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**EC Healthcare**  
**醫思健康**

*(Incorporated in the Cayman Islands with limited liability)*  
(Stock Code: 2138)

**DISCLOSEABLE AND CONNECTED TRANSACTION**  
**ACQUISITION OF 55% OF ISSUED SHARE CAPITAL OF THE**  
**TARGET COMPANY INVOLVING THE ISSUE OF**  
**CONSIDERATION SHARES TO A CONNECTED PERSON UNDER**  
**SPECIFIC MANDATE**

**THE ACQUISITION**

The Board is pleased to announce that on 29 November 2021 (after trading hours), the Company, the Purchaser (being an indirect wholly-owned subsidiary of the Company), the Sellers and the Guarantors entered into the Agreement, pursuant to which the Purchaser has conditionally agreed to acquire, and the Sellers have conditionally agreed to sell, the Sale Shares, representing 55% of the issued share capital of the Target Company for a Consideration of HK\$129,423,950, which shall be satisfied (i) as to HK\$119,424,057.48 in cash; and (ii) as to HK\$9,999,892.52 by the allotment and issue of Consideration Shares, credited as fully paid, by the Company. Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares.

Upon Completion of the Acquisition, the Group will own 55% of the issued share capital of the Target Company, which will become an indirect non wholly-owned subsidiary of the Company. The financial results of the Target Company will be consolidated into the consolidated financial statements of the Group.

**LISTING RULES IMPLICATIONS**

The Sellers are corporate shareholders of the Target Company which together hold the entire issued share capital of the Target Company. To the best of the Directors' knowledge, Mr. Look (the direct/indirect controlling shareholder of the Sellers), Dr. Look Guy and Mrs. Lee Look Ngan

Kwan Christina (the beneficial shareholders of the First Seller), is respectively a cousin, cousin and aunt of Mr. Look Andrew, the Company's independent non-executive Director, and, thus the Sellers are connected persons of the Company as defined under Chapter 14A of the Listing Rules. As more than one of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Acquisition are more than 5% but all applicable percentage ratios are less than 25%, the Acquisition constitutes a disclosable and connected transaction of the Company. The Acquisition and issue of Consideration Shares, but for Rule 14A.37 of the Listing Rules, are subject to the reporting, announcement and the independent shareholders' approval requirements under Chapter 14 and Chapter 14A of the Listing Rules.

An application will be made by the Company to the Stock Exchange for a waiver from the requirement of the Company to convene a general meeting under Rule 14A.37 of the Listing Rules on the basis that: (i) to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder had a material interest in the Acquisition and issue of Consideration Shares, and no Shareholder would be required to abstain from voting if the general meeting of the Company was convened to approve the Acquisition and issue of Consideration Shares; and (ii) a written approval by Mr. Tang Chi Fai, who was indirectly interested in 719,779,610 Shares of the Company as disclosed under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), and such Shares constituted approximately 61.13% of the total number of Shares of the Company as at the date of this announcement, had been obtained by the Company for implementing the Acquisition and issue of Consideration Shares in lieu of convening a general meeting. If the abovementioned waiver under Rule 14A.37 of the Listing Rules is granted by the Stock Exchange, no extraordinary general meeting of the Company will be convened for the purpose of considering and approving the Acquisition and issue of Consideration Shares. If the abovementioned waiver is not granted by the Stock Exchange, the Company will convene an extraordinary general meeting to obtain the requisite approval from the Shareholders.

#### **INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER**

An Independent Board Committee has been formed to advise the Shareholders in connection with the Acquisition and issue of Consideration Shares, and an Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Shareholders on the same.

#### **CIRCULAR**

A circular containing, amongst other things, further information on the terms of the Acquisition and issue of Consideration Shares, a letter from the Independent Board Committee and a letter from the Independent Financial Adviser, is expected to be issued to the Shareholders on or before 20 December 2021.

