical Group will be funded by the Group's internal resources.

Corporate governance of the JV Company

Setup and business plan of the JV Company

The business and operation plan of the JV Company shall be determined and set up by Dr. Dennis LAM. Dr. Dennis LAM shall act in the best interests of the JV Company and make modifications on the business and operation plan from time to time to reflect its regular business development.

Board composition

The board of the JV Company shall consist of two members. Only shareholder(s) holding over 30% of equity interests in the JV Company have the right to appoint directors. The first directors of the JV Company were nominated and appointed by Dr. Dennis LAM.

Other pre-emptive rights

Both JV Parties shall enjoy typical pre-emptive rights including right of first refusal on fundraising and tag-along right on share sales which shall be set out in the constitutional documents of the JV Company.

REASONS FOR AND BENEFITS OF THE ESTABLISHMENT OF THE JV COMPANY AND ENTERING INTO OF THE JOINT VENTURE AGREEMENT

With the established medical service network in both Hong Kong and Mainland China, especially in the Greater Bay Area, the Group, together with Dr. Dennis LAM, has frequent access to various innovative drug development projects in the fields of ophthalmology and oncology. Specifically, the Group has three hospitals qualified for the “The Measure of Allowing Designated Healthcare Institutions Operating in the GBA to Use Drugs and Medical Devices That Are Registered And Being Used in Hong Kong And Macau But Are Not Yet Registered by National Medical Products Administration” (港澳藥械通) which allows the fast track application of innovative drugs and devices approved and used in Hong Kong to be used in approved hospitals in the Greater Bay Area.

On the other hand, Dr. Dennis LAM is the founder and editor-in-chief of Asia Pacific Journal of Ophthalmology which ranked the 7th among 62 selected ophthalmology journals globally and the 1st in Asia in terms of impact factor according to Clarivate.

Through the establishment of the JV Company and entering into of the Joint Venture Agreement, the Group could leverage on Dr. Dennis LAM’s medical expertise, global network and reputation to have good access and invest in innovative drug projects in the fields of ophthalmology and oncology, which aligns with our strategy to invest in the upstream business opportunities in the value chain and create growth momentum for the Group.

The Directors (including the independent non-executive Directors) consider that the incorporation of the JV Company and the terms of the Joint Venture Agreement (including the capital injection commitment) are fair and reasonable and on normal commercial terms, and are in the ordinary and usual course of business of the Group and in the interests of the Group and the Shareholders taken as a whole.

LISTING RULES IMPLICATIONS

The JV Company was recently incorporated with a registered capital of HK\$10,000 in June 2023. As Dr. Dennis LAM is one of the executive Directors and one of the Controlling Shareholders, he is a connected person of the Company under the Listing Rules. As such, the establishment of the JV Company and the entering into of the Joint Venture Agreement constitute connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the capital injection commitment to be made by the JV Parties in the JV Company under the Joint Venture Agreement, when aggregated with the initial capital contribution made by the JV Parties for the JV Company's incorporation, is more than 0.1% but all are less than 5%, the incorporation of the JV Company and the entering into of the Joint Venture Agreement are therefore subject to the reporting and announcement requirements, but are exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

As Dr. Dennis LAM has a material interest in the Joint Venture Agreement, therefore he had abstained from the voting on the relevant Board resolutions approving the matters contemplated under the incorporation of the JV Company and the Joint Venture Agreement. Ms. LI Xiaoting, one of the executive Directors and spouse of Dr. Dennis LAM, had also voluntarily abstained from the voting on the relevant Board resolutions approving the same. 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 incorporation of the JV Company and the Joint Venture Agreement and was required to abstain from voting on the relevant Board resolutions approving it.

