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Beijing Airdoc Technology Co., Ltd.
北京鷹瞳科技發展股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock code: 2251)

**PROPOSED ADOPTION OF THE 2022 EQUITY INCENTIVE SCHEME
AND
PROPOSED AUTHORIZATION TO THE BOARD AND/OR
ITS AUTHORIZED PERSONS TO HANDLE MATTERS
IN RELATION TO THE 2022 EQUITY INCENTIVE SCHEME**

INTRODUCTION

The Board has resolved to propose the adoption of the 2022 Equity Incentive Scheme at the Board meeting held on January 13, 2023. The Scheme is subject to consideration and approval by the Shareholders at the EGM.

The maximum number of Incentive Shares grantable under the Scheme shall not exceed 6,214,080 H Shares, representing 6% of the total issue Shares as of the date of this announcement.

LISTING RULES IMPLICATIONS

The Scheme does not involve the issue of new Shares or the grant of any options to new Shares of the Company. Pursuant to the Scheme, Participants may include the Directors. Proposed grant of Incentives by the Company to the Directors will constitute connected transactions of the Company under Chapter 14A of the Listing Rules and shall, among other things, be subject to approval by independent Shareholders at a general meeting, except as exempted under Rules 14A.73(6) and 14A.95 of the Listing Rules. However, as the Incentives are granted to the Directors pursuant to their respective service contracts with the Group and form part of their respective remuneration packages thereunder, the grant of Incentives to the Directors is exempt from the reporting, announcement and independent Shareholders' approval requirements under Rules 14A.73(6) and 14A.95 of the Listing Rules.

EGM

An EGM will be convened by the Company to consider and, if thought fit, approve, among other things, matters in relation to (i) the proposed adoption of the 2022 Equity Incentive Scheme; and (ii) the proposed authorization to the Board and/or its authorized persons to handle matters in relation to the 2022 Equity Incentive Scheme.

A circular of the Company containing (i) the proposed adoption of the 2022 Equity Incentive Scheme; and (ii) the proposed authorization to the Board and/or its authorized persons to handle matters in relation to the 2022 Equity Incentive Scheme; and (iii) the notice of convening the EGM will be dispatched to the Shareholders in due course.

PROPOSED ADOPTION OF THE 2022 EQUITY INCENTIVE SCHEME

The Board has resolved to approve the proposed adoption of the 2022 Equity Incentive Scheme at the Board meeting held on January 13, 2023. The Scheme is subject to consideration and approval by the Shareholders at the EGM. The key terms of the Scheme are set out below.

1. Purpose of the Scheme

The Scheme aims to:

- (i) optimize the performance review mechanism and compensation policy of the Company, attract, retain and incentivize the talents who are needed to achieve the strategic objectives of the Company;
- (ii) align the granting to the Participants with the performance of the Company and the behavior of the Participants with the strategic objectives of the Company, and promote the achievement of the strategic objectives of the Company; and
- (iii) establish long-term orientation for business management and operation, urge the core middle-to-high level management to focus on the long-term development of the Company and to avoid short-sighted business management and operation, so as to achieve the dual effects of motivation and discipline.

2. Term of the Scheme

Unless terminated earlier in accordance with the Scheme Rules, the Scheme shall be valid and effective for a period of five (5) years commencing from the date on which the Scheme is approved by the Shareholders at the EGM (the “**Scheme Period**”), after which no further Incentives shall be granted. However, as long as there are any Incentives that have been granted but not yet vested before the expiry of the Scheme, the Scheme Period shall be extended until the vesting of such Incentives takes effect.

3. Scheme Limit

The maximum number of Incentive Shares grantable under the Scheme shall not exceed 6,214,080 H Shares. Save as otherwise specified under the Scheme Rules, no further grant shall be made by the Company which would otherwise result in the total number of H Shares (other than the Incentive Shares lapsed in accordance with the Scheme Rules) involved in all grants made under the Scheme exceeding the Scheme Limit without the approval of the Shareholders.