**As Completion is subject to fulfilment or waiver (as the case may be) of the conditions precedent to the Agreement and may or may not proceed, Shareholders and potential investors should exercise caution when dealing in the securities of the Company.**

#### **INTRODUCTION**

The Board is pleased to announce that on 29 November 2021 (after trading hours), the Company, the Purchaser (being an indirect wholly-owned subsidiary of the Company), the Sellers and the Guarantors entered into the Agreement, pursuant to which the Purchaser has conditionally agreed to acquire, and the Sellers have conditionally agreed to sell, the Sale Shares, representing 55% of the issued share capital of the Target Company for a Consideration of HK\$129,423,950, which

shall be satisfied (i) as to HK\$119,424,057.48 in cash; and (ii) as to HK\$9,999,892.52 by the allotment and issue of Consideration Shares, credited as fully paid, by the Company. Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares.

Upon Completion of the Acquisition, the Group will own 55% of the issued share capital of the Target Company, which will become an indirect non wholly-owned subsidiary of the Company. The financial results of the Target Company will be consolidated into the consolidated financial statements of the Group.

## **THE AGREEMENT**

The principal terms of the Agreement are set out below:

- |                              |   |
|------------------------------|---|
| <b>Date</b>                  | : 29 November 2021  |
| <b>Sellers</b>               | : Laker, the First Seller, and Nexus Concept, the Second Seller, which each held 99% and 1% issued share capital in the Target Company respectively.  |
|                              | To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Mr. Look (the direct/indirect controlling shareholder of the Sellers), Dr. Look Guy and Mrs. Lee Look Ngan Kwan Christina (the beneficial shareholders of the First Seller), is respectively a cousin, cousin and aunt of Mr. Look Andrew, the Company's independent non-executive Director, and, thus the Sellers are connected persons of the Company as defined under Chapter 14A of the Listing Rules. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, save for Mr. Look, Dr. Look Guy and Mrs. Lee Look Ngan Kwan Christina, the Sellers and Guarantors are third parties independent of the Company and connected persons of the Company. |
| <b>Purchaser</b>             | : Union Dental Holding Limited, an indirect wholly-owned subsidiary of the Company.   |
| <b>Assets to be acquired</b> | : An aggregate of 55% issued share capital in the Target Company, comprising 54% and 1% from the First Seller and the Second Seller, respectively. For details of the Target Company, please refer to the section headed "Information about the Sellers and the Target Company".  |

**Consideration and payment terms**

: The Consideration for the Sale Shares is HK\$129,423,950 comprising (i) HK\$127,070,787 for the First Sale Shares payable to the First Seller, and (ii) HK\$2,353,163 for the Second Sale Share payable to the Second Seller, which are payable in the following manner:

- (a) in cash in the amount of HK\$117,070,894.48 and HK\$2,353,163 to the First Seller and Second Seller, respectively, and shall be satisfied at Completion; and
- (b) by the allotment and issue of 796,360 Consideration Shares at the Issue Price (equivalent to an amount of HK\$9,999,892.52) by the Company to the First Seller.

The Consideration was determined after arm's length negotiations between the Sellers and the Purchaser and was determined with reference to (i) the historical performance and prospects of the Target Company; (ii) the profitability of the Target Company; (iii) the Profit Guarantee; and (iv) the expertise of the management of the Target Company.

The Consideration will be funded by the internal resources of the Group.

**Conditions Precedent**

Completion of the Agreement is conditional on the fulfilment (or waiver by the Purchaser) of the following conditions:

- (a) all requisite consents, license and approvals from any relevant government authorities, regulatory bodies, any persons or corporations with any business relationship with the respective Target Company or the Sellers or other relevant third parties in Hong Kong or elsewhere having been obtained and have not been revoked;
- (b) there being no material breach of warranties provided by the Sellers under the Agreement;
- (c) there being no material breach of the representations and warranties provided by the Purchaser and the Company under the Agreement;
- (d) the Stock Exchange granting listing of and permission to deal in the Consideration Shares and not subsequently revoked prior to Completion;
- (e) the independent Shareholders of the Company having approved the Agreement and the transactions contemplated therein and having agreed to the allotment and issue of the Consideration Shares;
- (f) there has been no material adverse change of the Target Company from the date of the Agreement and including and up to the Completion Date;

- (g) trading in the Shares on the Stock Exchange not being suspended for a period of more than 10 consecutive trading days disregarding any suspension for the purposes of clearing any announcement and circular in relation to the Acquisition by the regulatory authorities; and
- (h) there being no indication from the Stock Exchange or the Securities and Futures Commission of Hong Kong that listing of Shares will be suspended, revoked or withdrawn at any time after Completion, whether in connection with any of the transactions contemplated by the Agreement or otherwise.

