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Yidu Tech Inc.
醫渡科技有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 2158)

- (1) TERMINATION OF POST-IPO SHARE OPTION SCHEME;**
- (2) PROPOSED AMENDMENTS TO THE POST-IPO SHARE AWARD SCHEME;**
- (3) PROPOSED ADOPTION OF THE SCHEME MANDATE LIMIT;**
- (4) PROPOSED ADOPTION OF THE SERVICE PROVIDER SUBLIMIT; AND**
- (5) CANCELLATION AND PROPOSED RE-GRANTS OF AWARDS TO EXISTING GRANTEES UNDER THE POST-IPO SHARE AWARD SCHEME**

(1) TERMINATION OF POST-IPO SHARE OPTION SCHEME

The Board announces that on August 25, 2023, it has resolved to terminate the Post-IPO Share Option Scheme. The Company adopted a Post-IPO Share Option Scheme on December 28, 2020 to provide incentives to Selected Participants to work towards enhancing the value of the Company and its shares for the benefit of the Company and its shareholders as a whole. On even date, the Company has also adopted a Post-IPO Share Award Scheme as an alternative means to incentivise the relevant Selected Participants. Since the adoption of the Post-IPO Share Option Scheme and the Post-IPO Share Award Scheme, the Post-IPO Share Award Scheme has been a more popular scheme among directors, employees and service providers, hence the utilisation rate is relatively higher as compared to the Post-IPO Share Option Scheme.

In view of such, the Directors consider that it would be in the best interests of the Company and its Shareholders to terminate the Post-IPO Share Option Scheme. Pursuant to the scheme rules of the Post-IPO Share Option Scheme, the Post-IPO Share Option Scheme can be terminated by approval from the Board, without Shareholders' approval.

Upon the termination of the Post-IPO Share Option Scheme, no further options will be offered or granted but the provisions of the Post-IPO Share Option Scheme shall remain in full force to the extent necessary to give effect to the exercise of any options granted prior to the termination. Options which are granted during the life of the Post-IPO Share Option Scheme and remain unexercised and unexpired immediately prior to the termination of the operation of the Post-IPO Share Option Scheme shall continue to be valid and exercisable in accordance with their terms of issue after the termination of the Post-IPO Share Option Scheme. As of the date of this announcement, there were 16,713,022 underlying Shares comprised in the share options granted but not yet vested and 3,092,715 underlying Shares comprised in the share options vested but not yet exercised under the Post-IPO Share Option Scheme, of which a total of 3,124,650, 16,670,187 and 10,900 underlying Shares were granted to the Directors, Employee Participants (excluding Directors) and Service Providers, respectively, representing approximately 0.30%, 1.58% and 0.001% of the Company's issued share capital as at the date this announcement.

(2) PROPOSED AMENDMENTS TO THE POST-IPO SHARE AWARD SCHEME

The Company first adopted the Post-IPO Share Award Scheme on December 28, 2020. Pursuant to the Consultation Conclusions, Chapter 17 of the Listing Rules has been amended to govern both share option schemes and share award schemes involving the grant of new shares or options over new shares of the listed issue with effect from January 1, 2023. In light of the amendments to the Listing Rules, the Board is pleased to announce that it has resolved on August 25, 2023 to propose the proposed amendments to be made to the Post-IPO Share Award Scheme (the “**Proposed Amendments to the Post-IPO Share Award Scheme**”) to bring it in line with the Listing Rules.

The purposes of the Post-IPO Share Award Scheme are to (i) align the interests of Eligible Participants 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 (ii) encourage and retain Eligible Participants to make contributions to the long-term growth and profits of the Group. The Board believes that through the grant of Awards, such Eligible Participant will share a common goal with the Group in terms of the long-term growth and development of the Group and therefore align with the purpose of the Post-IPO Share Award Scheme.