4. Sources of Fund and Incentive Shares

The Incentive Shares will be satisfied by the H Shares to be purchased on market by the Trustee from the public market. The purchase price shall not exceed the average closing price of the Shares as stated in the Stock Exchange's daily quotation sheets for the fifteen business days immediately preceding the date of purchase. The purchase of H Shares under the Scheme shall be funded by the Company. To obtain the Incentive Shares, the Participants may need to pay the Grant Price at the time of the grant.

Upon approval of the Scheme by the Shareholders at the EGM, the Company may, in accordance with the decision of the Board or its authorized persons and subject to all applicable laws, regulations and the Listing Rules, grant Incentives and remit necessary funds to and direct the Trustee to conduct on-market purchase of H Shares at the then prevailing market price or at a specified price/price range after such grants (where applicable).

5. Vesting of Incentives

Subject to the relevant provisions of the Scheme, vesting of Incentives means that the title and economic interests of Incentive Shares are in fact vested in the Participants. The vesting conditions and the vesting schedule may be determined by the Board from time to time during the Scheme Period and subject to all applicable laws, regulations and ordinances.

6. Voting Rights and Dividends

Neither the Participants nor the Trustee shall exercise any voting rights attaching to the Incentive Shares (including the Incentives Shares that have been granted but not yet vested) held by the Trustee, unless otherwise required by law to vote in accordance with the beneficial owner's direction and such a direction is given. Dividends on all the Incentive Shares (including the dividends generated from the Incentive Shares that have been granted but not yet vested, and other than the Incentive Shares that have already lapsed) granted to the Participants shall be attributed to the Participants.

7. Lapse

Where any of the following events occurs prior to the vesting of Incentives, the Incentive Shares that have been granted but not yet vested shall automatically lapse:

- (i) the employment relationship between the Participant and the Group is terminated;
- (ii) the Participant is incompetent to his/her job position;
- (iii) the Participant fails to perform or properly perform or is in breach of his/her employment agreement with the Company;
- (iv) the Participant's gross negligence or malpractice for personal gain;
- (v) the Participant violates the rules or procedures of the Group;
- (vi) the Participant improperly discloses the business secrets of the Group;
- (vii) the Participant is liable for administrative or criminal penalties under law;
- (viii) the Participant violates non-competition obligations or provides services to the competitors of the Group;
- (ix) the Participant fabricates facts to seriously damage the reputation of the Group;
and
- (x) any other conduct of the Participant which causes severe damage to or significant adverse effect on the Group at his/her own fault.

8. Clawback Mechanism

Saved as stipulated in relevant sections of the Scheme, the Scheme has no other clawback mechanism.

9. Management of the Scheme

- (i) The general meeting as the highest organ of the Company shall be responsible for considering and approving the adoption and termination of the Scheme and alteration of the Scheme Limit. The general meeting shall proceed to vote on the Scheme, and the resolution shall be passed by two-thirds or more of the voting rights held by Shareholders who attend the meeting. When the general meeting reviews and proceeds to vote on the Scheme, Shareholders who are Participants and their respective associates shall abstain from voting. The general meeting may authorize the Board or its authorized persons to deal with matters relating to the management and implementation of the Scheme within its mandate.
- (ii) The Board shall be responsible for the management and implementation of the Scheme. The Board shall pass resolutions on the Scheme in accordance with the laws. When the Board reviews and proceeds to vote on the Scheme, Directors who are Participants of the Scheme or their respective associates shall abstain from voting. After the Scheme is reviewed and the proposed adoption of which is approved by the Board, the Board shall submit the Scheme to the Shareholders for review and authorization at the EGM. Also, the Board is responsible for formulating, reviewing and amending the Scheme and submitting it to the general meeting for consideration. The Board or its authorized persons shall be responsible for dealing with matters relating to the management and implementation of the Scheme within the authorization of the Shareholders. The list of Participants, the number of Incentive Shares granted to the Participants, Grant Price, vesting schedule and conditions shall be approved by the Board.
- (iii) The remuneration and appraisal committee shall also review and approve the Scheme.
- (iv) The independent non-executive Directors as the supervisors of the Scheme shall be responsible for assessing, from the Shareholders' perspective, whether the Scheme is conducive to the sustainable development of the Company or detrimental to the interests of the Company and its Shareholders. In addition, the independent non-executive Directors shall ensure the Scheme is implemented in compliance with the relevant laws, regulations, regulatory documents and the Listing Rules as amended from time to time.
- (v) The Trustee shall be responsible for holding the unvested Incentive Shares under the Scheme, and subject to the relevant requirements under the Trust Agreement and the Company's instructions, shall purchase H Shares within the Scheme Limit and performs matters in relation to vesting and disposal of Incentive Shares as may be directed by the Board or its authorized persons or directed by the Participants through the Company for the purpose of the Scheme.

