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Yoho Group Holdings Limited

友和集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2347)

GRANT OF SHARE OPTIONS

This announcement is made pursuant to Rule 17.06A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The board (the “**Board**”) of directors (the “**Directors**”) of Yoho Group Holdings Limited (“**Company**”, and together with its subsidiaries, the “**Group**”) announces that on 22 September 2023, the Company has granted an aggregate of 14,504,000 share options (the “**Share Options**”) to Dr. Leung Shek Ling Olivia (“**Dr. Leung**”), an independent non-executive Director, and certain employees of the Company (the “**Employee Participants**”) (collectively, the “**Grantees**” and each a “**Grantee**”) under the share option scheme adopted by the Company on 20 May 2022 (the “**Share Option Scheme**”), subject to acceptance by the Grantees. The Share Options shall entitle the Grantees to subscribe for a total of 14,504,000 new ordinary shares in the nominal value of US\$0.0001 each in the capital of the Company (the “**Shares**”). The Share Options represent, upon full exercise, approximately 2.9% of the total number of issued Shares as of the date of this announcement.

The Employee Participants comprise a total of 65 employees of the Group, extending across diverse departments and hierarchical levels, from frontline junior staff to the Group’s senior managerial personnel. The grant of Share Options was predicated on a set of objective evaluation criteria which take into account the tenure, performance, and contributions that participants have made towards the Group’s business achievements. Such evaluation criteria seeks to ensure that employees of all levels have an equal opportunity to acquire share options and partake in the Group’s growth and successes while embodying the Group’s core values of fairness and impartiality.

Through the grant of the Share Options, the Board seeks to retain and to motivate the Employee Participants to contribute towards the continuous operations and development of the Group and to further closely align their interests with that of the Company and the its shareholders (the “**Shareholders**”) as a whole; in particular, the Share Options are intended to incentivise the Employee Participants to work towards delivering positive operating results, performance and growth for the Group in a diligent and efficient manner, with the objective of achieving value creation for the Shareholders. This is achieved through potential gains and

benefits that may accrue towards a holder of the Share Options (including optionality of the Share Options pre-exercise, as well as gains from future capital appreciation of, and rights to entitlements attached to, underlying Shares post-exercise) which correlates directly to, and are driven by their contribution towards, positive performance of the Group.

Further, a grant of Share Options was made to Dr. Leung, an independent non-executive Director who joined our Group in July 2023. In line with the purpose of the Share Option Scheme, the grant of Share Options to Dr. Leung is intended to incentivise her retention with the Group with an equity-based remuneration element; which seeks to align her interests as a Board member with that of the Company and the Shareholders as a whole. Such grant takes into account benefits which are expected to accrue to the Group from the continued engagement of Dr. Leung as an independent non-executive Director (including, without limitation, from the perspectives of promoting good corporate governance and development of business strategy; through the insights, recommendations, independent opinions and judgment which she is expected to bring through participation on the Board and its various committees) with reference to her background and experience which is well-suited for such role.

A summary of the Share Options granted and the terms thereof (subject to the terms of the Share Option Scheme) are set out below:

Date of grant (“Date of Grant”)	: 22 September 2023	
Acceptance period	: From Date of Grant to 28 September 2023 (i.e. within 7 days from and inclusive of the Date of Grant)	
Total number of Share Options granted	: 14,504,000 Share Options	
Number of Share Options granted (by category of Grantees)	:	Total number of Share Options granted
	<i>Board member</i>	
	Dr. Leung (<i>Independent non-executive Director</i>)	448,000
	Employee Participants	14,056,000
Total number of Shares that may be allotted and issued upon full exercise of the Share Options granted	: 14,504,000 Shares (each Share Option shall entitle the holder of the Share Option to subscribe for one Share)	

**Exercise price of
Share Options granted**

: Details of the exercise price of Share Options granted to Dr. Leung and the Employee Participants are set forth in the following table:

Exercise price of Share Options granted	Number of Share Options granted		Total
	Dr. Leung (Independent non-executive Director)	Employee Participants (in aggregate)	
HK\$1.00	64,000	2,008,000	2,072,000
HK\$1.50	64,000	2,008,000	2,072,000
HK\$2.00	64,000	2,008,000	2,072,000
HK\$2.50	64,000	2,008,000	2,072,000
HK\$3.00	64,000	2,008,000	2,072,000
HK\$3.50	64,000	2,008,000	2,072,000
HK\$4.00	64,000	2,008,000	2,072,000

The above exercise prices for the Share Options granted exceed the minimum exercise price for Share Options prescribed under the Share Option Scheme, being no less than the higher of the following:

- (i) HK\$0.66 per Share, being the closing price of the Shares as stated in the daily quotation sheet issued by The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on the Date of Grant;
- (ii) HK\$0.67 per Share, being the average closing price of the Shares as stated in the daily quotation sheet issued by the Stock Exchange for the five business days immediately preceding the Date of Grant; and
- (iii) US\$0.0001 per Share, being the nominal value of a Share on the Date of Grant.