Key changes entailed by the Proposed Amendments to the Post-IPO Share Award Scheme

The key changes entailed by the Proposed Amendments to the Post-IPO Share Award Scheme are set out below:

- (a) to revise the scope of Eligible Participants to include (i) Employee Participants and (ii) Service Providers;
- (b) to adopt the Scheme Mandate Limit and the Service Provider Sublimit;
- (c) to include the requirement of independent Shareholders' approval for refreshment of the Scheme Mandate Limit and Service Provider Sublimit;

- (d) to adopt a maximum limit for Shares which may be awarded under the Post-IPO Share Award Scheme and other share schemes of the Company, being 10% of the total issued Shares of the Company as at the Amendment Date (excluding any Shares which are the subject matter of any Awards that have already lapsed in accordance with the terms of the Post-IPO Share Award Scheme);
- (e) to include the requirement for 1% individual limit;
- (f) to include the requirement for 0.1% individual limit for grant of awards (excluding options) to directors other than independent non-executive directors and chief executive, or any of their associate in the 12-month period up to and including the date of such grant;
- (g) to include the requirement for 0.1% individual limit for grant of options or awards to an independent non-executive director or a substantial shareholder of the Company, or any of their respective associates in the 12-month period up to and including the date of such grant;
- (h) to elaborate on the provisions for adjustment of awards granted under the Post-IPO Share Award Scheme in the event of a capitalization issue, rights issue, sub-division or consolidation of shares or reduction of capital;
- (i) to elaborate on the scope of criteria for performance targets as from time to time determined by the Board/committee of the Board (as the case may be), including a mixture of key performance indicators components;
- (j) to adopt a minimum vesting period of 12 months save where the grant of Awards to Employee Participants are subject to a shorter vesting period under specific circumstances, and to require approval by the Board and/or the Remuneration Committee for Awards granted to Directors or senior manager;
- (k) to include the requirement for Shareholders' approval for any alterations to the provisions of the Post-IPO Share Award Scheme relating to the matters set out in Rule 17.03 of the Listing Rules;
- (l) to include the requirement of abstention of voting by any trustee holding unvested shares, whether directly or indirectly; and
- (m) to include other amendments for house-keeping purposes and to better align the wording with that of the Listing Rules.

Further details of the Proposed Amendments to the Post-IPO Share Award Scheme will be set out in a circular to be despatched to the Shareholders in due course.

Adoption conditions for the Proposed Amendments to the Post-IPO Share Award Scheme

The adoption of the Proposed Amendments to the Post-IPO Share Award Scheme is conditional upon the fulfilment of the following conditions:

- (a) the passing of an ordinary resolution by the Shareholders at the Annual General Meeting approving (i) the Proposed Amendments to the Post-IPO Share Award Scheme; (ii) proposed adoption of the share mandate limit, and (iii) proposed adoption of the service provider sublimit; and
- (b) the Company having obtained the Listing Approval.

In relation to the condition set out in (a) above, the Annual General Meeting will be held for the Shareholders to consider and, if thought fit, approve, *inter alia*, the Proposed Amendments to the Post-IPO Share Award Scheme. No Shareholder is required to abstain from voting on the relevant resolution to approve the proposed amendments to the Post-IPO Share Award Scheme at the Annual General Meeting. In relation to the condition set out in (b) above, an application will be made to the Listing Committee for the listing of, and permission to deal in, the Shares which may fall to be issued pursuant to the exercise/vest of any awards and/or share options up to 10% of the Shares in issue as at the Amendment Date.

(3) PROPOSED ADOPTION OF THE SCHEME MANDATE LIMIT

Pursuant to the existing scheme mandate limit, the total number of Shares which may be issued upon exercise of Options to be granted thereunder shall not exceed 90,176,201 Shares, which represented 10% of total number of Shares in issue as at December 28, 2020 (the “**Existing Scheme Limit for Post-IPO Share Option Scheme**”).

Pursuant to the existing terms of the Post-IPO Share Award Scheme, the total number of Awards which may be granted thereunder shall not exceed 45,088,100 Shares, subject to an annual limit of 3% of the total number of Shares in issue at the relevant time (the “**Existing Scheme Limit for Post-IPO Share Award Scheme**”, together with the Existing Scheme Limit for Post-IPO Share Option Scheme, the “**Existing Scheme Limits**”).