- (vi) The HR department of the Group shall be responsible for establishing and properly maintaining the list of Participants. The list shall specify (i) the name, gender, age, address, telephone number, department and position in the Company of each Participant; (ii) any change to the Incentives held by the Participants, including number, Grant Price and the amount received and paid; and (iii) the information relating to distribution of dividends to the Incentives Shares granted to the Participants, including without limitation the year and amount of distribution.

10. Scope of Participants

Participants eligible to participate in the Scheme are management personnel and key employees who contribute to the operating results and future development of the Group and comply with laws and regulations and rules of the Group, which include Directors (if any), senior management and key employees of the Group. The Board or its authorized persons may, in accordance with the Company Law, the Securities Law and other applicable laws, regulations, regulatory documents, the Listing Rules as amended from time to time and the articles of association of the Company, from time to time select Participants and according to the actual needs of the Company, and grant them Incentives within the Incentive Term in compliance with such terms and conditions of the Incentives as determined by the Board or its authorized persons from time to time.

No person shall become a Participant under the Scheme if he or she:

- (i) has been identified by the competent authorities as an inappropriate candidate for a listed company's 2022 Equity Incentive Scheme or similar scheme within the last 12 months;
- (ii) has been punished by the securities regulatory authorities or prohibited from trading of securities for any material violation of laws or regulations within the last 12 months; or
- (iii) is prohibited from serving as a director or the senior management of the Company under the Company Law.

The eligibility of the Participants shall be determined by the Board or its authorized persons.

11. Granting Conditions

The grant of Incentives shall be subject to the following conditions:

- (i) the Participant continues to be employed by the Company;
- (ii) the Participant has not seriously violated the employee handbook or other policies of the Company; and

(iii) the Participant has not been subject to criminal or administrative punishment due to serious violation of laws or regulations.

Any Participant who has been granted Incentives shall be disqualified from exercising the Incentive if he/she fails to meet the aforesaid conditions prior to the vesting.

After the Scheme is approved by the Shareholders, the Board or its authorized persons may grant the Incentive to the Participants from time to time within the Scheme Period.

12. Grant Price

After the Scheme is approved by the Shareholders, the Board or its authorized persons may determine the Grant Price from time to time during Scheme Period.

13. Amendments of the Scheme

The Scheme may be amended or supplemented by the Board or its authorized persons in any respect, except that the Scheme Limit shall only be altered by the approval of the Shareholders. Any of such amendments or supplementation shall be notified to the Trustee.

14. Termination of the Scheme

The Scheme shall terminate on the earlier of (i) the end date of the Scheme Period, except that in the event of any Incentives that have been granted but not yet vested prior to the expiration of the Scheme Period, the Scheme Period shall be extended until the vesting of such Incentive takes effect; and (ii) an earlier termination date as determined by the Shareholders at a general meeting.

