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EC Healthcare
醫思健康

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

SUPPLEMENTAL ANNOUNCEMENT TO THE ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2024

Reference is made to the annual report of the Company for the year ended 31 March 2024 (the “**Annual Report**”). Unless otherwise defined, capitalized terms used in this supplemental announcement shall have the same meanings as those defined in the Annual Report.

Co-ownership Plan 2

As disclosed on page 43 of the Annual Report, for the Co-ownership Plan 2, the grant of the award shares to Eligible Participants is conditional upon satisfaction of various grant conditions. Unless and until the grant conditions are satisfied, no award share is granted. Nevertheless, the Company, taking into account the number of investment shares as at 31 March 2024, would be able to calculate the maximum possible number of award shares which may be granted to the Eligible Participants. The third left column titled “Unvested awards granted during the Reporting Period” and the right column titled “Unvested awards as at 31 March 2024” for the table on page 45 of the Annual Report refer to the possible maximum number of award shares which may be granted, taking into account the number of investment shares. Those award shares were not formally granted to the relevant participants yet. The movements in the Company’s awards granted under the Co-Ownership Plan 2 during the Reporting Period are as follows:

Categories of participants	Unvested awards granted as at 1 April 2023	Possible max. no. of award shares which may be granted during the Reporting Period, taking into account the no. of investment shares (Note 3)	Unvested awards granted during the Reporting Period	Awards lapsed during the Reporting Period	Reduction in the max no. of award shares which may be granted (Note 4)	Awards exercised/ vested/ cancelled during the Reporting Period	Possible max. no. of award shares which may be granted as at 31 March 2024, taking into account the no. of investment shares	Unvested awards as at 31 March 2024
Employee (Note 1)	-	4,952,244	-	-	609,537	-	4,342,707	-
Others (Note 2)	-	5,621,786	-	-	-	-	5,621,786	-
Total	-	10,574,030	-	-	609,537	-	9,964,493	-

Notes:

1. Employees do not include any Director.
2. Others comprised service providers and Doctor Group.
3. For every whole multiple of 10 investment shares beneficially held by an Eligible Participant on the grant date, the participant may receive up to a maximum of 10 award shares, depending on the financial performance of the Group. These awards are not yet formally granted. Among those 10,574,030 investment shares, 9,669,030 shares were contributed by the Eligible Participants in kind, while 905,000 shares were acquired by the trustee of the Co-ownership Plan 2 (using the cash contributed by the Eligible Participants) within the price range of HK\$3.9805 and HK\$4.7647.
4. Some of the Eligible Participants have ceased to be eligible to the awards due to resignation or otherwise.

In this connection, it is clarified that, (i) on page 43 of the Annual Report, the number of awards available for grant under the Co-ownership Plan 2 as at 9 June 2023 (i.e. the date on which the Co-ownership Plan 2 became effective) and 31 March 2024 was 29,630,281 and 29,630,281 respectively; and (ii) on page 81 of the Annual Report, given that no award share was granted under the Co-ownership Plan 2 during the Reporting Period, the aggregate number of Shares that may be issued in respect of options and awards granted the Share Option Scheme, the Share Award Scheme and the Co-ownership Plan 2 during the Reporting Period represented 0% of the weighted average number of Shares in issue during the Reporting Period.

The aggregate number of new awards/ options available for grant under the Co-ownership Plan 2, the New Share Option Scheme and other share schemes of the Company under (i) the existing scheme mandate as at 29 May 2023 (i.e. the date of grant of the mandate) and 31 March 2024 was 118,521,126 and 118,521,126 respectively, representing 10% and 10% of the entire issued share capital of the Company; and (ii) the service provider sublimit granted as at 29 May 2023 and 31 March 2024 was 47,408,450 and 47,408,450 respectively, representing 4% and 4% of the entire issued share capital of the Company.

