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UMP HEALTHCARE HOLDINGS LIMITED

聯合醫務集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 722)

**AMENDMENTS TO THE SHARE AWARD SCHEME,
TERMINATION OF THE POST-IPO SHARE OPTION SCHEME,
AND
PROPOSED ADOPTION OF THE 2023 SHARE OPTION SCHEME**

As at the date of this announcement, the Company operates the Post-IPO Share Option Scheme and the Share Award Scheme. The Post-IPO Share Option Scheme allows the Company to grant Options over new Shares to eligible persons, while the Share Award Scheme allows the Company to grant existing Shares to eligible persons. Save for the aforesaid, as at the date of this announcement, the Company does not maintain any other share schemes.

In view of the amendments to Chapter 17 of the Listing Rules which have taken effect from 1 January 2023 and with a view to providing more flexibility in long term planning of granting of share options and/or share awards in order to provide appropriate incentives or rewards to suitable and Eligible Persons, on 1 November 2023, the Company proposed to:

- (a) amend the Share Award Scheme; and
- (b) terminate the Post-IPO Share Option Scheme and adopt the 2023 Share Option Scheme.

Pursuant to the rules of the Share Award Scheme, the Share Award Scheme may be amended by a resolution of the Board. Given that the Share Award Scheme, upon the effective date of the Proposed Amendments, will involve granting of awards funded solely by existing Shares and does not involve issue of new Shares, the Proposed Amendments to the Share Award Scheme will not be subject to Shareholders' approval pursuant to Chapter 17 of the Listing Rules. The Proposed Amendments to the Share Award Scheme have been approved by the Board and will take effect from the Amendment Date (which is expected to be the date of the EGM).

Pursuant to the rules of the Post-IPO Share Option Scheme, the Board may terminate the Post-IPO Share Option Scheme at any time without shareholder's approval. Given that (i) the Company proposes to adopt the 2023 Share Option Scheme at the EGM; and (ii) the Company does not intend to grant any Options under the Post-IPO Share Option Scheme before the adoption of the 2023 Share Option Scheme, the Board has resolved to terminate the Post-IPO Share Option Scheme with effect from the Adoption Date (which is expected to be the date of the EGM) and conditional upon the adoption of the 2023 Share Option Scheme.

The adoption of the 2023 Share Option Scheme is subject to, among others, Shareholders' approval at the EGM.

INTRODUCTION

As at the date of this announcement, the Company operates the Post-IPO Share Option Scheme and the Share Award Scheme. The Post-IPO Share Option Scheme allows the Company to grant Options over new Shares to eligible persons, while the Share Award Scheme allows the Company to grant existing Shares to eligible persons. Save for the aforesaid, as at the date of this announcement, the Company does not maintain any other share schemes.

In view of the amendments to Chapter 17 of the Listing Rules which have taken effect from 1 January 2023 and with a view to providing more flexibility in long term planning of granting of share options and/or share awards in order to provide appropriate incentives or rewards to suitable and Eligible Persons, on 1 November 2023, the Company proposed to:

- (a) amend the Share Award Scheme; and
- (b) terminate the Post-IPO Share Option Scheme and adopt the 2023 Share Option Scheme.

AMENDMENTS TO THE SHARE AWARD SCHEME

The Share Award Scheme was adopted on 30 June 2016 which is valid and effective for a term of ten years from its adoption date, subject to any early termination thereof as determined by the Board. As at the date of this announcement, there is no outstanding award under the Share Award Scheme.

Pursuant to the rules of the Share Award Scheme, the Share Award Scheme may be amended by a resolution of the Board. Given that the Share Award Scheme, upon the effective date of the Proposed Amendments, will solely involve purchasing and granting of existing Shares and will not involve issue of new Shares, the Proposed Amendments to the Share Award Scheme will not be subject to Shareholders' approval pursuant to Chapter 17 of the Listing Rules.

Conditional upon the 2023 Share Option Scheme having been approved by the Shareholders at the EGM, the Board resolved to amend the following key terms of the Share Award Scheme which will take effect from the Amendment Date (which is expected to be the date of the EGM):

(a) Duration of the Share Award Scheme

The Share Award Scheme shall be valid and effective for a further term of 10 years commencing on the Amendment Date.

(b) Eligible Persons for the Share Award Scheme

The following classes of persons (other than Excluded Person) are eligible for being selected for participation in the Share Award Scheme:

- (i) director(s) and employee(s) of the Company or any of its Subsidiaries (including persons who are granted options or awards under the 2023 Share Option Scheme as an inducement to enter into employment contracts with these companies);
- (ii) director(s) and employee(s) of any member of the Related Entity; and
- (iii) Service Provider(s).

