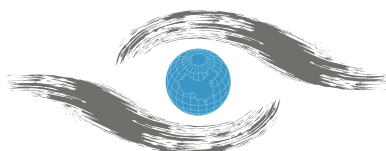


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C-MER 希瑪

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)

ISSUE OF NEW SHARES UNDER GENERAL MANDATE

SUBSCRIPTION BY A STRATEGIC INVESTOR

On 2 December 2022 (after trading hours), the Company has conditionally agreed to allot and issue, and the Strategic Investor, through the Subscriber, has conditionally agreed to subscribe, a total of 30,056,000 new Shares at the price of HK\$3.87 per Share. The Subscription Shares represent approximately 2.43% of the issued share capital of the Company as at the date of this announcement and approximately 2.37% of the total issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares.

The Subscription Shares will be allotted and issued under the General Mandate that was approved in the 2022 AGM. No Shareholders' approval is required for the issuance of the Subscription Shares.

The net proceeds to be received by the Company from the Subscription, after deducting related fees and expenses is estimated to be approximately HK\$116.1 million. The Company intends to use the net proceeds from the Subscription for (i) the expansion of our ophthalmic service network in the Greater Bay Area of the PRC; (ii) the funding of merger and acquisition as and when suitable opportunities arise; and (iii) as general working capital for the Group.

The Subscription is conditional upon, (a) the Company having obtained all necessary consents and approvals for the transactions contemplated under the Subscription Agreement, and (b) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Subscription Shares.

Completion of the Subscription may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

THE SUBSCRIPTION

Date

2 December 2022 (after trading hours)

Issuer

The Company

Subscriber

Ginkgo Capital Global Fund SPC – Ginkgo Capital Global Fund I SP

It is a segregated portfolio of Ginkgo Capital Global Fund SPC, which is a segregated portfolio company incorporated under the laws of the Cayman Islands with limited liability.

The investment manager of the Subscriber, Ginkgo Capital Co., Limited, is a company incorporated under the laws of Hong Kong and is licensed by the Securities and Futures Commission of Hong Kong to carry out type 4 (advising on securities) and type 9 (asset management) regulated activities as defined in the Securities and Futures Ordinance (CE Number: BQV674). The investment manager comprises of seasoned investment professionals with strong focus on capital market of the PRC and provides long term and comprehensive investment services for ultra-high-net-worth clients.

As at the date of this announcement, to the best knowledge of the Directors, all the participating, redeemable, non-voting shares in Ginkgo Capital Global Fund SPC attributable to Ginkgo Capital Global Fund I SP were issued to Wealth Strategy Holding Limited, a company incorporated under the laws of Hong Kong which is in turn wholly owned by the Strategic Investor.

The Strategic Investor is a highly reputable angel investor and entrepreneur with substantial experience in healthcare and telecommunication industries in the PRC, and ranked 29th in Forbes' China's 100 Richest 2022. He is currently the chairman of the board of Vcanbio Cell & Gene Engineering Corp. Ltd., a company principally engaged in the preparation, detection and storage of stem cells, with its shares listed on Shanghai Stock Exchange (600645.SH) and co-founder of Hangzhou Hikvision Digital Technology Co., Ltd., a company principally engaged in the provision of intelligent security products, integrated security solutions and intelligent vertical solutions with its shares listed on the Shenzhen Stock Exchange (002415.SZ).

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the Strategic Investor, the Subscriber, its investment manager and their respective ultimate beneficial owners are independent of and not connected with the Company and its connected persons.

Principal terms of the Subscription Agreement

Subscription Shares: The Company has conditionally agreed to allot and issue, and the Strategic Investor, through the Subscriber, has conditionally agreed to subscribe, a total of 30,056,000 new Shares. It is expected that the Subscriber will not become a substantial shareholder (as defined in the Listing Rules) of the Company after Completion. Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the completion of the Subscription, the Subscription Shares represent approximately 2.43% of the issued share capital of the Company as at the date of this announcement and approximately 2.37% of the total issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares. The aggregate nominal value of the Subscription Shares is HK\$3,005,600.

