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Broncus Holding Corporation

堃博医疗控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2216)

PROPOSED AMENDMENTS TO THE RSU SCHEME

THE RSU SCHEME

In light of the amendments to Chapter 17 of the Listing Rules which took effect from January 1, 2023, the terms of the RSU Scheme, no longer comply with the Listing Rules. The Directors therefore consider that it would be in the best interests of the Company and its Shareholders to amend the RSU Scheme to comply with the Listing Rules and to adopt the Scheme Limit and Service Provider Sublimit altogether.

Accordingly, the Board is pleased to announce that, on August 29, 2023, it has resolved to propose amendments to the RSU Scheme.

KEY CHANGES TO THE RSU SCHEME

The key changes entailed by the proposed amendments to the RSU Scheme are set out below:

- (a) to revise the eligible persons to include (i) Employee Participants and (ii) Service Providers;
- (b) to adopt the Scheme Limit and the Service Provider Sublimit;
- (c) to codify the requirement of independent Shareholders' approval for refreshment of the Scheme Mandate Limit and Service Providers Sublimit;
- (d) to codify the requirement of approval by the Shareholders for any grant of awards to an individual participant if the number of Shares issued and to be issued in respect of all awards and options granted to such person pursuant to the RSU Scheme and any other share schemes adopted by the Company (excluding awards or options lapsed in accordance with relevant scheme rules) in any 12-month period exceeds 1% of the total number of issued Shares;

- (e) to codify the requirement of approval by the Shareholders for any grant of awards to Directors (other than independent non-executive Directors) and chief executive (or any of their respective associates), if the number of Shares issued and to be issued in respect of all awards granted to such person pursuant to the RSU Scheme and any other share schemes adopted by the Company (excluding awards lapsed in accordance with relevant scheme rules) in any 12-month period exceeds 0.1% of the total number of issued Shares;
- (f) to codify the requirement of approval by the Shareholders for any grant of awards to an independent non-executive Director or a substantial shareholder of the Company (or any of their respective associates), if the number of Shares issued and to be issued in respect of all awards and options granted to such person pursuant to the RSU Scheme and any other share schemes adopted by the Company (excluding awards or options lapsed in accordance with relevant scheme rules) in any 12-month period exceeds 0.1% of the total number of issued Shares;
- (g) to elaborate on the provision for adjustment of the awards granted under the RSU Scheme in the event of a capitalization issue, rights issue, sub-division or consolidation of shares or reduction of capital;
- (h) to adopt the minimum vesting period of 12 months save where the grant of awards to certain eligible persons are subject to a shorter vesting period under specific circumstances;
- (i) to codify the requirement for Shareholders' approval for any alterations to the provisions of the RSU Scheme relating to the matters set out in Rule 17.03 of the Listing Rules;
- (j) to codify the clawback mechanism under specific scenarios;
- (k) to elaborate on the scope of criteria for performance targets attached to the awards granted, including a mixture of key performance indicators components;
- (l) to include the necessary carve-outs on the transferability of the any awards under the RSU Scheme; and
- (m) to include other amendments for house-keeping purposes and to better align the wording with that of the Listing Rules.

An application will be made to the Listing Committee, as and when appropriate, for the listing of, and permission to deal in, the Shares which may fall to be issued pursuant to the vesting of any awards and/or exercise of options of up to 10% of the Shares in issue as at the date of the EGM.

EGM

An EGM will be convened for the purposes of considering, and if thought fit, approve, *inter alia*, (a) the proposed amendments to the RSU Scheme; and (b) the proposed adoption of the Scheme Limit and the Service Provider Sublimit, respectively. A circular containing, *inter alia*, further details on the aforesaid subject matters, together with a notice of the EGM, will be despatched to the Shareholders in accordance with the requirements of the Listing Rules in due course.

DEFINITION

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

“Board”	the board of Directors;
“Company”	Broncus Holding Corporation (堃博医疗控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability on April 30, 2012, whose Shares were listed and traded on the Stock Exchange;
“Directors”	the director(s) of the Company;
“EGM”	the extraordinary general meeting of the Company to be convened in due course (including any adjournment thereof);
“Employee Participant”	any director and employee (whether full-time or part-time employee) of any member of the Group, including persons who are granted awards as an inducement to enter into employment contracts with any member of the Group;
“Listing Committee”	shall have the meaning ascribed to it under the Listing Rules;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, as amended or supplemented from time to time;
“RSU Scheme”	the restricted share unit scheme of the Company as adopted on May 6, 2021 and amended and restated on July 5, 2021;
“Scheme Limit”	the limit on grant(s) of share option(s) and/or award(s) over new Shares under all share schemes of the Company approved by Shareholders, which must not exceed 10% of the total number of issued Shares as at the date of the Shareholders’ approval of the Scheme Limit;

“Service Provider(s)”	any persons (natural person or corporate entity) who provide services to the Group on a continuing and recurring basis in the ordinary course of business of the Group which are in the interests of the long term growth of the Group, taking into account (including but not limited to) the length and nature of the services provided or which are expected to be provided, the terms of engagements (including the hours, places and mode of services), and the business segments and focuses of the Group from time to time;
“Service Provider Sublimit”	a sublimit under the Scheme Limit for awards and/or share options over new shares of the Company under all share schemes adopted by the Company granted to the Service Providers, which must not exceed 1% of the total number of issued Shares as at the date of the Shareholders’ approval of the Service Provider Sublimit;
“Share(s)”	ordinary share(s) of nominal value of US\$0.0001 each in the capital of the Company;
“Shareholder(s)”	holder(s) of Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“substantial shareholder(s)”	has the meaning ascribed to it in the Listing Rules.

By order of the Board
Broncus Holding Corporation
ZHAO Michael Yi Wei
Chairman

Hong Kong, August 29, 2023

As of the date of this announcement, the Board comprises Mr. Guowei Zhan and Mr. Hong Xu as executive Directors, Mr. Michael Yi Wei Zhao, Mr. Zhenjun Zi and Mr. Ao Zhang as non-executive Directors, and Dr. Pok Man Kam, Professor Joseph Wan Yee Lau and Ms. Yee Sin Wong as independent non-executive Directors.