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C-MER Medical Holdings Limited
希瑪醫療控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3309)

DISCLOSEABLE TRANSACTION AND CONNECTED TRANSACTION DISPOSAL OF EQUITY INTERESTS IN APOLLO INVOLVING THE CANCELLATION OF BOND

DISPOSAL OF EQUITY INTERESTS IN APOLLO INVOLVING THE CANCELLATION OF BOND

On 17 December 2025, the Company and HKO entered into the Deed, pursuant to which (i) the Company has agreed to transfer back to HKO, and HKO has agreed to repurchase from the Company, the Sale Shares, representing 55% of the entire issued share capital of Apollo, (ii) in consideration of the Disposal, HKO has agreed that the Bond shall be cancelled and surrendered to the Company and destroyed and agreed to discharge and release the Company from its obligations thereunder on the terms and conditions set out in the Deed. Upon the Completion, Apollo will cease to be a non-wholly owned subsidiary of the Company as defined under the Listing Rules and that the Company will cease to hold any equity interests in Apollo.

LISTING RULES IMPLICATIONS

As some of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Disposal (with the Cancellation as the consideration) are more than 5% but all of the applicable percentage ratios are less than 25%, the entering into of the Deed and the transaction(s) contemplated thereunder constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules, and is subject to the notification and announcement requirements but is exempt from the Shareholders' approval requirements under the Listing Rules.

Since Apollo was owned as to 45% by HKO immediately prior to the Disposal, HKO is a substantial shareholder of Apollo and therefore a connected person at the subsidiary level of the Company. The Disposal (with Cancellation as consideration) therefore constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

The Directors (including the independent non-executive Directors) have approved the Disposal (with Cancellation as consideration) and the independent non-executive Directors have confirmed that the transaction is carried out upon arm's length negotiations between both parties, conducted on normal commercial terms, and that the terms are fair and reasonable and in the interests of the Company and the Shareholders as a whole. By reason of the aforesaid, pursuant to Rule 14A.101 of the Listing Rules, the entering into of the Deed and the transaction(s) contemplated thereunder will be subject to the reporting and announcement requirements, but exempt from the circular, independent financial advice and Shareholders' approval requirements under Chapter 14A of the Listing Rules.

INTRODUCTION

On 1 June 2023, the Company entered into the Sale and Purchase Agreement with HKO, pursuant to which the Company has agreed to purchase the Sale Shares from HKO, representing 55% of the entire issued share capital of Apollo at the consideration of RMB50.49 million (subject to the adjustments), which was satisfied by the issue of the Bond by the Company on 6 October 2023. For details of the transaction, please refer to the voluntary announcements of the Company dated 1 February 2023 and 1 June 2023.

After the acquisition in June 2023, the Group has embarked on a number of strategic choices, including a focus on ophthalmic services in Hong Kong and the Mainland China, and the dental and medical business in Shenzhen. In view of the adjustment of the strategies and with an aim to optimise the use of internal resources of the Group, the Company has determined to transfer back the Sale Shares to HKO. On 17 December 2025, the Company and HKO entered into the Deed in relation to the Disposal and the Cancellation, principal terms and conditions of which are set out below.

THE DEED

Date

17 December 2025

Parties

The Company (as transferor) and HKO (as transferee)

Subject Matter of the Disposal

The subject matter of the Disposal is the Sale Shares, being 5,500 shares in Apollo, representing 55% of the entire issued share capital of Apollo, free from any option, charge, lien, interest, encumbrance, right of pre-emption or any other third party rights together with all rights attaching thereto at any time on or after Completion.

Consideration for the Disposal and the Cancellation

In consideration for the Disposal, the Bond shall be cancelled and surrendered to the Company and destroyed, and HKO has agreed to discharge and release the Company from the obligations, duties and liabilities that the Company has or may have to HKO under the Sale and Purchase Agreement and the Bond respectively.

Without prejudice to the above, each of the Company and HKO has further agreed to release and discharge each other from any and all obligations under the Sale and Purchase Agreement and the Bond, whether accrued or otherwise.

The consideration was arrived at after taking into account the financial performance of Apollo and considerations on the Group's long-term development, as further described in the section "Reasons and Benefits of the Disposal and Cancellation" in this announcement.

Conditions

The Disposal and the Cancellation shall be inter-conditional on one another and take effect simultaneously.

Completion

Completion shall take place on a date falling within 20 business days after execution and delivery of the Deed (or such other location, date and time as shall be mutually agreed in writing by the parties).

Upon the Completion, Apollo will cease to be a non-wholly owned subsidiary of the Company as defined under the Listing Rules*(Note)* and that the Company will cease to hold any equity interests in Apollo.