(c) Scheme Limit

The Board shall not make any further award of awarded Shares which will result in the aggregate number of the Shares awarded by the Board under the Share Award Scheme exceeding ten per cent (10%) of the Shares of the Company in issue as at the Amendment Date.

The maximum number of Shares which may be awarded to a selected participant under the Share Award Scheme in the 12-month period up to and including the date of such grant shall not in aggregate exceed one per cent (1%) of the issued share capital of the Company.

(d) Voting Rights

The Trustee shall not exercise the voting rights in respect of any Shares held under the Trust including but not limited to the awarded Shares.

TERMINATION OF THE POST-IPO SHARE OPTION SCHEME

The Post-IPO Share Option Scheme was adopted by the Company on 13 November 2015 which is valid and effective for a period of ten years from 27 November 2015.

As at the date of this announcement, (i) the Company has 25,740,000 outstanding share options granted under the Post-IPO Share Option Scheme which shall continue to be valid and exercisable during the prescribed exercise period in accordance with the Post-IPO Share Option Scheme; (ii) the maximum number of share options that can be granted by the Company under the Post-IPO Share Option Scheme was 47,860,000; and (iii) the Company does not intend to grant further share options under the Post-IPO Share Option Scheme prior to the EGM.

As at the date of this announcement, the Company has no other subsisting share option scheme other than the Post-IPO Share Option Scheme.

Pursuant to the rules of the Post-IPO Share Option Scheme, the Board may terminate the Post-IPO Share Option Scheme at any time without shareholder's approval. Given that (i) the Company proposes to adopt the 2023 Share Option Scheme at the EGM; and (ii) the Company does not intend to grant any Options under the Post-IPO Share Option Scheme before the adoption of the 2023 Share Option Scheme, the Board has resolved to terminate the Post-IPO Share Option Scheme with effect from the Adoption Date (which is expected to be the date of the EGM) and conditional upon the adoption of the 2023 Share Option Scheme.

PROPOSED ADOPTION OF THE 2023 SHARE OPTION SCHEME

The Board proposed the adoption of the 2023 Share Option Scheme, the provisions of which will comply with the requirements of the amended Chapter 17 of the Listing Rules. The 2023 Share Option Scheme will be valid for ten years from the Adoption Date.

The purpose of the 2023 Share Option Schemes is to replace the Post-IPO Share Option Scheme and to enable the Company to grant Options to the selected Eligible Persons as incentives or rewards for their contribution or potential contribution to the development and long-term growth of the Group to assist the Group in its recruitment and retention of high calibre professionals, executives and employees who are instrumental to the growth and development of the Group.

Eligible Persons

Eligible Persons of the 2023 Share Option Scheme include Employee Participants, Related Entity Participants and Service Providers who the Board considers, in its sole discretion, to have contributed or will contribute to the Group.

Scheme Mandate Limit and Service Provider Sublimit

As at the date of this announcement, the number of issued Shares was 810,955,244 Shares. Assuming that there will be no change in the number of issued Shares between the date of this announcement and the Adoption Date, the total number of Shares which may be issued upon exercise of all Options to be granted under the 2023 Share Option Scheme together with all options and awards which may be granted under any other share schemes for the time being of the Company would be 81,095,524 Shares, representing approximately 10% of the issued share capital of the Company as at the Adoption Date (the “**Scheme Mandate Limit**”).

Within the Scheme Mandate Limit, the total number of Shares which may be issued upon exercise of all Options to be granted to Service Providers under the 2023 Share Option Scheme and any Options or awards granted under any other share scheme of the Company involving issue of the new Shares shall not in aggregate exceed two per cent (2%) of the Shares in issue as at the Adoption Date (the “**Service Provider Sublimit**”). Assuming that there will be no change in the number of issued Shares between the date of this announcement and the Adoption Date, the Service Provider Sublimit would be 16,219,104 Shares, representing approximately 2% of the total number of Shares in issue on the Adoption Date. The Service Provider Sublimit is subject to separate approval by the Shareholders at the EGM.

Vesting Period

The vesting of any Options under the 2023 Share Option Scheme shall be subject to a vesting period to be determined by the Board and the remuneration committee of the Board in their absolute discretion, which shall be specified in the offer letter.

Only insofar as and for so long as the Listing Rules require, the vesting period for an Option under the 2023 Share Option Scheme shall not be less than 12 months, unless the Board and the remuneration committee of the Board determine in their sole discretion that the Options granted to Employee Participants may be less than 12 months under specific circumstances to be specified in the 2023 Share Option Scheme.

