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Health and Happiness (H&H) International Holdings Limited

健合(H&H)國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1112)

GRANT OF SHARE OPTIONS AND AWARDED SHARES

GRANT OF SHARE OPTIONS PURSUANT TO 2020 SHARE OPTION SCHEME

On 5 September 2023, the Board has resolved to grant and granted a total of 1,680,000 Share Options to subscribe for 1,680,000 Shares to Mr. Camillo Pane, the chief executive officer of the Company, under the 2020 Share Option Scheme, subject to his acceptance.

GRANT OF AWARDED SHARES PURSUANT TO 2022 SHARE AWARD SCHEME

On 5 September 2023, the Board has resolved to grant and granted a total of 920,000 Awarded Shares, to Mr. Camillo Pane and Prof. Ding Yuan, an independent non-executive Director of the Company, under the 2022 Share Awarded Scheme, subject to their respective acceptance.

GRANT OF SHARE OPTIONS PURSUANT TO 2020 SHARE OPTION SCHEME

On 5 September 2023, the Board has resolved to grant and granted a total of 1,680,000 share options (the “**Share Options**”) to subscribe for 1,680,000 Shares to Mr. Camillo Pane (the “**Option Grantee**”), the chief executive officer of the Company, as an eligible person under the 2020 Share Option Scheme, subject to his acceptance. Details of the grant are as follows:

Date of Grant: 5 September 2023

Categories of Grantee:	Name of Option Grantee	Position Held and Relationship with the Company	Number of Share Options
	Mr. Camillo Pane	Chief executive officer	1,680,000

Number of granted Share Options: 1,680,000

Exercise price of Share Options: Each Share Option shall entitle the holder of the Share Option to subscribe for one Share upon exercise of such Share Option at an exercise price of HK\$10.05 per Share, which represents the highest of (1) the nominal value of a Share; (2) the closing price of HK\$9.91 per Share as stated in the daily quotation sheets issued by the Stock Exchange on 5 September 2023; and (3) the average closing price of HK\$10.05 per Share as stated in the daily quotation sheets issued by the Stock Exchange for the five business days immediately preceding the Date of Grant.

Closing price of the shares on the Date of Grant: HK\$9.91 per Share

Exercise period and vesting period: Subject to the provisions of the 2020 Share Option Scheme, and satisfaction of vesting conditions in relation to certain performance targets as stipulated under the relevant grant letters, the Share Options shall vest according to the following schedule, and will be exercisable for a period of 6 years after the date on which they vest:

Vesting Date	Number of Share Options to be vested (subject to fulfilment of vesting conditions)
1 April 2024	420,000
1 April 2025	1,260,000

Performance targets: The vesting of the Share Options is subject to the satisfaction of certain performance targets and other conditions as the Board at its sole discretion may have stipulated and which have been communicated to the Option Grantee in writing. The performance targets are related to (i) financial parameters of the Group (such as the revenue, EBITDA and general financial condition of the Group); and (ii) individual performance indicators relevant to the Option Grantee's roles and responsibilities.

Clawback mechanism: Where certain events specified in the rules of the 2020 Share Option Scheme arise, any Share Option made to the grantee(s) shall lapse. These circumstances include but are not limited to:

- (1) there is an unsatisfied judgement, order or award outstanding against the Option Grantee or the Board has reason to believe that the Option Grantee is unable to pay or to have no reasonable prospect of being able to pay his/its debts;
- (2) if a grantee has made any arrangement or composition with his creditors generally; or
- (3) if a grantee has been convicted of any criminal offence involving his integrity or honesty; or
- (4) if a grantee commits a breach of any contract entered into between the Option Grantee or his associate and any member of the Group.

Financial assistance: The Group has not provided any financial assistance to the Option Grantee to facilitate the exercise of Share Options.

The grant of Share Options to Mr. Camillo Pane has been approved by the independent non-executive Directors of the Company as required under the 2020 Share Option Scheme and pursuant to Rule 17.04(1) of the Listing Rules.

Subsequent to the grant of the Share Options, the number of Shares available for future grants under the scheme mandate of the 2020 Share Option Scheme is 57,921,430.