In view of the termination of Post-IPO Share Option Scheme, the Board considers that it is in the interest of the Company to replace the Existing Scheme Limits with its proposed adoption of the Scheme Mandate Limit and seek the Shareholders’ approval to adopt the Scheme Mandate Limit such that the Company may be provided with greater flexibility to grant the appropriate and meaningful number of Awards to the Eligible Participants under the Post-IPO Share Award Scheme for the purpose of rewarding and motivating such participants to contribute further to the success of the Company.

In light of the above, the Board has resolved to propose the adoption of the Scheme Mandate Limit, being a scheme mandate limit not exceeding 10% of the total number of Shares in issue to all share schemes adopted by the Company from time to time. The said Scheme Mandate Limit shall be 105,285,726 Shares, on the basis that there are a

total of 1,052,857,269 Shares in issue at the date of this announcement and assuming that no other Shares are issued or repurchased by the Company prior to the date of the Annual General Meeting.

At the Annual General Meeting, an ordinary resolution will be proposed to adopt the Scheme Mandate Limit.

(4) PROPOSED ADOPTION OF THE SERVICE PROVIDER SUBLIMIT

As the scope of Eligible Participants shall be expanded to include Service Providers, the Board considers that it is appropriate to adopt a “service provider sublimit” within the Scheme Mandate Limit in accordance with Rule 17.03A(1) of the Listing Rules.

Accordingly, the total number of awards and/or share options which may be granted under the Post-IPO Share Award Scheme and any other share schemes of the Company to the Service Providers from time to time shall not exceed 1% of the total number of Shares in issue on the Amendment Date. Thus, the Service Provider Sublimit in respect of the share schemes of the Company shall be 10,528,572 Shares, being 1% of the total number of Shares in issue at the date of this announcement assuming that no new Share are issued or repurchased by the Company prior to the Annual General Meeting.

The basis of determination of the Service Provider Sublimit included the potential dilution effect on the Shares arising from grants to the Service Providers, the actual or expected increase in the Group’s revenue or profits which shall be attributable to the Service Providers and the extent of use of the Service Provider in the Group’s business. The Group also values long-standing relationship with its Service Providers as they are key to the Group’s success. The Group believes that, through engaging, collaborating, and cultivating strong relationships with the Service Providers, the Group can strive to achieve corporate sustainability, delivering high quality products to its potential customers and developing mutual trust and enhancing communication and commitment between the Group and its Service Providers to maintain sustainable growth.

In determining the Service Provider Sublimit, the Directors consider that it is important to ensure that all share schemes will be attractive and is able to provide sufficient incentives to Service Providers who are able to contribute to the research and development, big data gathering, artificial intelligences and other technologies innovation, products and services offering, marketing, strategic planning on corporate image, investor relations, regulatory affairs, human resources and administration management of the Group, all of which being core functions on which the Group relies in its ordinary and usual course of business.

Taking into account (i) the hiring practice, organizational structures and business models of the Group; (ii) the benefit to and needs of the Group to provide long-term equity incentives to maintain the recurring and continuing contributions of the Service Providers in relation to day-to-day operations and core business functions of the Group; (iii) the minimal potential dilution to the shareholding of public Shareholders following the exercise of the Options and/or Awards to be granted to Service Providers under the Service Provider Sublimit; and (iv) the fact that the individual limit under

Rule 17.03D(1) of the Listing Rules is also 1%, that there is no other share schemes involving grant of Option over new Shares of the Company, the Board is of the view that the Service Provider Sublimit is appropriate and reasonable. The Service Provider Sublimit is subject to separate approval by the Shareholders at the Annual General Meeting.

At the Annual General Meeting, an ordinary resolution will be proposed to adopt the Service Provider Sublimit.

(5) CANCELLATION AND PROPOSED RE-GRANTS OF AWARDS TO EXISTING GRANTEEES UNDER THE POST-IPO SHARE AWARD SCHEME

This section of the announcement is made by the Company pursuant to Rule 17.06A of the Listing Rules.