If the above conditions precedents are not fulfilled or waived by the Purchaser on or prior to the date three months after the date of the Agreement (or such other date as may be agreed between the Purchaser and the Sellers in writing), the Agreement shall become null and void and be of no further effect whatsoever and all the obligations and liabilities of the parties thereunder shall cease and determine.

In the event where all the conditions precedents above (to the exclusion of the condition under clause (d) above) have been satisfied or, where applicable, waived but the condition under the clause (d) above has not been satisfied or fulfilled by the date three months after the date of the Agreement (or such other date as may be agreed between the Purchaser and the Sellers in writing), then the Acquisition thereby contemplated shall proceed to Completion whereby the Consideration will be paid by cash in full to the First Seller and Second Seller and no Consideration Shares will be allotted and issued.

### **Completion**

Subject to the fulfilment (or where applicable, waiver) of the conditions precedent, Completion of the Agreement shall take place on the Completion Date or such other date or time to be agreed by the Sellers and the Purchaser. Upon Completion of the Acquisition, 55% and 45% of the entire issued share capital of the Target Company will be held by the Purchaser and the First Seller respectively.

### **Profit Guarantee**

Each of the Sellers and the Guarantors, guarantees to each of the Purchaser and the Company that the aggregate Net Profit of the Target Company (“**Profit Guarantee**”), ending each Assessment Year shall be no less than the summation of each of the respective guaranteed net profit from Year 1 to ending that Year as set out below (“**Guaranteed Net Profit**”):

<b>Profit Guaranteed Year ending</b>	<b>Guaranteed Net Profit</b>
Year 1	HK\$15,000,000
Year 2	HK\$16,000,000
Year 3	HK\$17,500,000
Year 4	HK\$19,000,000
Year 5	HK\$19,000,000
Year 6	HK\$17,500,000
Year 7	HK\$16,000,000
<b>Total:</b>	<b>HK\$120,000,000</b>

For the purposes of determining whether the Profit Guarantee has been met, the Net Profit for the relevant Profit Guaranteed Year will be agreed by the First Seller and the Purchaser with reference to (i) the net profit after tax of the Target Company determined with reference to the audited accounts of the Target Company issued by appointed accountants for the year ending a Year within three months after the end of such Year, (ii) the net profit after tax of each subsidiary of the Target Company (if any) for a twelve-month period which shall be determined with reference to the audited accounts of each subsidiary issued by the appointed accountants for such period based on their special audit within three months after the end of the Year, and (iii) the net profit after tax of each of the Managed Entity(ies) (if any) and each of its subsidiaries (if any) for a twelve-month period which shall be determined with reference to the audited accounts of each such Managed Entity and each such subsidiary issued by the appointed accountants for such period based on their special audit within three months after the end of the Year. The audited accounts of each of the Target Company, its subsidiaries, the Managed Entity(ies) (if any) and the subsidiaries of the Managed Entity(ies) (if any) shall be prepared in accordance with HKFRS.

#### *Profit Shortfall Payback*

Each of the Sellers and the Guarantors, undertakes that if the Net Profit of the Target Company is less than the Guaranteed Net Profit for the Profit Guaranteed Year ending such year, or if net loss of the Target Company is incurred during the Profit Guarantee period, they/he shall pay the Purchaser an amount equivalent to the Profit Shortfall Payback within 30 days after the date on which the Net Profit or net losses for the relevant Profit Guaranteed Year is/are determined. The amount of the Profit Shortfall Payback payable by the First Seller shall be calculated as the Profit Shortfall multiplied by 54% deducting the summation of the Profit Shortfall Payback paid by the Sellers and/or the Guarantors to the Purchaser for the previous Assessment Year(s). On the other hand, the amount of the Profit Shortfall Payback payable by the Second Seller shall be calculated as the Profit Shortfall multiplied by 1% deducting the summation of the Profit Shortfall Payback paid by the Sellers and/or the Guarantors to the Purchaser for the previous Assessment Year(s).

The maximum aggregate Profit Shortfall Payback during the Profit Guaranteed Period to be liable by the Sellers and/or the Guarantors shall not exceed the Consideration (i.e. HK\$129,423,950) in any event.