Performance Target

Any grant of Options under the 2023 Share Option Scheme may be subject to a performance target so as to achieve the purpose of the 2023 Share Option Scheme which, if any, shall be set out in the relevant offer letter in relation to the grant of Options issued to each selected Eligible Person. Where Options are granted to the Directors and/or senior managers without performance targets, such grants shall be further subject to the approval of the remuneration committee of the Board and any other requirements under the Listing Rules.

Option Price

Subject to any adjustment made in accordance with the rules of the 2023 Share Option Scheme, the Option Price shall be such price as determined by the Board and shall not be less than the higher of:

- (a) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the Offer Date; and
- (b) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five Business Days immediately preceding the Offer Date.

Clawback

If the Board determines that an Option-holder who ceases to be an Eligible Person in certain circumstances (e.g., having committed a misconduct justifying termination of Contract, breach of any material term of Contract, etc.) such that his Options continue to subsist in accordance with the rules of the 2023 Share Option Scheme, then it may, in its absolute discretion, determine that any unexercised Options, vested or not vested, held by the Option-holder shall immediately lapse upon the Board resolving to make such determination (without the approval of the Option-holder and whether or not the Option-holder has been notified of the determination). Any grants of Options to the Directors and senior management of the Company without Clawback mechanism, shall be further subject to the approval of the remuneration committee of the Board and any other requirements under the Listing Rules.

Conditions of the 2023 Share Option Scheme

For the purpose of Chapter 17 of the Listing Rules, the 2023 Share Option Scheme will constitute a share scheme involving the grant by the Company of Options over new Shares. Accordingly, the adoption of the 2023 Share Option Scheme will be subject to, among others, the Shareholders' approval at the EGM.

The 2023 Share Option Scheme shall take effect subject to and conditional upon:

- (a) the passing of the resolutions by the Shareholders to approve and adopt the 2023 Share Option Scheme and to authorize the Board to grant Options pursuant to the 2023 Share Option Scheme and to allot and issue Shares pursuant to the exercise of any Options; and
- (b) the Listing Committee (as defined in the Listing Rules) granting (or agreeing to grant) approval (subject to such conditions as the Stock Exchange may impose) for the listing of, and permission to deal in, the Shares which may fall to be issued pursuant to the exercise of any Options which may be granted under the 2023 Share Option Scheme.

Application for listing

Application will be made to the Listing Committee of the Stock Exchange for the granting of the listing of and the permission to deal in the new Shares which may be allotted and issued pursuant to the 2023 Share Option Scheme.

As of the date of this announcement, no Shareholder had a material interest in the adoption of the 2023 Share Option Scheme. As such, no Shareholder is required to abstain from voting on the resolution in relation thereto.

Other information

As at the date of this announcement, the Company had no intention to grant any Options to any of the Eligible Persons upon the 2023 Share Option Scheme taking effect. No trustee will be appointed under the 2023 Share Option Scheme. None of the Directors is and will be trustee of the 2023 Share Option Scheme or has a direct or indirect interest in the trustee. With respect to the operation of the 2023 Share Option Scheme, the Company will, where applicable, comply with the relevant requirements under Chapter 17 of the Listing Rules.

The Directors consider that it is not appropriate to disclose the value of all Share Options that can be granted pursuant to the 2023 Share Option Scheme as if they had been granted on the date of this announcement as a number of variables which are crucial for the calculation of such value have not been determined at this stage. Such variables include but not limited to the subscription price, exercise period, vesting period and other relevant factors (if any). The Board believes that any calculation of the value of any Share Option as if they had been granted as at the date of this announcement would be based on a number of speculative assumptions and therefore would not be meaningful or representative, and could also potentially be misleading to the Shareholders.

CIRCULAR

A circular of the Company containing, among others, details of the principal terms of the 2023 Share Option Scheme, together with a notice convening the EGM will be despatched to the Shareholders in accordance with the requirements of the Listing Rules in due course.

