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EC Healthcare
醫思健康

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2138)

**SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO THE USE OF PROCEEDS
FROM THE PLACING OF EXISTING SHARES AND
TOP-UP SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE**

Reference is made to the announcement of the Company dated 8 July 2021 in relation to the placing of existing shares and top-up subscription of new shares under the General Mandate (the “**Announcement**”). Terms used herein shall have the same meanings as defined in the Announcement unless otherwise stated.

The Company would like to provide below supplemental information in relation to the intended use of the net proceeds from the Placing and Subscription.

Assuming all the Placing Shares are fully placed to the Purchasers and Subscription Shares are fully subscribed, the net proceeds, after deduction of all relevant expenses incidental to the Placing and Subscription, are estimated to be approximately HK\$248.8 million. The Company plans to allocate the total net proceeds from the Placing and Subscription for the following purposes: (i) approximately HK\$99.5 million for the expansion of clinic network of the Group in Hong Kong and the Greater Bay Area in the PRC; (ii) approximately HK\$112.0 million for mergers and acquisitions; and (iii) approximately HK\$37.3 million for general corporate purposes of the Group.

As disclosed in the annual results announcements for the year ended 31 March 2021 of the Group dated 29 June 2021 (“**2021 Results Announcement**”), the Group is actively exploring partnerships in Hong Kong and Mainland China to form strategic alliances to broaden the breadth and depth of its healthcare and wellness service offerings. The Group plans to expand its market share by identifying potential acquisition targets or via organic expansion in the Greater Bay Area, currently plans to reach 30 to 50 new outlets by 2025, with a focus on discretionary medical and healthcare services including but not limited to medical aesthetic, chiropractic, dental, obstetrics and gynaecology and paediatric services.

The Group has been actively meeting with existing and potential business partners from different sectors covering property, pharmaceutical, insurance, telecom and information technology in order to

formulate and implement the expansion plan. For the year ended 31 March 2021, the Group has paid an aggregate cash consideration of HK\$434.0 million for business acquisitions, including but not limited to three acquisitions announced on 18 May 2020, 21 October 2020 and 14 December 2020. As such, the Company plans to utilise the net proceeds from the Placing and Subscription for expansion of clinic network of the Group in Hong Kong and the Greater Bay Area in Mainland China and mergers and acquisitions by 2025, while the allocated net proceeds for general corporate purposes of the Group is currently expected to be utilised by 31 March 2022. Please refer to the 2021 Results Announcement for further details of the Group's business outlook and strategies.

Up to the date of this announcement, the Group has identified several potential merger and acquisition targets engaged in, including but not limited to (i) medical, (ii) aesthetic medical, beauty and wellness, and (iii) veterinary services. Save as the proposed acquisitions of veterinary business as disclosed in the Company's announcement on 15 June 2021 which will diversify the Group's business into provision of veterinary services, it is expected that these possible mergers and acquisitions might only expand the breadth and depth of the Group's medical disciplines but would not result in operating a new business by the Group.

The additional information as disclosed above does not affect any other information contained in the Announcement.

By order of the Board
EC Healthcare
Raymond Siu
Company Secretary

Hong Kong, 14 July 2021

As at the date of this announcement, the executive Directors are Mr. Tang Chi Fai, Mr. Lee Gabriel, Mr. Lee Heung Wing and Mr. Wong Chi Cheung; the non-executive Directors are Mr. Luk Kun Shing Ben and Mr. Wang Steven Dasong; and the independent non-executive Directors are Mr. Ma Ching Nam, Mr. Look Andrew, Mr. Lam Chi Hang Josekin.