**Closing price of Shares on the
Date of Grant**

: HK\$0.66 per Share

Consideration of the grant

: HK\$1.00, to be paid by a Grantee upon acceptance of Share Options granted to the Grantee

Exercise period of the Share Options

: The Share Options shall be exercisable from the date of acceptance of the Grant by the Grantee to 21 September 2033 (both days inclusive), subject that the expiry of the exercise period for a Grantee may be accelerated upon occurrence of certain events set out in the Share Option Scheme (for example, where the Grantee ceases to be an employee).

Share Options shall lapse upon the expiry of the exercise period.

Vesting period of the Share Options

- : (i) 25% of the Share Options shall vest on 22 September 2024
- (ii) 25% of the Share Options shall vest on 22 September 2025
- (iii) 25% of the Share Options shall vest on 22 September 2026
- (iv) 25% of the Share Options shall vest on 22 September 2027

Performance target and clawback mechanism

: There is no performance target attached to the Share Options. The grants of Share Options are not subject to any clawback mechanism for the Company to recover, but the Company shall be entitled, subject to applicable laws, to deem any outstanding Option or any part thereof granted (to the extent not already exercised) as lapsed where a Grantee ceases to qualify as an eligible participant (e.g. ceases to an employee in respect of Employee Participants) under the Share Option Scheme.

The remuneration committee of the Board (the “**Remuneration Committee**”) is of the view that performance targets are not necessary as (i) the value of the Share Options is subject to the future market price of the Shares, which, in turn, depends on the business performance of the Group, to which the Grantees would directly contribute, and the grantees will benefit more from the Share Options if the Share price increases; and (ii) the Share Options are subject to the vesting periods as stated above and may lapse where the Grantee cease to qualify as an eligible participant (e.g. an employee in respect of Employee Participants) under the Share Option Scheme, and the Board are of the view that such mechanisms would motivate the Grantees to be retained for continued contribution to the Group’s development.

In addition, the Remuneration Committee is of the view that a clawback mechanism is not necessary considering that the lapse and cancellation of Share Options under various scenarios has already been provided for under the Share Option Scheme, which could adequately safeguard the Company's interests.

The Remuneration Committee and the Board believe that, even without additional performance target and clawback mechanism, the grant of the Share Options could align the interests of the Grantees with that of the Company and its Shareholders as a whole (in particular, it would serve to incentivise and reinforce the long-term commitment and devotion of the Grantees towards the future development, results of operation and growth of the Group) which is in line with the purpose of the Share Option Scheme.

Financial assistance : The Group has not provided any financial assistance to the Grantees to facilitate the purchase of Shares under the Share Option Scheme.

The grant of the Share Options to Dr. Leung has been approved by the independent non-executive Directors (other than Dr. Leung) pursuant to Rule 17.04(1) of the Listing Rules. Dr. Leung has abstained from voting so far as the resolution for the approval of the grant of Share Options to her was concerned. Save as disclosed above, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, none of the Grantees is (i) a Director, chief executive or substantial shareholder of the Company or any of their respective associate (as defined under the Listing Rules), or otherwise a connected person of the Company; (ii) a participant with options granted and to be granted exceeding the 1% individual limit under Rule 17.03D of the Listing Rules; or (iii) a related entity participant or service provider with options granted and to be granted in any 12-month period exceeding 0.1% of the issued Shares, as at the date of this announcement.

The grant of Share Options is not subject to approval by the Shareholders. Upon granting the Share Options, the number of Shares available for future grant pursuant to the Share Option Scheme becomes 22,696,000 Shares, subject to refreshment of the scheme mandate limit.

By Order of the Board
Yoho Group Holdings Limited
Wu Faat Chi
Chairman and Executive Director

Hong Kong, 22 September 2023

As at the date of this announcement, the Board comprises Mr. Wu Faat Chi and Ms. Tsui Ka Wing as executive Directors; Mr. Man Lap, Mr. Hsieh Wing Hong Sammy and Mr. Adamczyk Alexis Thomas David as non-executive Directors; and Dr. Qian Sam Zhongshan, Dr. Leung Shek Ling Olivia and Mr. Ho Yun Tat as independent non-executive Directors.