DEFINITIONS

“2023 Share Option Scheme”	the new share option scheme of the Company for the Eligible Person(s) proposed for adoption by the Company at the EGM
“Adoption Date”	the date (which is expected to be the date of the EGM) on which the 2023 Share Option Scheme is conditionally adopted by ordinary resolutions to be passed by the Shareholders at the EGM
“AGM”	the annual general meeting of the Company to be held immediately before the EGM on the same date and at the same venue
“Amendment Date”	the date on which the Proposed Amendments take effect (which is expected to be the date of the EGM)
“Board”	the board of Directors and if the context so permits, it shall include such committee or other delegate of the board of directors of the Company to administer the 2023 Share Option Scheme or the Share Award Scheme (as the case may be)
“Business Day”	a day on which the Stock Exchange is open for the business of dealing in securities
“Clawback”	means in respect of any Options granted to a selected Eligible Person, the lapse of all or a specified part of such outstanding Options granted to such selected Eligible Person but unexercised Options (vested or not vested), without the approval of the relevant Option-holder
“Company”	UMP Healthcare Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange

“Contract”	in relation to an employee or a director, his contract of employment or service contract with his employer or any member of the Group or Related Entity (as amended from time to time), whether or not such contract is written or oral and comprised in one or more documents
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held at 16th Floor, Wing On House, 71 Des Voeux Road Central, Hong Kong on Friday, 24 November 2023 at 3:00 p.m. (or immediately after the conclusion or adjournment of the AGM, whichever is later) for the purpose of considering and, if thought fit, approving the resolutions proposed in the notice of EGM
“Eligible Person(s)”	means (i) director(s) and employee(s) of the Company or any of its Subsidiaries (including persons who are granted options or awards under the 2023 Share Option Scheme as an inducement to enter into employment contracts with these companies) (the “ Employee Participant(s) ”); (ii) director(s) and employee(s) of any member of the Related Entity (“ Related Entity Participant(s) ”); and (iii) Service Provider(s)
“Excluded Person”	any Eligible Person of the Share Award Scheme who is resident in a place where the award of the awarded Shares and/or the vesting and transfer of the awarded Shares pursuant to the terms of the Share Award Scheme is not permitted under the laws or regulations of such place or where in the view of the Board or the Trustee (as the case may be), compliance with applicable laws or regulations in such place makes it necessary or expedient to exclude such Eligible Person
“Group”	means, the Company together with its Subsidiaries, and a member of the Group means any of the aforementioned entity
“Listing Rules”	means the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“Offer Date”	the date on which an offer of Option(s) is made to an Eligible Person pursuant to the 2023 Share Option Scheme

“Option Price”	means in respect of any Option the price determined by the Board and notified to an Option-holder
“Option(s)”	a right to subscribe for Shares granted pursuant to the Post-IPO Share Option Scheme, and/or the 2023 Share Option Scheme (as the case may be), and all other share option scheme(s) of the Company (if any)
“Option-holder(s)”	means a person holding an Option (and, where relevant, includes his personal representatives)
“Post-IPO Share Option Scheme”	the existing share option scheme of the Company adopted by the Company on 13 November 2015
“Proposed Amendments”	the proposed amendments to the Share Award Scheme as approved by the Board which will take effect from the Amendment Date
“Related Entity(ies)”	means the holding companies, fellow subsidiaries or associated companies of the Company and a member of the Related Entity means any of the aforementioned entity
“Service Provider(s)”	any person(s) and entity(ies) who provides services to the Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of long-term growth of the Group including but not limited to medical practitioners, physiotherapists, radiographers, imaging and laboratory technicians, consultants and advisers , but excluding placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions or professional service providers such as auditors or valuers who provide assurance, or are required to perform their services with impartiality and objectivity
“Share Award Scheme”	the share award scheme of the Company adopted by the Company on 30 June 2016
“Share(s)”	ordinary share(s) of HK\$0.001 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Subsidiary” or “Subsidiaries”	has the meaning ascribed to this term under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended or supplemented or otherwise modified from time to time
“Trust”	the trust constituted by the Trust Deed
“Trust Deed”	a trust deed entered into between the Company as settlor and the Trustee as trustee (as restated, supplemented and amended from time to time) in respect of the appointment of the Trustee for the administration of the Share Award Scheme;
“Trustee”	such person appointed by the Company for administration of the Share Award Scheme pursuant to the Trust Deed
“%”	per cent

On behalf of the Board
UMP Healthcare Holdings Limited
SUN Yiu Kwong
Chairman

Hong Kong, 1 November 2023

As at the date of this announcement, the Executive Directors of the Company are Dr. SUN Yiu Kwon (Chairman), Dr. SUN Man Kin, Michael (Vice-chairman and Co-Chief Executive Officer), Ms. KWOK Cheuk Kwan, Jacquen (Co-Chief Executive Officer), Mr. TSANG On Yip, Patrick, Dr. LEE Pak Cheung, Patrick and Dr. LEE Kar Chung, Felix; and the Independent Non-executive Directors are Mr. LEE Luen Wai, John, Dr. LI Kwok Tung, Donald, Mr. YEUNG Wing Sun, Mike and Mr. CHAU, Chit Jeremy.