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## **Meihao Medical Group Co., Ltd**

**美皓醫療集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1947)**

### **ADOPTION OF SHARE AWARD SCHEME AND GRANT OF AWARDED SHARES**

#### **ADOPTION OF SHARE AWARD SCHEME**

The Board is pleased to announce that it has resolved to adopt the Share Award Scheme on 16 January 2024. The objectives of the Share Award Scheme are: (i) to recognize the contributions by certain Eligible Participants and to provide them with incentives in order to retain them for the continual operation and development of the Group; and (ii) to attract suitable personnel for further development of the Group.

As set out in the Scheme Rules, Eligible Participants include: (i) any employees of the Group; (ii) any employees of the holding companies, fellow subsidiaries or associated companies of the Company; and (iii) any persons who provide services to any members of the Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long-term growth of the Group, provided any such person is not a connected person of the Group. Although the Scheme Rules allows the granting of Awards to non-employees, the Company currently has no intention to grant any Award to non-employee participants.

The Board may from time to time cause to be paid a Contributed Amount to the Trust by way of settlement or otherwise contributed by the Company, any Subsidiary, any significant shareholder or any party designated by the Company as directed by the Board which shall constitute part of the trust fund, for the purchase of Awarded Shares and other purposes set out in the Scheme Rules and the Trust Deed.

The Board believes that the current share price of the Company significantly undervalues the Company's business performance and underlying value, which represents a good opportunity to acquire Shares to satisfy the award of Shares under the Scheme in the future. The Board believes that the acquisition of Shares for the satisfaction of the award of Shares under the Share Award Scheme as incentive will create value for the Shareholders, and the current financial position of the Group enables the Company to provide the necessary funding to the Trustee to carry out the Share acquisition while maintaining sufficient financial resources for continued growth of the Group's operations.

The Share Award Scheme will purchase the existing Shares through the Trustee on the secondary market at the market trading price. The Share Award Scheme was contemplated and adopted to be funded solely by the existing Shares. The Share Award Scheme constitutes a share scheme under Chapter 17 of the Listing Rules and shall be subject to the applicable disclosure requirements under Rule 17.12 of the Listing Rules. However, it does not constitute a scheme involving the issue of new shares as referred to in Chapter 17 of the Listing Rules. Therefore, the adoption of Share Award Scheme will not be subject to Shareholders' approval.

#### **GRANT OF AWARDED SHARES**

On 16 January 2024, based on the recommendation of the Remuneration Committee, the Board resolved to grant a total of 24,000,000 Awarded Shares, which will be satisfied by existing Shares to be purchased by the Trustee from the open market by utilising the Company's internal resources provided to the Trustee, to four selected employees of the Group, pursuant to the Share Award Scheme at nil consideration, subject to acceptance by the Grantees.

#### **ADOPTION OF THE SHARE AWARD SCHEME**

The Board is pleased to announce that it has resolved to adopt the Share Award Scheme on 16 January 2024. The principal terms of the Scheme Rules are set out below.

#### **Summary of the Scheme Rules**

##### ***Purposes and objectives***

The objectives of the Share Award Scheme are:

- (i) to recognize the contributions by certain Eligible Participants and to provide them with incentives in order to retain them for the continual operation and development of the Group; and
- (ii) to attract suitable personnel for further development of the Group.

### ***Eligible Participants***

As set out in the Scheme Rules, Eligible Participants include: (i) any employees of the Group; (ii) any employees of the holding companies, fellow subsidiaries or associated companies of the Company; and (iii) any persons who provide services to any members of the Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long-term growth of the Group, provided any such person is not a connected person of the Group. Although the Scheme Rules allows the granting of Awards to non-employees, the Company currently has no intention to grant any Award to non-employee participants.

### ***Duration***

Subject to any early termination as may be determined by the Board, the Scheme shall be valid and effective for a term of ten years commencing on the Adoption Date, after which no further Awards will be granted.

### ***Administration***

The Share Award Scheme is subject to the administration of the Board and the Trustee in accordance with the Scheme Rules and the Trust Deed.

To the extent permissible under the Listing Rules and other applicable laws and regulations, the Board may resolve to delegate to another committee of the Board or to one or more officers of the Company any or all of the authority and responsibility of the Board under the Scheme Rules and the Trust Deed.

The Board may from time to time cause to be paid a Contributed Amount to the Trust which shall constitute part of the trust fund, for the purchase of Shares and other purposes set out in the Scheme Rules and the Trust Deed. The grant of Awards would not cause any dilution of shareholding to any Shareholders.

### ***Scheme limit and individual sublimit***

The Board shall not make any further grant of Award such that the total number of Shares granted under the Share Award Scheme will exceed 10% of the total number of issued Shares as of the Adoption Date. On the basis that the total number of issued Shares as of the Adoption Date is 600,000,000 Shares, the aforesaid 10% limit represents a total of 60,000,000 Shares.

The maximum number of Shares which may be awarded to a Selected Participant under the Share Award Scheme shall not exceed 1% of the issued share capital of the Company in any 12-month period.

The aforesaid limits shall always be subject to the compliance with the Listing Rules that are in-force from time-to-time, including the requirement on maintaining a minimum public float.

### ***Restrictions***

Prior to the vesting of any Awarded Shares, any Award made under the Share Award Scheme shall be personal to the Selected Participant to whom it is made and shall not be assignable nor transferrable and no Selected Participant shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any other person over or in relation to any unvested Awarded Shares referable to him pursuant to such Award or enter or purport to enter into any agreement to do so, unless and until such Awarded Shares are actually vested in and transferred to the Selected Participant and/or a vehicle controlled by him/her (such as a trust or a private company).