Subscription Price: HK\$3.87 per Subscription Share, representing:

- (a) a discount of approximately 4.91% to the closing price of HK\$4.07 per Share as quoted on the Stock Exchange on 2 December 2022, being the date on which the Company and the Subscriber conditionally agreed on the Subscription; and
- (b) a premium of approximately 1.04% to the average closing price of approximately HK\$3.83 per Share as quoted on the Stock Exchange for the last five (5) trading days immediately prior to the date on which the Company and the Subscriber conditionally agreed on the Subscription.

The Subscription Price was determined after arm's length negotiation between the Company and the Subscriber with reference to, among other things, the prevailing market price of the Shares on the Stock Exchange.

The Company will bear the costs and expenses of approximately HK\$0.2 million in connection with the Subscription and the net proceeds from the Subscription is estimated to be approximately HK\$116.1 million. As a result, the net price per Subscription Share will be approximately HK\$3.86.

Ranking of the Subscription Shares: The Subscription Shares, when fully paid, will rank *pari passu* in all respects with other Shares in issue at the date of allotment and issue of the Subscription Shares, and the Subscription Shares, when issued and allotted, will be free from all liens, charges, encumbrances and the third party rights of whatever nature and together with all rights attaching to them as at the date of their allotment.

Conditions precedent
to Completion:

The Subscription is conditional upon, the following:

- (a) the Company having obtained all necessary consents and approvals for the transactions contemplated under the Subscription Agreement, including but not limited to (i) the Board having approved and (ii) (if applicable) the Company having complied with and fully complied with relevant laws or regulations, and the relevant consents and approvals from the governmental authorities, departments and regulatory bodies shall remain in effect until the Completion, and (iii) no rules or regulations having been implemented by the relevant authorities to prohibit or materially delay the implementation of the Subscription Agreement; and
- (b) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Subscription Shares.

If the Completion has not occurred until the date one month after the date of the Subscription Agreement and such long stop date is not extended by either the Company or the Subscriber according to the Subscription Agreement, the Subscription Agreement shall be terminated at that time.

No Shareholders' approval is required for the issuance of the Subscription Shares.

Payment:

The Subscriber agrees to pay the full amount of subscription monies as deposit within three business days from the date of the Subscription Agreement (or any other date as separately agreed by the parties in writing), the deposit of which shall be (A) automatically converted into the consideration for the Subscription and the payment obligation on part of the Subscriber shall be fully discharged forthwith upon the Completion; or (B) refunded in the full amount to the Subscriber on an interest-free basis within five business days upon the notice from the Company on the non-fulfillment of the conditions precedent and/or the termination of the Subscription Agreement in accordance with its terms.

Completion: Completion is expected to take place on the third business day after the date on which all the conditions precedent is fulfilled or such other date as the Company and the Subscriber may agree in writing.

Lock-up period: It is agreed that the Subscriber shall not, and shall procure that none of the person acting on its behalf shall, without the prior written consent of the Company, (i) offer, sell, lend, contract to sell, pledge, grant any option over, make any short sale or otherwise dispose of, directly or indirectly, any Subscription Shares, (ii) enter into any swap or similar agreement that transfers, in whole or in part, the economic risk of ownership of Subscription Shares, or (iii) publicly announce an intention to effect any such transaction, for a period beginning on the date of the Subscription Agreement and ending on the date which is 12 months after the Completion.