#### **Option**

Pursuant to the Agreement, in the circumstance where (a) the Net Profit ending Year 7 reaches or exceeds the Guaranteed Net Profit ending Year 7, being HK\$16,000,000, and provided that has been no Profit Shortfall Payback in any of the Assessment Years, or (b) the aggregate Net Profit ending a Year reaches or exceeds the HK\$120,000,000, being the total Guaranteed Net Profit, the Purchaser shall grant to the First Seller the option and options exercisable at any time and from time to time during a specified period to require the Purchaser to purchase all or any part of the Option Shares at the Option Consideration. Further, pursuant to the Agreement, in the circumstance where (a) the Company shall after the date of the Agreement become the ultimate legal and beneficial owner of less than 50% effective interest of the issued share capital of the Target Company, or (b) a resolution or resolutions has/have been passed by the board of the Target Company to approve actions in relation to a listing exercise of the shares of the Target Company or of its listing vehicle, the Purchaser shall grant to the First Seller the option at any time during a specified period to require the Purchaser to purchase all of the Option Shares at the Option Consideration (the “Options”).

Upon the terms of the Agreement, on the exercise of the above Options, the First Seller shall become bound to sell and the Purchaser shall become bound to complete the purchase of the Option Shares. The consideration of the Option payable by the Purchaser to the First Seller shall be determined by

specified formulas, the aggregate of which shall be no greater than HK\$500,000,000 (the “**Option Consideration**”).

#### **ISSUE OF CONSIDERATION SHARES UNDER SPECIFIC MANDATE**

Pursuant to the Agreement, HK\$9,999,892.52 of the Consideration will be satisfied by way of allotment and issue of Consideration Shares to the First Seller at the Issue Price of HK\$12.557. The principal terms of the issue of Consideration Shares are set out below.

**Number of Consideration Shares** : A total of 796,360 Consideration Shares, representing approximately 0.068 % of the existing total issued share capital of the Company and approximately 0.068 % of the total issued share capital of the Company as enlarged by the issue of Consideration Shares (assuming no change in the total issued share capital of the Company between the date of this announcement and the date of issue of Consideration Shares).

**Value of Consideration Shares** : HK\$9,999,892.52 in aggregate based on the Issue Price of HK\$12.557, which was negotiated on an arm’s length basis between the parties of the Agreement and determined with reference to the average of the prevailing market prices of the Shares as quoted on the Stock Exchange, and it represents:

(i) a discount of approximately 0.18% to the closing price of HK\$12.580 per Share as quoted on the Stock Exchange on the date of the Agreement; and

(ii) a discount of approximately 1.03% to the average closing price of approximately HK\$12.688 per Share as quoted on the Stock Exchange for the last five trading days up to and including the last trading day immediately before the date of the Agreement. The aggregate nominal value of the Consideration Shares is HK\$7.96.

**Conditions of issue of Consideration Shares** : The issue of Consideration Shares is subject to the Shareholders’ approval and the approval granted by the Stock Exchange for the listing of, and permission to deal in the Consideration Shares. As the Sellers are treated as connected persons of the Company, the Consideration Shares will be issued and allotted pursuant to the Specific Mandate.

**Ranking of Consideration Shares** : The Consideration Shares, when issued and fully paid, shall rank pari passu in all respects with the Shares in issue as the date of issue of Consideration Shares.

Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares.

## INFORMATION ABOUT THE SELLERS AND THE TARGET COMPANY

The Sellers are investment holding companies incorporated in Hong Kong and in the British Virgin Islands. To the best of the Directors' knowledge, Mr. Look (the direct/indirect controlling shareholder of the Sellers), Dr. Look Guy and Mrs. Lee Look Ngan Kwan Christina (the beneficial shareholders of the First Seller), is respectively a cousin, cousin and aunt of Mr. Look Andrew, the Company's independent non-executive Director, and, thus the Sellers are connected persons of the Company as defined under Chapter 14A of the Listing Rules.

The Target Company is principally engaged in the provision of dental services Hong Kong. As at the date of this announcement, the Target Company operates seven dental clinics in Hong Kong with 32 practicing dentists.

