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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)

DISCLOSEABLE TRANSACTION IN RELATION TO THE NEW RENOVATION AGREEMENT

THE NEW RENOVATION AGREEMENT

On 25 October 2023, Saintford (an indirect wholly-owned subsidiary of the Company) had accepted the New Renovation Agreement from the Contractor, pursuant to which the Contractor agreed to carry out the Renovation Work for TST Medical Centre for a total consideration of HK\$525,338.0.

The consideration for the New Renovation Agreement was determined after arm's length negotiations between Saintford and the Contractor on normal commercial terms with reference to the standard and materials chosen by the Group under the New Renovation Agreement and the expected quality of the Renovation Work. The consideration will be financed by the proceeds from the initial public offering of the Company.

LISTING RULES IMPLICATIONS

Saintford had accepted the Previous Renovation Agreements from the Contractor, pursuant to which the Contractor carried out (1) interior fitting out work for the Central Medical Centre; (2) renovation work for the MK Medical Centre; and (3) interior fitting out work for the TST Medical Centre at an aggregate consideration of approximately HK\$16.2 million.

None of the transactions contemplated under each of the Previous Renovation Agreements and the New Renovation Agreement, on a standalone basis, constitutes a notifiable transaction of the Company under Chapter 14 of the Listing Rules. However, as the Previous Renovation Agreements and the New Renovation Agreement have the same counterparty and are of similar transaction nature, and the transactions thereunder are carried out within 12 months prior to and inclusive of the date of this announcement, such transactions are required to be aggregated pursuant to Rule 14.22 of the Listing Rules.

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the renovation services provided under the Previous Renovation Agreements and the New Renovation Agreement, on an aggregate basis, exceeds 5% but are less than 25%, the transactions contemplated thereunder constitute a discloseable transaction and the New Renovation Agreement is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

THE NEW RENOVATION AGREEMENT

On 25 October 2023, Saintford (an indirect wholly-owned subsidiary of the Company) had accepted the New Renovation Agreement from the Contractor, pursuant to which the Contractor agreed to carry out the Renovation Work for the TST Medical Centre operated by the Group for a total consideration of HK\$525,338.0.

Set out below is a summary of the principal terms of the New Renovation Agreement:

Date	:	25 October 2023
Parties	:	(1) Saintford; and (2) The Contractor
Renovation Work	:	Pursuant to the New Renovation Agreement, the Contractor agreed to carry out the Renovation Work, which includes additional interior fitting out work for the TST Medical Centre.
Renovation Contract Price and Payment Terms	:	The renovation contract price is HK\$525,338.0, which was determined after arm's length negotiations between Saintford and the Contractor and on normal commercial terms with reference to the standard and materials chosen by the Group under the New Renovation Agreement and the expected quality of the Renovation Work.

The renovation contract price shall be paid in accordance with the payment schedule as below:

- (i) 30% as deposit at the time of acceptance of the New Renovation Agreement;
- (ii) 40% upon half of the Renovation Work done onsite;
- (iii) 20% upon completion of the Renovation Work and Saintford's acceptance of the Renovation Work; and
- (iv) 10% as retention fee to be released 3 months after Saintford's acceptance of the Renovation Work

Duration of the Renovation Work : It is expected that the Renovation Work will be completed within one to two months from the date of its commencement

The consideration for the Renovation Work will be financed by the proceeds from the initial public offering of the Company.

THE PREVIOUS RENOVATION AGREEMENTS

On each of 30 January 2023, 8 May 2023 and 20 October 2023, Saintford had accepted the Previous Renovation Agreements from the Contractor, pursuant to which the Contractor had carried out (1) interior fitting out work for the Central Medical Centre; (2) renovation work for the MK Medical Centre; and (3) interior fitting out work for the TST Medical Centre for a consideration of approximately HK\$1.4 million, HK\$0.8 million and HK\$14.0 million respectively. The considerations of the Previous Renovation Agreements were financed by both internal resources and the proceeds from the initial public offering of the Company.

Each of the Previous Renovation Agreements did not constitute a discloseable transaction of the Company pursuant to Chapter 14 of the Listing Rules at the relevant time both on a standalone basis and when aggregated with each other.

