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## **CLARITY MEDICAL GROUP HOLDING LIMITED**

### **清晰醫療集團控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1406)**

### **GRANT OF AWARDED SHARES PURSUANT TO THE SHARE AWARD PLAN**

#### **GRANT OF AWARDED SHARES**

The Board hereby announces that on 4 July 2023, the Company granted Awards involving a total of 35,456,240 Awarded Shares to certain eligible participants, being the Grantees, under the Share Award Plan. Details of the grant are set out below:

Date of grant: 4 July 2023

Purchase price of Awards granted and arrangement to facilitate the purchase of Awarded Shares: Nil

Closing price of the Shares on the date of grant: HK\$0.90

Grantees: A summary of the Grantees and their grants are set out below:

	Grantees	Number of Awarded Shares granted	% total number of Shares in issue as at the date of this announcement
Directors	Mr. Hui (executive Director, chief executive officer)	5,000,000	0.94%
Service Providers <i>Note 1</i>	Mr. Lo (executive Director)	141,250	0.02%
	Dr. Wong Kin Keung	5,217,748	0.99%
	Dr. Kwok Pui Wei	5,217,748	0.99%
	Dr. Lai Hiu Ping	5,217,748	0.99%
	Dr. Tang Kai Tat	5,217,748	0.99%
Other Employee Participants	Dr. Ho Chun Ho	5,217,748	0.99%
	34 individuals	4,226,250	0.80%
Total		<u>35,456,240</u>	<u>6.71%</u>

Vesting period:

(i) Mr. Hui

100% of the Awarded Shares will vest on the second anniversary of 4 July 2023.

(ii) Service Providers

(a) 25% of the Awarded Shares will either vest on the first anniversary of 4 July 2023 or vest in three equal instalments on an annual basis commencing on the first anniversary of 4 July 2023;

(b) 25% of the Awarded Shares will vest in three equal instalments on an annual basis commencing on the second anniversary of 4 July 2023;

(c) 25% of the Awarded Shares will vest in three equal instalments on an annual basis commencing on the third anniversary of 4 July 2023; and

(d) the remaining 25% of the Awarded Shares will vest in three equal instalments on an annual basis commencing on the fourth anniversary of 4 July 2023.

(iii) Mr. Lo and other Employee Participants

- (a) 25% of the Awarded Shares will vest on the first anniversary of 4 July 2023;
- (b) 25% of the Awarded Shares will vest on the second anniversary of 4 July 2023; and
- (c) the remaining 50% of the Awarded Shares will vest on the third anniversary of 4 July 2023.

Performance targets: Save for part of the Awards granted to the Service Providers which impose performance targets associated with the aggregate amount of revenue generated by such Service Providers for each financial year, there are no performance targets attached to the Awards granted to the other Grantees (including Mr. Hui and Mr. Lo).

Clawback mechanism: The Awards granted are subject to the clawback mechanism as set out in the terms of the Share Award Plan. In particular, an Award (or, as the case may be, the relevant part of an Award) shall, under the following circumstances and subject to the terms of the Share Award Plan, automatically lapse forthwith:

- (i) the Grantee ceases to be an employee of the Group (other than due to his death or retirement);
- (ii) the subsidiary by which a Grantee is employed or, in respect of a deceased or retired Grantee, was employed immediately prior to his death or retirement, ceases to be a subsidiary of the Company (or of a member of the Group);

- (iii) the Board shall at its absolute discretion determine in respect of a Grantee (other than a Grantee who is an employee of the Group) that (a) the Grantee or his associate has committed any breach of any contract entered into between the Grantee or his associate on one part and any member of the Group on the other part as the Board may in its absolute discretion determine; or (b) the Grantee has committed any act of bankruptcy or has become insolvent or is subject to any winding-up, liquidation or analogous proceedings or has made any arrangement or composition with his creditors generally; or (c) the Grantee could no longer make any contribution to the growth and development of any member of the Group by reason of the cessation of its relationship with the Group or by any other reasons whatsoever;
- (iv) an order for the winding-up of the Company is made or a resolution is passed for the voluntary winding-up of the Company;
- (v) the Grantee is found to be an excluded participant under the terms of the Share Award Plan; or
- (vi) the Grantee fails to return the duly executed transfer documents prescribed by the Trustee for the relevant Shares awarded under the Share Award Plan within the stipulated period.

*Note:*

1. All the Service Providers are qualified medical practitioners specialising in ophthalmology and provide ophthalmic healthcare services to the patients of the Group.

The Company has appointed Tricor Trust (Hong Kong) Limited as the Trustee to assist with the administration and vesting of the Awarded Shares. 3,100,000 Shares have been purchased by the Trustee on the market holding these Shares in trust for the satisfaction of vesting of the Awarded Shares under Share Award Plan. In addition to the Shares purchased by the Trustee, the Awarded Shares granted to the Grantees will also be satisfied by the Company allotting and issuing 32,356,240 new Shares to the Trustee.

Following this grant, an aggregate of 16,721,260 Shares remain available for future grants under the Share Award Plan. The number of Shares available for future grants to Service Providers under the service provider sub-limit of the Share Award Plan is 10.

The Company does not have any arrangement to provide financial assistance to the Grantees to facilitate the purchase of Shares underlying the Awards granted.

## **Reasons for and benefits of the grant**

The grant of the Awards is to align the interests of the Grantees with those of the Group through ownership of Shares, dividends and other distributions paid on Shares and/or the increase in value of the Shares, and to recognise the contributions made by the Grantees and to provide incentives for the long-term commitment of the Grantees, thereby fostering the sustainable development of the Group.