Set out below is the audited financial information of the Target Company for the two financial years ended 31 March 2021 and the unaudited financial information of the Target Company for the seven months ended 30 October 2021 prepared in accordance with HKFRS:

	<b>For the year ended 31 March 2020 (audited) HK\$ '000</b>	<b>For the year ended 31 March 2021 (audited) HK\$ '000</b>	<b>For the seven months ended 30 October 2021 (unaudited) HK\$ '000</b>
Profit before tax	7,351	16,894	9,827
Profit after tax	6,295	15,182	8,206
Net assets	22,225	1	8,207

The original acquisition cost of the entire issued share capital of the Target Group to the Sellers was HK\$13,000,000 in 1994.

## EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this announcement, the Company has 1,177,440,907 Shares in issue. Set out below is a table showing the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately upon the allotment and issue of the Consideration Shares (assuming there is no other change to the share capital and in the shareholding structure of the Company between the date of this announcement and Completion):

Shareholders	As at the date of this announcement		Immediately upon the allotment and issue of Consideration Shares	
	Number of shares	%	Number of shares	%
Mr. Tang Chi Fai <sup>1</sup>	719,779,610	61.13	719,779,610	61.08
Core Connected Persons of the Company	56,146,578	4.77	56,146,578	4.77
First Seller	-	-	796,360	0.07
	775,926,188	65.90	776,722,548	65.92
Other public shareholders	401,514,719	34.10	401,514,719	34.08
Total issued shares	1,177,440,907	100.00	1,178,237,267	100.00



*Note:*

- 1. Out of the 719,779,610 Shares which Mr. Tang Chi Fai was interested in, (i) 5,403,000 were held by Mr. Tang Chi Fai as the beneficial owner, (ii) 3,904,000 Shares were held by his spouse, Ms. Yau Ming Li, and (iii) 710,472,610 Shares were held by Union Medical Care Holding Limited, a company wholly owned by Mr. Tang Chi Fai.*

## **REASONS FOR AND BENEFITS OF THE ACQUISITION**

As at the date of this announcement, the Target Company operates seven dental clinics in Hong Kong with 32 practicing dentists. The Target Company has a long-standing history in providing dental services in Hong Kong since 1958.

The Acquisition shall enable the Group to further enhance its medical and healthcare services as a multi-specialty medical service provider and allow the Group to expand its existing dental operations.

To cope with the expansion of the Group and to strengthen the Group's leading position in the provision of medical services in Hong Kong, the Directors consider that leveraging on the Group's operational excellences and efficiencies, the Acquisition will further increase the market share of the Group in the premium health market and is expected to improve the results attributable to the Group and the overall Shareholders' return.

The terms of the Agreement, including the Consideration, were determined on arm's length negotiations between the parties with reference to, amongst others, the business of the Target Company, historical performance of the Target Company, expertise of the Target Company, the profitability of the Target Company, the extent of the Profit Guarantee and prospects of the Target Company. Having considered the above, the Directors (including the independent non-executive Directors) believe that the terms of the Agreement and the Acquisition are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

The Sellers are corporate shareholders of the Target Company which together hold the entire issued share capital of the Target Company. To the best of the Directors' knowledge, Mr. Look, (the direct/indirect controlling shareholder of the Sellers), Dr. Look Guy and Mrs. Lee Look Ngan Kwan Christina (the beneficial shareholders of the First Seller), is respectively a cousin, cousin and aunt of Mr. Look Andrew, the Company's independent non-executive Director, and, thus the Sellers are connected persons of the Company as defined under Chapter 14A of the Listing Rules. As more than one of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Acquisition are more than 5% but all applicable percentage ratios are less than 25%, the Acquisition constitutes a disclosable and connected transaction of the Company. The Acquisition and issue of Consideration Shares, but for Rule 14A.37 of the Listing Rules, are subject to the reporting, announcement and the independent shareholders' approval requirements under Chapter 14 and Chapter 14A of the Listing Rules.

An application will be made by the Company to the Stock Exchange for a waiver from the requirement of the Company to convene a general meeting under Rule 14A.37 of the Listing Rules on the basis that: (i) to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder had a material interest in the Acquisition and issue of Consideration Shares, and no Shareholder would be required to abstain from voting if the general meeting of the Company was convened to approve the Acquisition and issue of Consideration Shares; and (ii) a written approval by Mr. Tang Chi Fai, who was indirectly

interested in 719,779,610 Shares of the Company as disclosed under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), and such Shares constituted approximately 61.13% of the total number of Shares of the Company as at the date of this announcement, had been obtained by the Company for implementing the Acquisition and issue of Consideration Shares in lieu of convening a general meeting.