Reference is made to the announcement of the Company dated July 3, 2023 in relation to, among others, the grant of a total of 3,184,506 Awards to 9 award grantees (the “**Existing Grantees**”) under the Post-IPO Share Award Scheme by issuing new Shares, subject to acceptance of the Existing Grantees. As at the date of this announcement, none of the aforesaid Awards have been vested.

On August 25, 2023, the Board has resolved to cancel the aforementioned 3,184,506 Awards pursuant to terms of the Post-IPO Share Award Scheme, such that the Company can make a grant of such Awards to the Existing Grantees subject to the terms of the amended Post-IPO Share Award Scheme, which is in line with the requirements under Chapter 17 of the Listing Rules. Accordingly, on even date, the Board has resolved to propose to “re-grant” 3,184,506 Awards to the Existing Grantees (the “**Re-grants**”), subject to the acceptance by the Existing Grantees and obtaining Shareholders’ approval to (i) adopt the Scheme Mandate Limit and (ii) amend the Post-IPO Share Award Scheme at the Annual General Meeting.

The Re-grants shall constitute part of the adopted Scheme Mandate Limit and shall be subject to the terms of the amended Post-IPO Share Award Scheme upon Shareholders’ approval at the Annual General Meeting.

Details of the Re-grants of Awards to Existing Grantees

The details of the Awards re-granted to the Existing Grantees are as follows:

Date of Re-grants August 25, 2023

Number of Existing 9
Grantees

Number of Awards 3,184,506
re-granted

Purchase Price of Nil
the Award Shares

Closing price of the Shares on the date of Re-grants	HK\$4.14 per Share, based on the closing price as quoted on the Stock Exchange on the date of Re-grants.
Validity period of the Awards	Until the last day of the 10-year period after the date of Re-grants of the Award.
Vesting period	<p>The Awards re-granted to the Existing Grantees shall vest in the Existing Grantees as follows:</p> <ul style="list-style-type: none"> ● 25% shall vest from August 25, 2023 to March 31, 2024; ● 25% shall vest from April 1, 2024 to March 31, 2025; ● 25% shall vest from April 1, 2025 to March 31, 2026; and ● 25% shall vest from April 1, 2026 to March 1, 2027.

The first tranche (being 25%) of the Awards is subject to a vesting period of less than 12 months due to grants that are made in batches during a year for administrative reasons.

The Company considers that since the other three tranches have a 12-month vesting period, the grant of Awards could effectively incentivize the Existing Grantees to contribute to the long-term development and growth of the Company. In this regard, the Post-IPO Share Award Scheme does not provide any restriction with respect to the vesting period of the Awards. The Remuneration Committee is of the view that the grants of Awards to the Existing Grantees with a shorter vesting period for the first tranche aligns with the purpose of the Post-IPO Share Award Scheme.

Performance targets The vesting of the Awards is subject to the Existing Grantee(s) meeting the performance targets to be determined by the Company from time to time. The Company has established an appraisal mechanism to assess the fulfilment of performance targets by its Directors, chief executive and employees, which are linked to the Company's strategic goals and values. The appraisal mechanism uses a grading system based on a matrix of qualitative and quantitative indicators that vary according to the roles and responsibilities of the relevant Directors, chief executive and employees. The indicators include, but are not limited to, measures of work quality, efficiency, collaboration, management and strategy. The grading system evaluates the Directors, chief executive and employees' regular duties and the strategic objectives or tasks assigned for the appraisal period. The Company intends to make reference to this appraisal mechanism to set and review the performance targets of the Existing Grantees periodically.

Clawback mechanism The re-grants of Awards are subject to clawback mechanism for the Company to recover in the event that the Existing Grantee's employment or engagement with the Company terminates for cause. If the Existing Grantee's employee or engagement with the Company terminates for cause, any portion of the Awards granted that is outstanding on such termination date shall terminate immediately and be of no further force and effect.

The Existing Grantees

With respect to the 9 Existing Grantees for which the Awards are proposed to be re-granted, 1,499,146 Awards were re-granted to the employees of the Company and 1,685,360 Awards were re-granted to the following three executive Directors and chief executive of the Company.