PROPOSED AUTHORIZATION TO THE BOARD AND/OR ITS AUTHORIZED PERSONS TO HANDLE MATTERS IN RELATION TO THE 2022 EQUITY INCENTIVE SCHEME

Upon approval by the Shareholders at the EGM, following authorizations shall be granted to the Board, and the Board may further delegate such authorizations to its authorized persons, to deal with matters in relation to the management and implementation of the Scheme with full authority:

- (i) to interpret the Scheme and formulate specific implementation rules and take necessary measures to implement the Scheme and the implementation rules, including but not limited to, establishment of the Trust, examination of the eligibility of the Participants, and determination of Participants, number of Incentive Shares to be granted, content and format of Grant Notice, granting conditions, the Grant Date, the Grant Price, and the vesting schedule and conditions. For the avoidance of doubt, the Scheme shall be interpreted by the

Board, and the list of Participants, the number of Incentive Shares granted to the Participants, the Grant Price and the vesting schedule and conditions shall be determined by the Board;

- (ii) to deal with all matters necessary for the grant and vesting of the Incentives, and to sign grant agreements or grant letters with the Participants on behalf of the Company;
- (iii) to formulate and adjust in its discretion based on the operation and management needs of the Group, the grant conditions, the Grant Price, the vesting schedule and conditions, and expiration conditions of the Incentive, to examine and verify whether the grant, vesting or expiration conditions of the Incentive are satisfied, and to handle all matters necessary for the grant, vesting or expiration of Incentives;
- (iv) to adjust the Grant Price or the number of Incentive Shares granted to the Participants, or to accelerate vesting of the Incentives, in the event that the Incentives are affected by conversion of capital reserve into Shares, issue of bonus Shares, Share subdivisions, Share consolidation, Share placing or rights issue, change in control, voluntary winding-up, a compromise or debt repayment arrangement or issue of additional Shares. For the avoidance of doubt, the above-mentioned adjustment shall be approved by the Board;
- (v) to handle matters in relation to the Incentives in the event of special circumstances stipulated in the Scheme, such as resignation, dismissal, retirement, work adjustment, incapacity to work or death occurs to the Participants;
- (vi) to adjust the number of grantable Incentive Shares under the Scheme Limit due to waiver by the Participants, lapse or forfeiture. For the avoidance of doubt, the above-mentioned adjustment shall be approved by the Board;
- (vii) to set up or adjust the disposal period of Incentive Shares, and during which, accept the instructions from the Participants and instruct the Trustee to dispose of the Incentive Shares after vesting in accordance with the relevant laws and regulations;
- (viii) to determine the amendment, alteration and suspension of the Scheme and to obtain approval required for such adjustments from regulatory authorities (if any) in accordance with laws, regulations or requirements of the relevant regulatory authorities;
- (ix) to handle procedures in relation to approval, registration, filing with, verification and consent to be received from the relevant governments and institutions (if any); to sign, implement, amend and finalize documents to be submitted to relevant governments, authorities, organizations and individuals (if any); and to take all actions as it deems necessary, appropriate or advisable in connection with the Scheme;

- (x) to sign, execute, modify and terminate all documents in relation to the management and implementation of Scheme, to handle all procedures in relation to, and conduct all relative actions as it considers to be necessary, expedient or appropriate for the effectiveness of, the Scheme;
- (xi) to engage the Trustee, accountant, solicitor, adviser and other professional institutions for the management and implementation of Scheme;
- (xii) to determine all matters in respect of the Trust Agreement and sign the Trust Agreement on behalf of the Company; and
- (xiii) to handle other matters necessary for the management and implementation of the Scheme.

IMPLICATIONS OF THE LISTING RULES

The Scheme does not involve the issue of new Shares or the grant of any options to new Shares of the Company. Pursuant to the Scheme, Participants may include the Directors. Proposed grant of Incentives by the Company to the Directors will constitute connected transactions of the Company under Chapter 14A of the Listing Rules and shall, among other things, be subject to approval by independent Shareholders at a general meeting, except as exempted under Rules 14A.73(6) and 14A.95 of the Listing Rules. However, as the Incentives are granted to the Directors pursuant to their respective service contracts with the Group and form part of their respective remuneration packages thereunder, the grant of Incentives to the Directors is exempt from the reporting, announcement and independent Shareholders' approval requirements under Rules 14A.73(6) and 14A.95 of the Listing Rules.