Termination: The Subscription Agreement may be terminated prior to the Completion as follows:

- (a) at any time on or prior to the Completion, by mutual written agreement between the Company and the Subscriber; or
- (b) if the Completion has not occurred until the date one month after the date of the Subscription Agreement and such long stop date is not extended by either the Company or the Subscriber, provided however the right to extend such long stop date shall not be available to (a) either the Company or the Subscriber whose breach of any representation, warranty, covenant or agreement under the Subscription Agreement or any other transaction document has been the cause or one of the causes of, or has resulted in, the failure of the Completion to occur on or before such long stop date, or (b) to the Company if the Completion has not occurred because it has not completed the conditions precedent;
- (c) at the election of the Company, if there has been a material breach of any representation, warranty, covenant or agreement on the part of the Subscriber contained in the Subscription Agreement or any other transaction document, which breach has not been remedied (to the extent remediable) within ten (10) business days after notice to the Subscriber of such breach; or

- (d) at the election of the Subscriber, if there has been a material breach of any representation, warranty, covenant or agreement on the part of the Company contained in the Subscription Agreement or any other transaction document, which breach has not been remedied (to the extent remediable) within ten (10) business days after notice to the Company of such breach.

General Mandate

The 30,056,000 Subscription Shares will be allotted and issued under the General Mandate that was approved in the 2022 AGM and therefore no Shareholders' approval is required. Pursuant to the General Mandate, the total number of new Shares that the Directors are authorised to allot and issue is 247,126,174 new Shares (up to 20% of the number of Shares in issue of the Company as at the date of the 2022 AGM). The total number of new Shares that can be allotted and issued under the General Mandate as at the date of this announcement is 247,126,174 new Shares. Upon Completion, approximately 12.2% of the Shares of the General Mandate will be utilised by the Company.

Application for Listing

An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

REASONS FOR THE SUBSCRIPTION

The Group is an ophthalmic, dental and other medical service provider in Hong Kong and Mainland China, with strong focus and established network in the Greater Bay Area. The Directors consider that the Subscription represents an opportunity to introduce a long-term and highly respected strategic shareholder with strong background in healthcare industry in the PRC, and will help accelerate our network expansion in the Greater Bay Area and our research and development in relevant medical devices and therapeutics. The Group may also enter into business cooperation with the Strategic Investor when suitable opportunities arise.

The Directors consider that the terms of the Subscription Agreement (including the Subscription Price) are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

Completion of the Subscription is subject to, among others, the Stock Exchange granting the listing of, and permission to deal in, the Subscription Shares and therefore may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

USE OF PROCEEDS FROM THE SUBSCRIPTION

The (i) gross proceeds and (ii) net proceeds to be received by the Company from the Subscription, after deducting related fees and expenses are estimated to be approximately HK\$116.3 million and HK\$116.1 million, respectively.

The Company intends to use the net proceeds from the Subscription for (i) the expansion of our ophthalmic service network in the Greater Bay Area of the PRC; (ii) the funding of merger and acquisition as and when suitable opportunities arise; and (iii) as general working capital for the Group.

FUND RAISING IN THE PAST 12 MONTHS

The Company has conducted the following equity fund raising activities for the 12 months immediately before the date of this announcement:

Date of announcement	Fund raising activities	Net proceeds raised	Intended use of proceeds	Utilised proceeds up to the date of this announcement	Actual use of proceeds as at the date of this announcement
13 January 2022 and 20 January 2022	Placing of existing shares and subscription of new shares under general mandate	Approximately HK\$490.6 million	For funding merger and acquisition; expansion of our hospital and service network; and as general working capital for the Group	Approximately HK\$179.9 million	Funding merger and Acquisition of approximately HK\$156.2 million; expansion of our hospital and service network of approximately HK\$7.1 million; general working capital for the Group of approximately HK\$16.6 million

Save as disclosed above, the Company has not conducted any equity fund raising activities in the past 12 months immediately prior to the date of this announcement.

EFFECT ON THE SHAREHOLDING STRUCTURE

Assuming no other issue of new Shares and no repurchase of existing Shares before Completion, the shareholding structure of the Company before and after Completion are as follows:

	As at the date of this announcement		Immediately after completion of the Subscription	
	Number of Shares	Approximate %	Number of Shares	Approximate %
Non-public Shareholders				
C-MER Group Limited (Note 1)	680,194,553	55.02	680,194,553	53.71
Dr. Lam Shun Chiu Dennis (Note 2)	8,920,000	0.72	8,920,000	0.70
Dr. Lee Yau Wing Vincent	13,203,000	1.07	13,203,000	1.04
Dr. Rex Auyeung Pak-kuen (Note 3)	300,000	0.02	300,000	0.02
LI Chun Shan (Note 4)	1,036,000	0.08	1,036,000	0.08
CHAN Chi Leong (Note 3)	3,008,000	0.24	3,008,000	0.24
Sub-total	<u>706,661,553</u>	<u>57.15</u>	<u>706,661,553</u>	<u>55.79</u>
Shares held by trustee under the Share Award Scheme				
	4,248,000	0.34	4,248,000	0.34
Public Shareholders				
Other public Shareholders	525,593,317	42.51	525,593,317	41.50
Subscriber	<u>–</u>	<u>–</u>	<u>30,056,000</u>	<u>2.37</u>
Sub-total	<u>525,593,317</u>	<u>42.51</u>	<u>555,649,317</u>	<u>43.87</u>
Total	<u><u>1,236,502,870</u></u>	<u><u>100.00</u></u>	<u><u>1,266,558,870</u></u>	<u><u>100.00</u></u>

Notes:

1. C-MER Group Limited is beneficially wholly-owned by Dr. Lam Shun Chiu Dennis as to 70% and Ms. Li Xiaoting as to 30%. By virtue of the Securities and Futures Ordinance, Dr. Lam Shun Chiu Dennis is deemed to be interested in the same number of Shares which C-MER Group Limited is interested in.
2. Interest held in the capacity of beneficial owner, without taking into account the deemed interest in which C-MER Group Limited is interested in.
3. Representing interest held by spouse.

4. Inclusive of interest held by spouse.
5. The percentage figures included in the shareholding structures have been subject to rounding adjustment.

DEFINITIONS

In this announcement, the following words and phrases have the following meanings:

“2022 AGM”	the annual general meeting of the Company held on 24 May 2022
“Board”	the board of Directors of the Company
“Company”	C-MER Eye Care Holdings Limited (希瑪眼科醫療控股有限公司), a company incorporated in 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)
“Completion”	completion of the Subscription
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“General Mandate”	the general mandate granted to the Directors pursuant to an ordinary resolution passed at the 2022 AGM to allot and issue up to 247,126,174 new Shares, representing 20% of the number of Shares in issue of the Company as at the date of the 2022 AGM
“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
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	The People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Segregated Portfolio”	Ginkgo Capital Global Fund SPC – Ginkgo Capital Global Fund I SP, a segregated portfolio of Ginkgo Capital Global Fund SPC
“Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of the Company

“Share Award Scheme”	the C-MER Eye Care Holdings Limited Share Award (Existing Shares) Scheme adopted by the Company on 7 November 2022
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Strategic Investor”	Mr. Kung Hung Ka (龔虹嘉先生)
“Subscriber”	Ginkgo Capital Global Fund SPC – Ginkgo Capital Global Fund I SP, its investment manager and their respective ultimate beneficial owners are independent of and not connected with the Company and its connected persons
“Subscription”	the subscription of the Subscription Shares agreed by Company and the Subscriber as at the date of this announcement
“Subscription Agreement”	the agreement dated 2 December 2022 entered into among the Company and the Subscriber in relation to the Subscription
“Subscription Price”	HK\$3.87 per Subscription Share
“Subscription Shares”	30,056,000 new Shares to be issued and allotted to the Subscriber under the Subscription, and each a “Subscription Share”

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

Hong Kong, 2 December 2022

As of the date of this announcement, the Board comprises four executive Directors, namely Dr. LAM Shun Chiu Dennis JP, Ms. LI Xiaoting, Dr. LEE Yau Wing Vincent and Mr. LI Chunshan, and six independent non-executive Directors, namely, Dr. Rex AU YEUNG Pak-kuen GBS JP, Dr. LI Kwok Tung Donald SBS OSIJ JP, Mr. MA Andrew Chiu Cheung, Mr. CHAN Chi Leong, Ms. BENTLEY Annie Liang, and Mr. IP Shu Kwan Stephen GBS JP.