GRANT OF AWARDED SHARES PURSUANT TO 2022 SHARE AWARD SCHEME

On 5 September 2023, the Board has resolved to grant and granted a total of 920,000 Awarded Shares (i.e. the Granted Awarded Shares), to Mr. Camillo Pane and Prof. Ding Yuan, an independent non-executive Director of the Company, under the 2022 Share Awarded Scheme, subject to their respective acceptance. Details of the grant are as follows:

Categories of Award Grantee

Name of Award Grantee	Position Held and Relationship with the Company	Number of Awarded Shares
Mr. Camillo Pane	Chief executive officer	840,000
Prof. Ding Yuan	Independent non-executive Director	80,000

Vesting period

The Awarded Shares shall vest according to the following schedule:

Name of Award Grantee	Vesting Date	Number of Awarded Shares to be vested (subject to fulfilment of vesting conditions)
Mr. Camillo Pane	1 April 2024	210,000
	1 April 2025	630,000
Prof. Ding Yuan	1 April 2024	32,000
	1 April 2025	48,000

Awarded Shares to be satisfied with existing Shares

In accordance with the 2022 Share Award Scheme, the Trustee shall transfer such Shares to the Award Grantees at no consideration upon the satisfaction of the relevant vesting conditions specified by the Board.

Pursuant to the 2022 Share Award Scheme, conditional upon the execution by such Award Grantees of acceptance of the grant letters in relation to the Granted Awarded Shares, the Award granted to Award Grantees will be satisfied by Shares purchased and currently held by the Trustee.

Prof. Ding Yuan, being a Director of the Company, and Mr. Camillo Pane, being the chief executive officer of the Company, are connected persons of the Company. Pursuant to Rule 17.04(1) of the Listing Rules, the grant of the Awarded Shares to Award Grantees has been approved by the independent non-executive Directors of the Company. Prof. Ding Yuan has abstained from voting so far as the resolution for the approval of the grant of the Awarded Shares to him was concerned.

The grant of Share Options to Mr. Camillo Pane and the grants of Awarded Shares to each of Mr. Camillo Pane and Prof. Ding Yuan form part of his remuneration under his service contract or appointment letter (as the case may be) entered into with the Company and therefore is exempt from the reporting, announcement and independent shareholders' approval requirements pursuant to Rules 14A.73(6) and 14A.95 of the Listing Rules.

To the best of the knowledge, information and belief of the Directors of the Company having made all reasonable enquiry, the Trustee is a third party independent of the Company and is not a connected person of the Company, or a director or a substantial shareholder (as defined under the Listing Rules) of the Group.

DEFINITIONS

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

“2020 Share Option Scheme”	the share option scheme adopted by the Company on 8 May 2020
“2022 Share Award Scheme”	the share award scheme adopted by the Company on 11 January 2022
“Award(s)”	award of Shares by the Company pursuant to the 2022 Share Award Scheme to any Selected Participant(s)
“Award Grantee(s)”	Mr. Camillo Pane and Prof. Ding Yuan
“Awarded Shares”	in respect of any Selected Participant(s), such number of Shares determined by the Board and granted to such Selected Participant(s) pursuant to the 2022 Share Award Scheme
“Board”	the board of Directors
“Company”	Health and Happiness (H&H) International Holdings Limited (健合(H&H)國際控股有限公司), a limited liability incorporated in the Cayman Islands, the shares of which are listed on the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“Date of Grant”	5 September 2023, being the date of the grant of the Share Options and Awarded Shares
“Director(s)”	director(s) of the Company

“Eligible Participant(s)”	any bona fide employee of the Company or of any subsidiary, provided always that such term shall exclude any person who at the relevant time has tendered his resignation or who is working out his period of notice pursuant to his employment contract or otherwise selected by the Board for participation in the 2022 Share Award Scheme
“Granted Awarded Shares”	a total of 920,000 Awarded Shares granted to the Award Grantees on 5 September 2023, conditional upon the execution by such Award Grantees of acceptance of the grant letters
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Option Grantee”	Mr. Camillo Pane
“Remuneration Committee”	the remuneration committee of the Board
“Selected Participant(s)”	those Eligible Participants selected by the Board for participation in the 2022 Share Award Scheme
“Share(s)”	ordinary shares of HK\$0.01 each in the capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the meaning ascribed thereto in the Listing Rules
“Trust”	the 2022 H&H Share Award Scheme Trust from which Awarded Shares may be granted to selected participants pursuant to the 2022 Share Award Scheme
“Trustee”	BOCI-Prudential Trustee Limited, the trustee of the Trust

By Order of the Board
Health and Happiness (H&H) International Holdings Limited
Luo Fei
Chairman

Hong Kong, 5 September 2023

As at the date of this announcement, the executive directors of the Company are Mr. Luo Fei and Mr. Wang Yidong; the non-executive directors of the Company are Mrs. Laetitia Albertini, Dr. Zhang Wenhui and Mr. Luo Yun; and the independent non-executive directors of the Company are Mr. Tan Wee Seng, Mrs. Lok Lau Yin Ching and Professor Ding Yuan.