If the abovementioned waiver under Rule 14A.37 of the Listing Rules is granted by the Stock Exchange, no extraordinary general meeting of the Company will be convened for the purpose of considering and approving the Acquisition and issue of Consideration Shares.

If the abovementioned waiver is not granted by the Stock Exchange, the Company will convene an extraordinary general meeting to obtain the requisite approval from the Shareholders.

#### **INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER**

An Independent Board Committee has been formed to advise the Shareholders in connection with the Acquisition and issue of Consideration Shares, and an Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Shareholders on the same.

#### **CIRCULAR**

A circular containing, amongst other things, further information on the terms of the Acquisition and issue of Consideration Shares, a letter from the Independent Board Committee and a letter from the Independent Financial Adviser, is expected to be issued to the Shareholders on or before 20 December 2021.

**As Completion is subject to fulfilment or waiver (as the case may be) of the conditions precedent to the Agreement and may or may not proceed, Shareholders and potential investors should exercise caution when dealing in the securities of the Company.**

#### **DEFINITIONS**

In this announcement, unless the context otherwise appears, the following expressions shall have the following meaning:

“Acquisition”	the sales of the Sale Shares by the Sellers to the Purchaser pursuant to the Agreement
“Agreement”	the conditional sale and purchase agreement dated 29 November 2021 entered into between the Company, the Purchaser, the Sellers and the Guarantors in respect of the Sale Shares
“Board”	the board of Directors
“Business Day”	any day (excluding Saturday, Sunday and public holidays and a day on which a tropical cyclone warning no. 8 or above is hoisted or a “black rainstorm warning signal” or “extreme conditions” caused by a super typhoon is in force in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which banks are generally open for ordinary banking business in Hong Kong

“Company”		EC Healthcare (stock code: 2138), a company incorporated under the laws of the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Completion”		completion of the Acquisition pursuant to the Agreement
“Completion Date”		the five Business Day immediately following the day on which all the conditions precedent have been satisfied and/or waived or such later date as the Purchaser and the Sellers may mutually agree in writing
“connected person(s)”		has the meaning ascribed thereto under the Listing Rules
“Consideration”		consideration amount provided under the Agreement
“Consideration Shares”		new Shares of the Company to be allotted and issued by the Company at the Issue Price
“Director(s)”		the director(s) of the Company
“First Sale Shares”		54 ordinary shares of the Target Company
“Group”		the Company and its subsidiaries from time to time
“Guarantors”		Mr. Look and Mr. Si
“HK\$”		Hong Kong dollars, the lawful currency of Hong Kong
“HKFRS”		the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
“Hong Kong”		The Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Committee”	Board	an independent committee of the Board comprising independent non-executive Directors being formed for the purpose of advising the Shareholders in relation to the Acquisition and issue of Consideration Shares
“Independent Adviser”	Financial	Altus Capital limited, an independent financial adviser being appointed for the purpose of advising the Independent Board Committee and Shareholders in relation to the Acquisition and issue of Consideration Shares
“Issue Price”		HK\$12.557 per Consideration Share
“First Seller” or “Laker”		Laker Limited, a company incorporated under the laws of Hong Kong with limited liability. As at the date of this announcement, 75% and 25% of its entire issued share capital is legally held by Nexus Concept and Gamay Portfolio Inc., a company wholly

owned by Mr. Si, respectively; further, to the best knowledge of the Directors, 12%, 10%, 53%, 25% of its entire issued share capital is beneficially held by Dr. Look Guy, Mrs. Lee Look Ngan Kwan Christina, Nexus Concept and Gamay Portfolio Inc., respectively