Despite that the Service Providers are not directly employed by the Group, they are nonetheless valuable human resources to the Group given that the Group provides ophthalmic healthcare services to its patients through the Service Providers, who have established a stable and amicable working relationship with the Group, where the time and effort of the Service Providers devoted to the Group are akin to those of employees of the Group. It is therefore in line with the objectives of the Share Award Plan to include these Service Providers as part of the Grantees since a sustainable and stable relationship with them is essential to the business development of the Group, and that the grant of Awards to the Service Providers will align their interests with those of the Group, thereby incentivising them to provide better services to the Group on a long-term basis and strengthen their loyalty to the Group.

The Remuneration Committee has considered the grant of the Awards to each of Mr. Hui, Mr. Lo and the other Employee Participants (including but not limited to the final number of Awarded Shares granted, the vesting schedule and the Awards granted without performance targets), and is of the view that the terms and conditions of such grants will provide a market competitive remuneration package to each of Mr. Hui, Mr. Lo and the other Employee Participants and are appropriate and align with the purposes of the Share Award Plan, in order to recognise and reward the contributions made by Mr. Hui, Mr. Lo and the other Employee Participants to the growth and development of the Group and can incentivise and retain their talents for the continuous operations, development and long-term growth of the Group. The Remuneration Committee is therefore of the view that it is not necessary to set performance targets for the grant of Awards to Mr. Hui, Mr. Lo and other Employee Participants.

Having considered the above, the Board (including all the independent non-executive Directors, and excluding Mr. Hui and Mr. Lo) considers that the grant of the Awards to the Grantees and its terms are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **Listing Rules implications**

The above grants to the Directors and chief executive of the Company have been reviewed and approved by the independent non-executive Directors in accordance with Rule 17.04(1) of the Listing Rules. Mr. Hui and Mr. Lo had abstained from voting on the Board resolutions relating to their respective grants to themselves.

The Proposed Grant to Mr. Hui would result in the Shares issued and to be issued in respect of all Awards granted to Mr. Hui (excluding any awards lapsed in accordance with the terms of the Share Award Plan) in the 12-month period up to and including the date of the above grants representing in aggregate over 0.1% of the total issued Shares. Such grant is conditional upon approval by the Shareholders (with Mr. Hui, his associates and all core connected persons (as defined in the Listing Rules) of the Company abstaining) at a general meeting to be held by the Company in accordance with Rule 17.04(2) of the Listing Rules.

To the best knowledge of the Directors, other than as disclosed in this announcement, none of the Grantees: (a) is a director, chief executive, substantial shareholder (as defined in the Listing Rules) of the Company, or an associate of any of them; (b) is a related entity participant or service provider (as defined in Chapter 17 of the Listing Rules); or (c) has been granted awards that exceed their respective individual limits as set out in Chapter 17 of the Listing Rules.

### **General meeting**

An ordinary resolution will be proposed at a general meeting to be held by the Company to consider and, if thought fit, approve the Proposed Grant to Mr. Hui. A circular of the Company containing, among others, details of the Proposed Grant to Mr. Hui as well as a notice convening the forthcoming general meeting, will be despatched to the Shareholders in due course.

### **DEFINITIONS**

In this announcement, unless the context requires otherwise, the following expressions have the following meanings:

“Award(s)”	a provisional award of the Awarded Shares made in accordance with the Share Award Plan
“Awarded Share(s)”	the Share(s) provisionally awarded to a Grantee pursuant to an Award
“Board”	the board of directors of the Company
“Company”	Clarity Medical Group Holding Limited, a company incorporated in the Cayman Islands with limited liability, whose Shares are listed on the Main Board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Employee Participant”	an eligible participant of the Share Award Plan who is an employee (whether full time or part time, including any director) of the Group on the date of grant

“Grantee”	an eligible participant of the Share Award Plan, who has been granted Awards as part of this grant
“Group”	the Company and its subsidiaries as a whole
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time
“Mr. Hui”	Mr. HUI Yung Chris, an executive Director
“Mr. Lo”	Mr. LO Tsz Hong, an executive Director
“Proposed Grant to Mr. Hui”	the proposed grant of 5,000,000 Awarded Shares to Mr. Hui under the Share Award Plan
“Remuneration Committee”	the remuneration committee of the Company
“Service Providers”	medical practitioners or specialists in ophthalmology who work for the Group as independent contractors, advisers or consultants
“Share Award Plan”	the share award plan adopted by the Company on 23 November 2022
“Share(s)”	ordinary share(s), with nominal value of HK\$0.01 each, in the share capital of the Company
“Shareholder(s)”	holder(s) of the ordinary share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Trustee”	the trustee appointed by the Company for the administration of the Share Award Plan

By Order of the Board  
**CLARITY MEDICAL GROUP HOLDING LIMITED**  
**WU Ting Yuk Anthony**  
*Non-Executive Director and Chairman*

Hong Kong, 4 July 2023

*As at the date of this announcement, the Board comprises Mr. HUI Yung Chris, Dr. TSE Wai Ip and Mr. LO Tsz Hong as executive Directors, Mr. WU Ting Yuk Anthony as Chairman and non-executive Director, Mr. NG Roy and Ms. ZHAO Wei as non-executive Directors and Mr. LI Michael Hankin, Mr. MA Wai Hung Vincent and Professor LAU Wan Yee Joseph as independent non-executive Directors.*