

[FOR IMMEDIATE RELEASE]



EC Healthcare Acquires Pet Industry Business Allowing Clientele and Business Synergies To Consolidate and Corporatize Pet Industry

(15 June 2021, Hong Kong) **EC Healthcare** (the “Company”, which together with its subsidiaries is referred to as the “Group”, SEHK stock code: 2138), the largest non-hospital medical group in Hong Kong*, is pleased to announce that the Group enters the pet industry and will acquire 51% equity interests in King Equity, Eternal Harvest, HKVIC and Crown Leader (the “Target Companies”) from Dr. Tiong and Dr. Tan for a total consideration of HK\$66.00 million in cash. The Target Companies are principally engaged in the provision of veterinary services in Hong Kong and operate two veterinary hospitals and two veterinary imaging centres in Hong Kong with 14 registered veterinary surgeons, each Target Company operates a veterinary hospital/veterinary imaging centre. According to the unaudited financial information for the year ended 31 March 2021, the profit after tax and net assets of the Target Companies amounted to HK\$21.87 million and HK\$30.28 million respectively. Upon completion of the acquisitions, the financial results of the Target Companies will be consolidated into the consolidated financial statements of the Group.

Each of Dr. Tiong and Dr. Tan guarantees to the Group that the aggregate guaranteed accumulated net profit of King Equity for the seven financial years ending 31 March 2028 should be no less than HK\$121.40 million; Dr. Tiong guarantees to the Group that the accumulated aggregate guaranteed net profit of Eternal Harvest, HKVIC and Crown Leader for the five financial years ending 31 March 2026 should be no less than HK\$49.69 million.

Mr. Levin Lee, Executive Director and Chief Finance Officer of EC Healthcare said, “In view of the massive demand for veterinary services in Hong Kong, while the market is still fragmented and lack of management efficiency. The existing issues include the lack of effective performance management, diversified traffic sources, big data analysis of customer behavior, and systematic customer services. EC Healthcare targets to leverage its proven outstanding capability in consolidating the Hong Kong medical market, the Group’s brand services, the information technology platform and the efficient corporatization capabilities to empower the fragmented and inefficient pet service assets, and further reform and upgrade the pet service market.”

EC Healthcare is always committed to building up an enclosed eco-system focusing on satisfaction of the Group’s clients. The Group is optimistic about the prospect of the Target Companies and considers it will diversify the Group’s business portfolio, enhance the loyalty and stickiness of the Group’s existing customers. This new business will provide a new source of income to the Group and allow synergies to be achieved between the business of the Target Companies and that of the Group, thereby further consolidating the Group’s industry leadership as an integrated medical and healthcare group.

- End -

About EC Healthcare

EC Healthcare is Hong Kong's largest non-hospital medical service provider*, leveraging its core businesses of preventive and precision medicine, and committed to developing medical artificial intelligence by integrating its multi-disciplinary medical services. The move, which is supported by the Group's high-end branding and quality customer services, is aimed at offering customers safe and effective healthcare and medical services with professionalism.

The Group principally engages in the provision of one-stop medical and health care services in Greater China. The Group provides a full range of services and products under its well-known brands, including those of its one-stop aesthetic medical solutions provider DR REBORN which has ranked first in Hong Kong by sales for years, primary care clinics jointly established with Tencent Doctorwork, chiropractic services centre SPINE Central, New York Spine and Physiotherapy Center NYMG, health management centre re:HEALTH, a vaccine centre Hong Kong Professional Vaccine HKPV, a comprehensive dental centre UMH DENTAL CARE, a diagnostic and imaging centre HKAI, an oncology treatment centre reVIVE, a day procedure centre HKMED, a specialty clinic SPECIALISTS CENTRAL and NEW MEDICAL CENTER, obstetrics and gynaecology specialist ZENITH MEDICAL CENTER AND PRENATAL DIAGNOSIS CENTRE, specialists central, a paediatric center PRIME CARE, cardiology center HONG KONG INTERNATIONAL CARDIOLOGY CENTER, PathLab Medical Laboratories and a professional hair care center HAIR FOREST.

*According to an independent research conducted by Frost and Sullivan in terms of revenue in 2019 and 2020

For further information, please contact:

iPR Ogilvy Limited

Callis Lau / Lorraine Luk / Shana Li / Ada Chew

Tel: (852) 2136 6952 / 2169 0467 / 3920 7649 / 3920 7650

Fax: (852) 3170 6606

Email: ech@iprogilvy.com