Note:

As disclosed in the interim report of the Company for the six months ended 30 June 2025, the Group accounts for Apollo as a joint venture using the equity method in the consolidated financial statements under HKFRS Accounting Standards since a unanimous consent in the board is required in relation to decisions about the relevant activities. However, as the shareholding of Apollo was majority held by the Company, it is being treated as a subsidiary as defined under Listing Rules prior to the Disposal.

FINANCIAL EFFECTS OF THE DISPOSAL AND CANCELLATION

The Group accounts for Apollo as a joint venture using the equity method in the consolidated financial statements under HKFRS Accounting Standards since a unanimous consent in the board is required in relation to decisions about the relevant activities.

The Directors estimate on preliminary basis that the Group may, subject to the audit and confirmation by the auditors, record a gain on disposal of the interest in a joint venture of approximately HK$3.9 million following the Completion which is calculated based on the carrying value of the Bond less the share of the unaudited net assets value of Apollo as at 31 October 2025. However, unrealized exchange loss on the carrying value of the Bond, accrued interest expenses of the Bond and share of results of the joint venture are expected to be recognised in the consolidated financial statements of the Group up to the Completion and are expected to partially offset the financial impact of the gain on the Disposal in the consolidated statement of comprehensive income of the Group.

Since the consideration in relation to the Disposal is the cancellation and surrender of the Bond, there is no sale proceeds to the Company.

Shareholders should note that the actual financial impact from the Disposal and the Cancellation will be subject to audit. Saved as disclosed above, the Board considers that there will not be any material adverse impact on the financial or operation of the Group.

REASONS AND BENEFITS OF THE DISPOSAL AND CANCELLATION

The Group has embarked on a number of strategic choices, including a focus on ophthalmic services in Hong Kong and the Mainland China, and the dental and medical business in Shenzhen. The Disposal fits well with the strategy by optimising the use of internal resources of the Group.

The unaudited net profit/(loss) before and after tax of Apollo Group for the two years immediately preceding the date of this announcement are as follows:

	Year ended 31 December 2023	**Year ended 31 December 2024**
	HK$'000	*HK$'000*
Net profit before tax	369	4,148
Net profit/(loss) after tax	(684)	2,872

According to the unaudited management accounts of Apollo Group as at 31 December 2024, the total assets and net assets of Apollo Group were approximately HK$41.1 million and HK$5.5 million, respectively.

The share of the profits/(loss) under equity method in the consolidated statement of the comprehensive income for the two years immediately preceding the date of this announcement and the six months ended 30 June 2025 are as follows:

	Year ended 31 December 2023	**Year ended 31 December 2024**	**Six months ended 30 June 2025**
	HK$'000 (audited)	*HK$'000* (audited)	*HK$'000* (unaudited)
Share of the profits/(loss) under equity method in the consolidated statement of the comprehensive income	312	1,580	(1,015)

The Directors have also carefully considered the original terms of the agreement, in particular, (i) the terms of the Bond and the interests payable under the Bond if the Bond is to be mature in accordance with its terms, (ii) the Bond principal adjustment mechanism and the consideration clawback mechanism as disclosed in the Company's announcement dated 1 June 2023, and (iii) the business environment of Apollo. The Company has carried out careful discussions with HKO as its business partner, and both parties have amicably agreed to implement the Disposal and the Cancellation, which would allow the Company to recoup its original investment while at the same time removing the financial liability of the Bond going forward.

Based on the above, the Directors are of the view that the Disposal and the terms of the Deed, including the consideration, were entered into on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole. In particular, the independent non-executive Directors have confirmed that the transaction is carried out upon arm's length negotiations between both parties, conducted on normal commercial terms, and that the terms are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

None of the Directors has any material interest in the Disposal or the Cancellation. Therefore, none of them is required to abstain from voting at the Board meeting convened for approving the entering into the Deed and the transactions contemplated thereunder.

INFORMATION ON HKO

HKO is a company incorporated under the laws of Hong Kong with limited liability. Established in 1970 and headquartered in Hong Kong, HKO is a leading manufacturer of and coating service provider for optical lenses with prescriptions in Asia comprising of eight lens surfacing labs, three die-casting factories and eight regional offices across Asia, and serving customers in over 25 countries. It is also a high-quality eyeglass frame manufacturer with two factories in mainland China, one in Japan, and one in the Philippines, serving customers worldwide and an authorised dealer of optical products for multiple global brands. As of the date of this announcement, HKO is 100% beneficially owned by Mr. So Kwong Yeung and his family members.

INFORMATION ON THE COMPANY AND THE GROUP

The Company is a company incorporated under the laws of the Cayman Islands on 1 February 2016 with all of its shares in issue listed on the Main Board of the Stock Exchange (Stock Code: 3309). 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. 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.