INFORMATION ON THE COMPANY AND THE JV PARTIES

The Company has been listed on the Stock Exchange since 15 January 2018. The Group is an ophthalmic, dental and other medical service provider in Hong Kong and Mainland China. Its ophthalmologists/physicians are specialised in the fields of cataract, glaucoma, strabismus and refractive surgeries and external eye diseases. Its dentists have expertise and qualifications across a wide range of specialty areas, covering general dentistry, orthodontics and implantology. As of the date of this announcement, the Group operates five day surgery centres and eight satellite clinics for its ophthalmic services, six dental clinics, six optometry centres, three general practice clinics, an oncology centre and a one-stop centre for medical aesthetics, dental and ophthalmic services, in Hong Kong and nine eye hospitals in Shenzhen (Futian and Baoan), Beijing, Shanghai, Guangzhou, Zhuhai, Kunming, Huizhou, Jieyang, two eye centres in Fuzhou and Nanshan, three satellite eye clinics in Shanghai, and a dental hospital and 12 dental clinics in Shenzhen, in Mainland China. Its revenue is derived from the fees charged to its clients on consultation, procedures, surgeries, and other medical services, as well as the sales of vision aid products, including glasses and lens, and medical consumables.

C-MER Medical Group is a direct wholly-owned subsidiary of the Company and is principally engaged in the business of investment holding.

Dr. Dennis LAM is one of the executive Directors and one of the Controlling Shareholders.

INFORMATION ON HEALTH HOPE PHARMA LIMITED

Health Hope Pharma Limited, being the JV Company, is a company recently incorporated in Hong Kong with limited liability with a registered capital of HK\$10,000 in June 2023 for the JV Business. The JV Business is to jointly invest in and develop innovative drug projects in ophthalmology and oncology. As of the date of this announcement, the JV Company is held as to 70% by Dr. Dennis LAM and 30% by C-MER Medical Group, respectively. The JV Company is not, and will not become, a subsidiary of the Company.

DEFINITIONS

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

“Board”	the board of Directors
“C-MER Medical Group”	C-MER Eye Care Medical Group Limited, a company incorporated in the British Virgin Islands with limited liability, a direct wholly-owned subsidiary of the Company
“Company”	C-MER Eye Care Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 3309)
“connected person”	has the meaning ascribed to it under the Listing Rules
“Controlling Shareholder(s)”	the controlling shareholder(s) (as defined under the Listing Rules) of the Company
“Director(s)”	director(s) of the Company
“Dr. Dennis LAM”	Dr. LAM Shun Chiu Dennis (林順潮醫生), one of the executive Directors and one of the Controlling Shareholders
“Greater Bay Area”	Guangdong-Hong Kong-Macau Greater Bay Area
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Joint Venture Agreement”	the joint venture agreement dated 6 July 2023 entered into between Dr. Dennis LAM and C-MER Medical Group in relation to the capital injection commitment and corporate governance of the JV Company
“JV Business”	the business of life science, healthcare, medical, biotechnology, pharmaceutical and medical device and any other business, as conducted or intended to be conducted by the JV Company
“JV Company”	Health Hope Pharma Limited (希華醫藥有限公司), a company incorporated in Hong Kong with limited liability for the JV Business, held as to 70% by Dr. Dennis LAM and 30% by C-MER Medical Group, respectively
“JV Parties”	Dr. Dennis LAM and C-MER Medical Group
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	US dollars, the lawful currency of the United States of America
“%”	per cent.

By order of the Board
C-MER Eye Care Holdings Limited
Dr. LAM Shun Chiu Dennis
Chairman, Chief Executive Officer and Executive Director

Hong Kong, 6 July 2023

As of the date of this announcement, the Board comprises three executive Directors, namely Dr. LAM Shun Chiu Dennis, Ms. LI Xiaoting and Dr. LEE Yau Wing Vincent and four independent non-executive Directors, namely, Dr. Rex AU YEUNG Pak-kuen, Mr. MA Andrew Chiu Cheung, Mr. IP Shu Kwan Stephen and Mr. YIN Ke.

In this announcement, US\$ has been converted to HK\$ at the rate of US\$1.0 = HK\$7.8 for illustration purpose only. No representation is made that any amounts in US\$ or HK\$ have been, could have been or could be converted at the above rate or at any other rates or at all.