INFORMATION OF THE PARTIES

(i) The Company and Saintford

The Company is incorporated in the Cayman Islands and is principally engaged investment holding.

Saintford is an indirect wholly-owned subsidiary of the Company incorporated in Hong Kong, and is principally engaged in provision of ophthalmic services and sales of prescriptions.

(ii) The Contractor

The Contractor is incorporated in Hong Kong and it is principally engaged in contracting and engineering services. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the ultimate beneficial owners of the Contractor are Mr. Lam Wan Keung and Ms. Chong Siu Yuk and that each of the Contractor and its ultimate beneficial owners is a third party independent of the Company and its connected persons.

REASONS FOR AND BENEFITS OF THE NEW RENOVATION AGREEMENT

The principal activity of the Company is investment holding and its subsidiaries are principally engaged in the provision of private ophthalmic healthcare services in Hong Kong. Despite being located at busy areas, the existing medical centres run by the Group have been facing intense competition from peers. To maintain competitiveness and better serve their clients, there is a strong need to upgrade the environment of the medical centres. Therefore, the Directors are of the view that renovation of the TST Medical Centre, together with the other renovation and fitting out work of the other medical centres of the Group, are in line with the Group's business development and will have a positive impact on its future growth.

The Directors (including independent non-executive Directors) are of the view that the terms of the New Renovation Agreement are negotiated on arm's length basis and are on normal commercial terms, and the terms of the New Renovation Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

None of the Directors has a material interest in the transactions contemplated under the New Renovation Agreement or is required to abstain from voting on the resolution to approve the transactions contemplated under the New Renovation Agreement.

LISTING RULES IMPLICATIONS

Saintford had accepted the Previous Renovation Agreements from the Contractor, pursuant to which the Contractor carried out (1) interior fitting out work for the Central Medical Centre; (2) renovation work for the MK Medical Centre; and (3) interior fitting out work for the TST Medical Centre at an aggregate consideration of approximately HK\$16.2 million.

None of the transactions contemplated under each of the Previous Renovation Agreements and the New Renovation Agreement, on a standalone basis, constitutes a notifiable transaction of the Company under Chapter 14 of the Listing Rules. However, as the Previous Renovation Agreements and the New Renovation Agreement have the same counterparty and are of similar transaction nature, and the transactions thereunder are carried out within 12 months prior to and inclusive of the date of this announcement, such transactions are required to be aggregated pursuant to Rule 14.22 of the Listing Rules.

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the renovation services provided under the Previous Renovation Agreements and the New Renovation Agreement, on an aggregate basis, exceeds 5% but are less than 25%, the transactions contemplated thereunder constitute a discloseable transaction and the New Renovation Agreement is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Board”	the board of Directors
“Central Medical Centre”	the medical centre operated by the Group at Units 1302–06, 1310–11, 13th Floor, No.9 Queen’s Road Central, Hong Kong
“Company”	Clarity Medical Group Holding Limited, a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on Main Board of the Stock Exchange
“connected persons”	has the meaning ascribed thereto under the Listing Rules
“Contractor”	Wing Keung Contracting and Engineering Company Limited, a company incorporated in Hong Kong with limited liability
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time)
“MK Medical Centre”	the medical centre operated by the Group at Units 703–706, Wai Fung Plaza, No. 664 Nathan Road, Mongkok, Hong Kong
“New Renovation Agreement”	the renovation agreement issued by the Contractor dated 25 October 2023 and accepted by Saintford in respect of the renovation of the TST Medical Centre

“Previous Renovation Agreements”	the renovation agreements issued by the Contractor dated 30 January 2023, 8 May 2023 and 20 October 2023 and accepted by Saintford in respect of the renovation work conducted for the existing medical centres operated by the Group, details of which are set out in the paragraph headed “The Previous Renovation Agreements” in this announcement
“Renovation Work”	the renovation work to be carried out under the New Renovation Agreement as set out under the section headed “The New Renovation Agreement” in this announcement
“Saintford”	Saintford Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Shareholders”	the holder(s) of the share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“TST Medical Centre”	the medical centre operated by the Group at Level 11, The One, Tsim Sha Tsui, Hong Kong

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

Hong Kong, 25 October 2023

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.