INFORMATION ON THE APOLLO AND THE APOLLO GROUP

Apollo is an investment holding company with limited liability incorporated under the laws of Hong Kong and was owned as to 55% by the Company and 45% by HKO immediately prior to the Disposal. Apollo Group has been engaging in lens distribution business in the Mainland China since 2002. Currently, Apollo Group has a team of nearly 100 staff distributing prescription lens products, including de focus lens and progressive lens, to public hospitals, private hospitals and optical centers in Mainland China.

LISTING RULES IMPLICATIONS

As some of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Disposal (with the Cancellation as the consideration) are more than 5% but all of the applicable percentage ratios are less than 25%, the entering into of the Deed and the transaction(s) contemplated thereunder constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules, and is subject to the notification and announcement requirements but is exempt from the Shareholders' approval requirements under the Listing Rules.

Since Apollo was owned as to 45% by HKO immediately prior to the Disposal, HKO is a substantial shareholder of Apollo and therefore a connected person at the subsidiary level of the Company. The Disposal (with Cancellation as consideration) therefore constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

The Directors (including the independent non-executive Directors) have approved the Disposal (with Cancellation as consideration) and the independent non-executive Directors have confirmed that the transaction is carried out upon arm's length negotiations between both parties, conducted on normal commercial terms, and that the terms are fair and reasonable and in the interests of the Company and the Shareholders as a whole. By reason of the aforesaid, pursuant to Rule 14A.101 of the Listing Rules, the entering into of the Deed and the transaction(s) contemplated thereunder will be subject to the reporting and announcement requirements, but exempt from the circular, independent financial advice and Shareholders' approval requirements under Chapter 14A of the Listing Rules.

DEFINITIONS

In this announcement, the following words and expressions shall have the meanings set out below, unless the context requires otherwise:

"Apollo"	Apollo Lens Company Limited, a company incorporated under the laws of Hong Kong with limited liability;
"Apollo Group"	Apollo together with its subsidiaries and their respective branch companies;
"Board"	the board of Directors;
"Bond"	2% RMB denominated HKD settled unsecured bond in the principal sum of RMB50.49 million (subject to the adjustments) due in three years from the issue date of the Bond;
"Cancellation"	the cancellation and surrender of the Bond pursuant to the Deed;
"Companies Ordinance"	the Companies Ordinance (Cap. 622 of the laws of Hong Kong);
"Company"	C-MER Medical Holdings Limited (stock code: 3309), a company incorporated in Cayman Islands with limited liability and the Shares of which are listed on the main board of Stock Exchange;
"Completion"	the simultaneous completion of the Disposal and Cancellation in accordance with terms and conditions of the Deed;

"connected person(s)"	has the meaning ascribed to it under the Listing Rules;
"Deed"	the deed on share sale and repurchase dated 17 December 2025 entered into between the Company and HKO in relation to the Disposal and Cancellation;
"Director(s)"	director(s) of the Company;
"Disposal"	the disposal of the Sale Shares by the Company to HKO pursuant to the Deed;
"Group"	the Company and its subsidiaries;
"Hong Kong"	Hong Kong Special Administrative Region of the PRC;
"HK$" or "HKD"	Hong Kong dollars, the lawful currency of Hong Kong;
"HKO"	Hong Kong Optical Lens Company Limited (明達眼鏡鏡片有限公司);
"Independent Third Party(ies)"	party(ies) independent of and not connected with the Company and any of its connected persons or their respective associates;
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
"PRC"	The People's Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macao Special Administrative Region of the People's Republic of China and Taiwan;
"RMB"	Renminbi, the lawful currency of the PRC;
"Sale and Purchase Agreement"	the sale and purchase agreement dated 1 June 2023 entered into between the Company and HKO in relation to the acquisition of the Sale Shares by the Company from HKO at the consideration of RMB50.49 million (subject to the adjustments);
"Sale Shares"	5,500 shares in Apollo, representing 55% of the entire issued share capital of Apollo;
"Share(s)"	ordinary share(s) in the share capital of the Company;

"Shareholder(s)"	holder(s) of the Share(s);
"Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"%"	per cent.

By order of the Board
C-MER Medical Holdings Limited
Ms. LI Xiaoting
Vice Chairman, Executive Director and Chief Executive Officer

Hong Kong, 17 December 2025

As at the date of this announcement, the Board comprises its chairman and independent non-executive Director, Dr. Rex AUYEUNG Pak-kuen; two executive Directors, namely Ms. LI Xiaoting (Vice Chairman and Chief Executive Officer) and Dr. LEE Yau Wing Vincent; and five other independent non-executive Directors, namely Dr. KO Wing Man (Vice Chairman), Mr. MA Andrew Chiu Cheung, Mr. IP Shu Kwan Stephen, Mr. YIN Ke and Mr. LI Ling Cheung Raymond.