Name of Grantees	Role	Number of Awards re-granted
Mr. Xu Jiming	Executive Director and Chief Executive Officer	1,000,000
Dr. Yan Jun	Executive Director	219,560
Ms. Feng Xiaoying	Executive Director	465,800

Pursuant to Rule 17.04(1) of the Listing Rules, the Re-grants to the Directors and chief executive of the Company had been approved by the independent non-executive Directors of the Company. Except as set forth above, the other Existing Grantees are

employees and officers of the Company and do not fall under any of the following categories: (a) a Director, chief executive, or substantial shareholder of the Company, or an associate of any of them; (b) a participant with options and awards granted and to be granted exceeding the 1% individual limit under Rule 17.03D of the Listing Rules; or (c) a related entity participant or service provider with options and awards granted and to be granted in any 12-month period exceeding 0.1% of the issued Shares.

There are no arrangements for the Company or any of its subsidiaries to provide financial assistance to any of the Existing Grantees to facilitate the purchase of Shares under the Post-IPO Share Award Scheme.

Reason for and Benefits of the Re-grant of Awards

The purpose of the Post-IPO Share Award Scheme is to provide Selected Participants with the opportunity to acquire proprietary interests in the Company and to encourage the Selected Participants to work towards enhancing the value of the Company and its Shares for the benefit of the Company and its Shareholders as a whole. The Post-IPO Share Award Scheme will provide the Company with a flexible means of retaining, incentivizing, rewarding, remunerating, compensating and/or providing benefits to eligible persons. Given the benefits of the Post-IPO Share Award Scheme as aforementioned and the Awards previously granted to the Existing Grantees have to be cancelled to comply with the requirements of Chapter 17 of the Listing Rules, the Board is of the view that the Re-grants is in line with the interests of the Company and its Shareholders as a whole.

Number of shares available for future grant of awards under the Post-IPO Share Award Scheme

The Re-grants will be satisfied by issuance of new Shares within the proposed Scheme Mandate Limit, which is subject to Shareholders' approval at the Annual General Meeting. Assuming the proposed Scheme Mandate Limit is approved by the Shareholders, after the above Re-grants, a total of 102,101,220 Shares and 10,528,572 Shares will be available for future grant of awards under the Scheme Mandate Limit and Service Provider Sublimit, respectively.

ANNUAL GENERAL MEETING

The Annual General Meeting will consider, and if thought fit, approve, *inter alia*, (i) the Proposed Amendments to the Post-IPO Share Award Scheme; (ii) the proposed adoption of the Scheme Mandate Limit; and (iii) the proposed adoption of the Service Provider Sublimit. A circular containing, *inter alia*, further details of the aforesaid matters, together with a notice of the Annual General Meeting, will be despatched to the Shareholders in accordance with the requirements of the Listing Rules in due course.

As of the date of this announcement, (i) the Proposed Amendments to Post-IPO Share Award Scheme; (ii) the proposed adoption and refreshment of the Scheme Mandate Limit; and (iii) the proposed adoption of the Service Provider Sublimit, remain subject to the approval of the Shareholders. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

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

- “Amendment Date” the date on which the amendment of the Post-IPO Share Award Scheme is conditionally approved by the resolutions in the Annual General Meeting
- “Annual General Meeting” or “AGM” the annual general meeting of the Company to be held at 9/F, No.9 Building (Jiankang Zhigu Building), 35 North Huayuan Road, Haidian District, Beijing, PRC at 3:00 p.m. on Thursday, September 28, 2023, or any adjournment thereof
- “associate(s)” has the meaning ascribed to it under the Listing Rules
- “Award” an award granted by the Board to a Selected Participant, which may vest in the form of Award Shares or the actual selling price of the Award Shares in cash, as the Board may determine in accordance with the terms of the Scheme Rules
- “Award Shares” the Shares granted to a Selected Participant in an Award
- “Board” the board of Directors
- “Company” Yidu Tech Inc. (醫渡科技有限公司), an exempted company with limited liability incorporated in the Cayman Islands on December 9, 2014, with its Shares initially listed on the Main Board of the Stock Exchange on January 15, 2021 (stock code: 2158)
- “Consultation Conclusions” the consultation conclusions on the proposed amendments to listing rules relating to share schemes of listed issuers and housekeeping rule amendment published by the Stock Exchange in July 2022;
- “Director(s)” the director(s) of the Company