PUBLIC FLOAT

The Company shall take appropriate measures to ensure compliance with the public float requirements as stipulated in the Listing Rules and/or as required by the Stock Exchange from time to time. The Company will not conduct or instruct the Trustee to conduct any on-market purchase of the Incentive Shares unless the public float requirements are complied with.

EGM

An EGM will be convened by the Company to consider and, if thought fit, approve, among other things, matters in relation to (i) the proposed adoption of the 2022 Equity Incentive Scheme; and (ii) the proposed authorization to the Board and/or its authorized persons to handle matters in relation to the 2022 Equity Incentive Scheme.

A circular of the Company containing, among others, (i) the proposed adoption of the 2022 Equity Incentive Scheme and (ii) the proposed authorization to the Board and/or its authorized persons to handle matters in relation to the 2022 Equity Incentive Scheme together with the notice of convening the EGM will be dispatched to the Shareholders in due course.

DEFINITION

“2022 Equity Incentive Scheme” or “Scheme”	the 2022 H Share equity incentive scheme to be adopted by the Company
“Board”	the board of directors of the Company
“Company”	Beijing Airdoc Technology Co., Ltd. (北京鷹瞳科技發展股份有限公司), a joint stock company incorporated in the PRC with limited liability on September 9, 2015 and the H Shares of which were listed on the Stock Exchange on November 5, 2021
“Company Law”	the Company Law of the People’s Republic of China, as amended and supplemented from time to time
“connected transaction(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	the Company’s extraordinary general meeting or any adjournment thereof to be held for the issues contained herein
“Grant Date”	the date on which Participants are granted Incentives
“Grant Notice”	a Grant Notice to be issued, from time to time, by the Company to each of the Participants in such form as determined by the Board or its authorized persons, which specifies without limitation the Grant Date, the Grant Price, the manner in which the Incentives are to be received, the number of Shares underlying the Incentives, the vesting conditions, the vesting date and such other details, terms and conditions as the Board or its authorized persons consider necessary and in compliance with the Scheme
“Grant Price”	the price to be paid by the Participants for obtaining the Incentives as determined by the Board or its authorized persons from time to time during the Scheme Period after the Scheme is approved by the Shareholders at the EGM

“Group”	the Company and its subsidiaries
“H Share(s)”	overseas listed Shares in the share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for and traded in Hong Kong dollars on the Stock Exchange
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Incentive(s)”	incentive(s) granted by the Board to the Participants and vested by way of Incentive Shares under the Scheme Rules by the Board
“Incentive Shares”	H Shares underlying the Incentives to be granted to Participants
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended and supplemented from time to time
“Participant(s)”	selected participants in the 2022 Equity Incentive Scheme
“PRC”	the People’s Republic of China, but for the purpose of this announcement only, excluding Hong Kong, the Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Scheme Limit”	the maximum number of the Incentive Shares that are grantable under the 2022 Equity Incentive Scheme, being 6,214,080 H Shares
“Scheme Rules”	the rules of the 2022 Equity Incentive Scheme which govern the operation and implementation of the Scheme, as may be amended from time to time
“Securities Law”	the Securities Law of the People’s Republic of China, as amended and supplemented from time to time
“Shareholder(s)”	holder(s) of the Shares
“Shares”	shares of the Company, comprising H Shares and domestic shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Trust”	the trust to be established to serve the 2022 Equity Incentive Scheme
“Trust Agreement”	the trust agreement between the Company and the Trustee, as may be restated, supplemented and amended from time to time

“Trustee”

the trustee appointed by the Company for the purpose of the Trust, which is an independent third party of the Company

By order of the Board
Beijing Airdoc Technology Co., Ltd.
Mr. ZHANG Dalei
Chairman of the Board

Hong Kong, January 13, 2023

As of the date of this announcement, the Board comprises Mr. ZHANG Dalei, Dr. CHEN Yuzhong and Mr. CHEN Hailong as executive Directors; Mr. CHEN Xin as a non-executive Director; and Mr. NG Kong Ping Albert, Mr. WU Yangfeng and Mr. HUANG Yanlin as independent non-executive Directors.