The paragraph headed “Co-ownership scheme” on page 150 of the Annual Report are clarified as follows (with amended wordings underlined):

Co-ownership scheme

The Group operates an equity-settled, share-based compensation plan under which the invited employees and doctors rendering services to the Group similar to those rendered by employees (collectively “**Participants**”) who accepted the scheme offer are required to purchase shares through

an independent trust or transfer the shares previously owned by the Participants to the trust (“**Co-ownership scheme**”), and such purchased and transferred shares would be kept in the independent trust until the end of the vesting period. Upon the end of the vesting period, the Group would grant shares to the Participants based on the rules as stated in the Co-ownership scheme.

The fair value of shares granted to the invited employees and doctors (“**Award Shares**”) is recognised as employee benefit expenses and registered practitioner expenses, respectively, with a corresponding increase in share-based compensation reserve within equity. The fair value is measured at the grant date using the Black-Scholes Option Pricing model, taking into account the terms and conditions upon which the Award Shares were granted. Where the Participants have to meet the vesting conditions before becoming unconditionally entitled to the Award Shares, the total estimated fair value of the Award Shares is spread over the vesting period, taking into account the probability that the Award Shares will vest.

Page 213 of the Annual Report is clarified as follows (with amended wordings underlined):

(b) Co-ownership Scheme

During the year ended 31 March 2021, the Company adopted the Co-ownership Scheme (“**Co-Ownership Plan 1**”). Pursuant to the scheme, the Company would grant shares (“**Award Shares**”) to the Participants. The purpose of the Co-ownership Scheme is to incentivise the employees. The Award Shares are the contingent rights to receive the Company’s shares depending on the level of the basic earnings per share (“**EPS**”) for the year ending 31 March 2023 (“**2023 EPS**”) and the cumulative EPS for the years ending 31 March 2021, 2022 and 2023 (“**3-year Cumulative EPS**”). The minimum level of the EPS and 3-year Cumulative EPS to be achieved before any Award Shares will be granted are 1.33 times over the basic earnings per share for the year ended 31 March 2020 (“**2020 EPS**”), and 3.64 times over the 2020 EPS, respectively.

On 29 May 2023, the ordinary resolutions approving the termination of Co-Ownership Plan 1 and the adoption of a new Co-ownership Scheme (“**Co-Ownership Plan 2**”) were duly passed by the Shareholders at the extraordinary general meeting of the Company held on 29 May 2023. For details of the Co-Ownership Plan 2, please refer to the Company’s circular dated 12 May 2023.

The Participants were required to transfer shares or cash to a trust managed by an independent appointed trustee, in which the cash was used to (i) acquire shares from the market or two directors of the Company; or (ii) subscribe the Company’s shares being allotted at the market price. As at 31 March 2024, 9,964,493 shares (2023:14,636,905 shares) were held on trust by the trustee on behalf of the Participants.

Profit Guarantee

On page 34 of the Annual Report, with respect to the acquisition of (i) Young Aesthetics Medical Limited and Hong Kong Pain and Wellness Solutions Limited, the relevant profit guarantee period have not yet expired yet as at 31 March 2024, (ii) Pioneer Evolution Limited, the profit guarantee for the year ended 31 December 2023 has been met according to the combined management account of Pioneer Evolution Limited and its subsidiaries. The preparation of the audited accounts of various subsidiaries of Pioneer Evolution Limited is still in progress and (iii) Premier Medical Group (BVI) Limited, the revenue guarantee for the period from 1 January 2022 to 31 December 2023 have been

met according to the audited accounts of Premier Medical for the period from 1 January 2022 to 31 March 2023 and the management accounts of Premier Medical for the period from 1 April 2023 to 31 December 2023. The preparation of the audited accounts of various subsidiaries of Premier Medical Group (BVI) Limited for the period from 1 April 2023 and 31 December 2023 is still in progress. In light of the aforesaid, whether the relevant parties have fulfilled the relevant performance guarantee in respect of the above-mentioned transaction based on audited figures are yet to be determined.

Yours faithfully
For and on behalf of the Board of
EC Healthcare
Raymond Siu
Company Secretary

Hong Kong, 8 November 2024

As at the date of this announcement, the executive Directors are Mr. Tang Chi Fai, Mr. Lu Lyn Wade Leslie, and Mr. Lee Heung Wing, 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. Au Tsun.