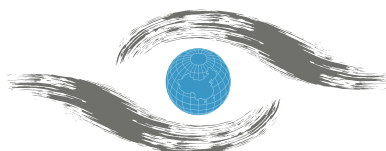


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C-MER 希瑪

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)

ANNUAL CAPS OF THE CONTINUING CONNECTED TRANSACTIONS IN RELATION TO EXISTING LEASE AGREEMENT

Reference is made to the section headed “Continuing Connected Transactions” in the Prospectus in relation to the Existing Lease Agreement.

On 25 May 2017, Shenzhen C-MER Hospital, as lessee, entered into the Existing Lease Agreement with Shenzhen Maida, as lessor, for the lease of the Shenzhen Property for a term of three years from 1 June 2017 to 31 May 2020. As disclosed in the Prospectus, annual caps in respect of the transactions contemplated under the Existing Lease Agreement for the three years ending 31 December 2019 were set and approved by the Board.

The Group expects that the lease of the Shenzhen Property under the Existing Lease Agreement will continue for business needs. Therefore, the Board resolved to set the Annual Cap in respect of the transactions contemplated under the Existing Lease Agreement for the remaining term of the Existing Lease Agreement, i.e. from 1 January 2020 to 31 May 2020.

IMPLICATIONS UNDER THE LISTING RULES

As of the date of this announcement, Shenzhen C-MER Hospital is a wholly-owned subsidiary of the Company. Shenzhen Maida is a wholly-owned subsidiary of D&S Limited which is in turn owned as to more than 50% by Dr. Dennis LAM, one of the executive Directors and one of the Controlling Shareholders. Shenzhen Maida is therefore a connected person (as such term is defined under the Listing Rules) of the Company. Accordingly, the transactions contemplated under the Existing Lease Agreement constitute continuing connected transactions for the Company.

As all the applicable percentage ratios in respect of the transactions contemplated under the Existing Lease Agreement are less than 25%, and the total consideration will be less than HK\$10,000,000, the transactions contemplated thereunder are subject to the reporting, annual review and announcement requirements but are exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

BACKGROUND

Reference is made to the section headed "Continuing Connected Transactions" in the Prospectus in relation to the Existing Lease Agreement.

On 25 May 2017, Shenzhen C-MER Hospital, as lessee, entered into the Existing Lease Agreement with Shenzhen Maida, as lessor, for the lease of the Shenzhen Property for a term of three years from 1 June 2017 to 31 May 2020. As disclosed in the Prospectus, annual caps in respect of the transactions contemplated under the Existing Lease Agreement for the three years ending 31 December 2019 were set and approved by the Board.

THE ANNUAL CAP OF THE EXISTING LEASE AGREEMENT

The Group expects that the lease of the Shenzhen Property under the Existing Lease Agreement will continue for business needs. Therefore, the Board resolved to set the Annual Cap in respect of the transactions contemplated under the Existing Lease Agreement for the remaining term of the Existing Lease Agreement, i.e. from 1 January 2020 to 31 May 2020. The details of which are set out below:

Historical transaction amount for the			Annual cap
Seven months		Eleven months	for the five
ended	Year ended	ended	months ending
31 December	31 December	30 November	31 May
2017	2018	2019	2020
HK\$'000	HK\$'000	HK\$'000	HK\$'000
5,276	9,257	8,135	4,119

As disclosed in the Prospectus, the rental expense is payable by Shenzhen C-MER Hospital to Shenzhen Maida on a monthly basis under the Existing Lease Agreement. The monthly rental is RMB654,326.61. The Annual Cap for the transactions under Existing Lease Agreement for the five months ended 31 May 2020 is determined with reference to (1) the amount of rental payable for the five months ending 31 May 2020 as stipulated under the Existing Lease Agreement; and (2) the historical amounts of rental expense during the seven months ended 31 December 2017, the year ended 31 December 2018 and the eleven months ended 30 November 2019.

The Directors (including the independent non-executive Directors) are of the view that the Existing Lease Agreement has been entered into and carried out in the ordinary and usual course of business of the Group and is based on normal commercial terms that are fair and reasonable, and the Annual Cap is also fair and reasonable and in the interest of the Company and the Shareholders as a whole.

INFORMATION ON SHENZHEN C-MER HOSPITAL AND THE GROUP

Shenzhen C-MER Hospital is a wholly-owned subsidiary of the Company in the PRC established on 11 January 2013 and is engaged in the operation of an eye hospital in the PRC. The eye hospital operated by Shenzhen C-MER Hospital is one of the flagship eye hospitals of the Group.

The Company has been listed on the Stock Exchange since 15 January 2018. As of the date of this announcement, the Group operates two day surgery centres and four satellite clinics in Hong Kong and four eye hospitals in PRC cities of Shenzhen, Beijing, Kunming and Shanghai. The Group is specialised in offering treatment and therapy services for ophthalmic diseases which include, amongst others, cataract, corneal and external eye diseases, glaucoma, vitreoretinal and macular diseases, as well as ancillary treatment by way of acupuncture and traditional Chinese medicine.