“Eligible Participant(s)”	any Employee Participant or Service Provider which the Board considers, in their sole discretion, to have contributed or will contribute to the Group, however, no individual who is resident in a place where the grant, acceptance or vesting of an Award pursuant to the Post-IPO Share Award Scheme is not permitted under the laws and regulators in such place make it necessary or expedient to exclude such individual, shall be entitled to participate in the Post-IPO Share Award Scheme and such individual shall therefore be excluded from the term Eligible Participant
“Employee”	any employee (whether full-time or part-time employee) of any members of the Group provided that the Selected Participant shall not cease to be an Employee in the case of (a) any leave of absence approved by the Company; or (b) transfer amongst the Company, and provided further that an Employee shall, for the avoidance of doubt, cease to be an Employee with effect from (and including) the date of termination of his employment;
“Employee Participant(s)”	the Director(s) and Employee(s) of the Company or any of its subsidiaries, and any person(s) who is/are granted Shares or Awards under the scheme as an inducement to enter into employment contracts with the Company or its subsidiaries;
“Group”	the Company and its subsidiaries from time to time
“HKD”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Approval”	the Listing Committee’s approval of the listing of, and permission to deal in, the Shares on the Stock Exchange which may be issued by the Company pursuant to the exercise of any Awards and/or Options under the share schemes of the Company
“Listing Committee”	has the meaning ascribed to it under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“Post-IPO Share Award Scheme”	the post-IPO share award scheme as adopted on December 28, 2020 and proposed to be amended on the Amendment Date
“Post-IPO Share Option Scheme”	the post-IPO share option scheme as adopted on December 28, 2020 and proposed to be terminated
“Remuneration Committee”	the remuneration committee of the Board

“Scheme Mandate Limit”	the limit on grants of share awards and/or options over new shares of the Company under all share schemes of the Company approved by its shareholders, which must not exceed 10% of the issued shares of the Company as at the date of the shareholders’ approval of the limit
“Selected Participant”	any Eligible Participant approved for participation in the Post-IPO Share Award Scheme and who has been granted any Award pursuant to the Post-IPO Share Award Scheme
“Share(s)”	ordinary share(s) in the share capital of the Company with a par value of US\$0.00002 each
“Shareholder(s)”	holder(s) of the Share(s)
“Service Provider(s)”	any person (natural person or corporate entity) who provides services to the Company or any of its subsidiaries on a continuing or recurring basis in its ordinary and usual course of business, the grant of Awards to whom is in the interests of the long-term growth of the Group as determined by the Board or its delegate(s) in their sole discretion, including any officer, consultant, advisor, distributor, contractor, supplier, agent, business partner, joint venture business partner or service provider of any member of the Group for its research and development, big data gathering, artificial intelligence and other technologies innovation, product and services offering, marketing, strategic planning on corporate image, investor relations, regulatory affairs, human resources and administration management (excluding any placing agents or financial advisers providing advisory services for fundraising, mergers or acquisition, and service providers such as auditors or valuers who provide assurance, or are required to perform their services with impartiality and objectivity)
“Service Provider Sublimit”	a sublimit under the Scheme Mandate Limit for share awards and/or options over new shares of the Company under all share schemes of the Company granted to the Service Providers, which must not exceed 1% of the issued shares of the Company as at the date of the shareholders’ approval of the limit

By order of the Board
Yidu Tech Inc.
Gong Yingying
Executive Director and Chairlady

Hong Kong, August 25, 2023

As at the date of this announcement, the executive Directors are Ms. Gong Yingying, Mr. Xu Jiming, Dr. Yan Jun and Ms. Feng Xiaoying; the non-executive Director is Mr. Zeng Ming; and the independent non-executive Directors are Dr. Ma Wei-Ying, Ms. Pan Rongrong and Prof. Zhang Linqi.