“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Managed Entity(ies)”	means a corporate entity(ies) which carry(ies) on the business of dentist’s practice and/or providing other dental services, with the First Seller and the Purchaser having mutually agreed that the business of such Corporate Entity shall be managed by the Target Company
“Mr. Look”	Mr. Look Benedict Boon Eli
“Mr Si”	Mr. Si Chun Yu, Eddy
“Net Profit”	the summation of each of the net profit of the Target Company, its subsidiaries, Managed Entity(ies) (if any) and the subsidiary(ies) of the Managed Entity(ies) (if any) for the Profit Guaranteed Period from Year 1 to ending that Year, which shall be determined with reference to the audited accounts of each of the Target Company, its subsidiaries, the Managed Entity(ies) (if any) and the subsidiary(ies) of Managed Entity(ies) (if any) issued by the appointed accountants
“Option Shares”	the 45 ordinary shares or the number of ordinary shares of the Target Company held by and registered under the name of the First Seller upon exercise of an option
“Assessment Years”	Year 2, Year 4 and Year 7, and each an “Assessment Year”
“Profit Guaranteed Period”	the period commencing from 1 April 2021 and ending Year 7 (both days inclusive and subject to deferral as agreed by the Purchaser and the Sellers), or ending the early termination of the Profit Guarantee, whichever is the earlier
“Profit Guaranteed Year”	any of a year during the Profit Guaranteed Period commencing from the date of 1 April of a year ending the date of 31 March of the next year (both dates inclusive)
“Profit Shortfall”	if the Net Profit for a Year is less than the Guaranteed Net Profit for that Year, the difference between the Net Profit and the Guaranteed Net Profit for that Year and in the scenario where net losses of the Target Company are incurred during the Profit Guarantee period, the summation of the net amount of the negative Net Profit and the Guaranteed Net Profit for that Year
“Profit Shortfall Payback”	the Profit Shortfall times 54% or 1% to be deducted by summation of Profit Shortfall Payback paid by the relevant Sellers to the

		Purchaser for the previous year(s)
“Purchaser” or “Union Dental”		Union Dental Holding Limited, a company incorporated under the laws of British Virgin Islands with limited liability
“Sale Shares”		collectively, First Sale Shares and Second Sale Share
“Second Sale Share”		one ordinary share of the Target Company
“Second Seller” or “Nexus Concept”		Nexus Concept Limited, a company incorporated under the laws of British Virgin Islands with limited liability. As at the date of this announcement, 100% of its entire issued share capital is held by Mr. Look
“Sellers”		the First Seller and Second Seller
“Share(s)”		share(s) of the Company
“Shareholder(s)”		shareholder(s) of the Company
“Specific Mandate”		a specific mandate to allot and issue the Consideration Shares which is subject to the approval by the Shareholders
“Stock Exchange”		The Stock Exchange of Hong Kong Limited
“Target Company”		Bayley & Jackson Dental Surgeons Limited
“Year 1”		the year ending 31 March 2022 (both days inclusive and subject to deferral as agreed by the Purchaser and the Sellers)
“Year 2”		the year ending 31 March 2023 (both days inclusive and subject to deferral as agreed by the Purchaser and the Sellers)
“Year 3”		the year ending 31 March 2024 (both days inclusive and subject to deferral as agreed by the Purchaser and the Sellers)
“Year 4”		the year ending 31 March 2025 (both days inclusive and subject to deferral as agreed by the Purchaser and the Sellers)
“Year 5”		the year ending 31 March 2026 (both days inclusive and subject to deferral as agreed by the Purchaser and the Sellers)
“Year 6”		the year ending 31 March 2027 (both days inclusive and subject to deferral as agreed by the Purchaser and the Sellers)
“Year 7”		the year ending 31 March 2028 (both days inclusive and subject to deferral as agreed by the Purchaser and the Sellers)
“Years”		collectively, Year 1, Year 2, Year 3, Year 4, Year 5, Year 6 and Year 7 and each as a “Year”

By order of the Board  
**EC Healthcare**  
**Raymond Siu**  
*Company Secretary*

Hong Kong, 29 November 2021

*As at the date of this announcement, the executive Directors of the Company are Mr. Tang Chi Fai, Mr. Lu Lyn Wade Leslie, Mr. Lee Heung Wing, Ms. Wong Ka Ki Ada, Mr. Wong Chi Cheung, the non-executive Director is Mr. Luk Kun Shing Ben, and the independent non-executive Directors are Mr. Ma Ching Nam, Mr. Look Andrew and Mr. Lam Chi Hang Josekin.*