INFORMATION ON SHENZHEN MAIDA

Shenzhen Maida is a wholly-foreign owned enterprise established in the PRC. The principal business of Shenzhen Maida is investment holding and it is the registered owner of the Shenzhen Property. Shenzhen Maida is a wholly-owned subsidiary of D&S Limited which is in turn owned as to more than 50% by Dr. Dennis LAM, one of the executive Directors and one of the Controlling Shareholders.

IMPLICATIONS UNDER THE LISTING RULES

As of the date of this announcement, Shenzhen C-MER Hospital is a wholly-owned subsidiary of the Company. Shenzhen Maida is a wholly-owned subsidiary of D&S Limited which is in turn owned as to more than 50% by Dr. Dennis LAM, one of the executive Directors and one of the Controlling Shareholders. Shenzhen Maida is therefore a connected person (as such term is defined under the Listing Rules) of the Company. Accordingly, the transactions contemplated under the Existing Lease Agreement constitute continuing connected transactions for the Company.

As all the applicable percentage ratios in respect of the transactions contemplated under the Existing Lease Agreement are less than 25%, and the total consideration will be less than HK\$10,000,000, the transactions contemplated thereunder are subject to the reporting, annual review and announcement requirements but are exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

As Dr. Dennis LAM, one of the executive Directors and one of our Controlling Shareholders, is the owner of more than 50% equity interest in D&S Limited which in turn wholly-owns Shenzhen Maida, Dr. Dennis LAM is deemed to have material interest in the Existing Lease Agreement. Therefore, Dr. Dennis LAM has abstained from the voting on the relevant Board resolutions approving the Annual Cap. 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 material interest in the Existing Lease Agreement and is required to abstain from voting on the relevant Board resolutions approving the Annual Cap.

DEFINITIONS USED IN THIS ANNOUNCEMENT

Unless the context requires otherwise, the capitalised terms used herein shall have the following meanings:

“Annual Cap”	The annual cap in respect of the transactions contemplated under the Existing Lease Agreement for the remaining term of the Existing Lease Agreement, i.e. from 1 January 2020 to 31 May 2020;
“Board”	the board of Directors;
“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 are listed on the Stock Exchange (Stock code: 03309);
“Controlling Shareholders”	the controlling shareholders (as such term is defined under the Listing Rules) of the Company;
“D&S Limited”	D&S International Holding Limited (formerly known as Hong Kong C-MER International Eye Care Group Limited (香港希瑪國際眼科醫療集團有限公司)), a company incorporated in Hong Kong on 10 October 2005 and owned by Dr. Dennis LAM as to more than 50%;
“Director(s)”	director(s) of the Company;
“Dr. Dennis LAM”	Dr. LAM Shun Chiu Dennis JP (林順潮醫生), one of the executive Directors and one of the Controlling Shareholders;
“Existing Lease Agreement”	the lease agreement dated 25 May 2017 and entered into between Shenzhen C-MER Hospital, as lessee, and Shenzhen Maida, as lessor, for the lease of the Shenzhen Property;

“Global Offering”	the global offering of the Shares and listing of the Shares on the Stock Exchange;
“Group”	the Company and its subsidiaries;
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China;
“Independent Third Party(ies)”	person(s) or entity(ies) which is or are not considered a connected person (as such term is defined under the Listing Rules) of the Company;
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange;
“RMB”	Renminbi, the lawful currency of the PRC;
“PRC”	the People’s Republic of China, which for the purpose of this announcement, does not include Hong Kong, The Macau Special Administrative Region of the People’s Republic of China and Taiwan;
“Prospectus”	the prospectus dated 29 December 2017 issued by the Company for the Global Offering;
“Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of the Company;
“Shareholder(s)”	holders of the Shares;
“Shenzhen C-MER Hospital”	Shenzhen C-MER Dennis Lam Eye Hospital Co., Ltd. (深圳希瑪林順潮眼科醫院有限公司), a wholly-foreign owned enterprise established in the PRC on 11 January 2013 and a wholly-owned subsidiary of the Company;
“Shenzhen Maida”	Maida Medical Software Development (Shenzhen) Company Limited (邁達醫療軟件開發(深圳)有限公司), a wholly-foreign owned enterprise established in the PRC and a wholly-owned subsidiary of D&S Limited;

“Shenzhen Property”	the property located at No. 101 Sheng Tang Building, Tairanjiu Lu, Futian, Shenzhen, the PRC;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“%”	per cent.

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

Hong Kong, 23 December 2019

As of the date of this announcement, the Board comprises four executive Directors, namely Dr. LAM Shun Chiu Dennis, Ms. LI Xiaoting, Dr. LEE Yau Wing Vincent and Mr. LI Chunshan and four independent non-executive Directors, namely, Dr. LI Kwok Tung Donald, Mr. MA Andrew Chiu Cheung, Mr. CHAN Chi Leong and Ms. BENTLEY Annie Liang.