Prior to the vesting of any Awarded Shares, a Selected Participant is not entitled to any interest or rights attaching to the unvested Awarded Shares, including but not limited to voting rights and rights to receive dividends.

No Award shall be made by the Board and no instructions to acquire Shares shall be given to the Trustee under the Share Award Scheme when dealings in the Shares are prohibited under any code or requirement of the Listing Rules and all applicable laws from time to time.

The Board may, at any time after it has instructed the Trustee to purchase any Shares in accordance with the provisions in the Trust Deed, instruct the Trustee in writing to cease purchasing Shares or to suspend purchasing Shares until further notice (without specifying any reasons therefor). The Board may also instruct the Trustee in writing to cease receiving any transfer, gift, assignment or conveyance of Shares or to suspend receiving any transfer, gift, assignment or conveyance of Shares until further notice (without specifying any reasons therefor).

### ***Operation***

The Board may, from time to time, at its sole and absolute discretion select any Eligible Participant for participation in the Share Award Scheme as a Selected Participant and grant an Award to any Selected Participant at such consideration (if any) subject to such terms and conditions as the Board may in its sole and absolute discretion determine.

The Board may from time to time cause to be paid a Contributed Amount to the Trust by way of settlement or otherwise contributed by the Company, any Subsidiary, any significant shareholder or any party designated by the Company as directed by the Board which shall constitute part of the trust fund, for the purchase of Shares and other purposes set out in the Scheme Rules and the Trust Deed.

The Board believes that the current share price of the Company significantly undervalues the Company's business performance and underlying value, which represents a good opportunity to acquire Shares to satisfy the award of Shares under the Scheme in the future. The Board believes that the acquisition of Shares for the satisfaction of the award of Shares under the Share Award Scheme as incentive will create value for the Shareholders, and the current financial position of the Group enables the Company to provide the necessary funding to the Trustee to carry out the Share acquisition while maintaining sufficient financial resources for continued growth of the Group's operations.

Subject to the Scheme Rules, the Board may from time to time instruct the Trustee in writing to purchase Shares on the Stock Exchange or accept and receive a specified number of Shares from any significant shareholder or any party designated by the Company. Once purchased or received, the Shares are to be held directly or indirectly by the Trustee for the benefit of the Selected Participants under the Trust until they are vested, on and subject to the terms and conditions of the Scheme Rules and the Trust Deed. On each occasion when the Board instructs the Trustee to purchase Shares on the Stock Exchange, it shall specify the maximum amount of funds to be used and the range of prices at which such Shares are to be purchased. The Trustee may not incur more than the maximum amount of funds or purchase any Shares at a price falling outside the range of prices so specified unless with the prior written consent of the Board.

### *Vesting and lapse*

Subject to the terms and conditions of the Scheme Rules and the fulfillment of all vesting conditions to the vesting of the Awarded Shares on such Selected Participant as specified in the Share Award Scheme and the relevant grant instrument, the Awarded Shares held by the Trustee on behalf of the Selected Participant shall vest in such Selected Participant in accordance with the applicable vesting schedule, and the Trustee shall cause the Awarded Shares to be transferred to such Selected Participant in accordance with the terms of Scheme Rules.

In the event of the following matters, all relevant Award(s) made to such Selected Participant shall automatically lapse and the relevant Awarded Shares shall not vest on the relevant vesting date but shall remain part of the trust fund:

- (i) Selected Participant is found to be an Excluded Participant;
- (ii) where such person has committed any act of fraud or dishonesty or serious misconduct whether or not in connection with his employment or engagement by any member of the Group or Related Entities and whether or not it has resulted in his employment or engagement being terminated by the relevant member of the Group or Related Entities;
- (iii) where such person has been declared or adjudged to be bankrupt or has failed to pay his debts as they fall due or has entered into any arrangement or composition with his creditors generally or an administrator has taken possession of any of his/her assets;

- (iv) where such person has been convicted of any criminal offence;
- (v) where such person has engaged in any act that has had or will have a material adverse effect on the reputation or interests of any member of the Group or Related Entities;
- (vi) where such person has been convicted of or is being held liable for any offence under or any breach of the securities laws or regulations in Hong Kong or any other applicable laws or regulations in force from time to time; and
- (vii) where such person ceased to be an employee of the Group (other than the circumstances provided in the Scheme Rules), a Related Entity Participant or ceased to provide service as a Service Provider.

In respect of a Selected Participant who dies or retires by agreement from all members of the Group at any time prior to the vesting date, and unless the Selected Participant has been disqualified pursuant to the terms of the Scheme Rules or the grant instrument of the relevant Selected Participant, all the Awarded Shares of the relevant Selected Participant shall be deemed to be vested on the day immediately prior to his death or the day immediately prior to his retirement from all members of the Group.

### ***Voting rights***

No instructions shall be given by a Selected Participant (including, without limitation, voting rights) to the Trustee in respect of the Awarded Shares that have not been vested, and such other properties of the Trust Fund managed by the Trustee. The Trustee shall abstain from exercising the voting rights in respect of any Shares held directly or indirectly by it under the Trust (if any) (including but not limited to the Awarded Shares, any bonus Shares and scrip Shares derived therefrom).

### ***Termination***

The Share Award Scheme shall terminate on the earlier of:

- (i) the tenth anniversary of the Adoption Date; or
- (ii) such date of early termination as determined by the Board by a resolution of the Board.

## **GRANT OF AWARDED SHARES PURSUANT TO THE SHARE AWARD SCHEME**

On 16 January 2024, based on the recommendation of the Remuneration Committee, the Board resolved to grant a total of 24,000,000 Awarded Shares, which will be satisfied by existing Shares to be purchased by the Trustee from the open market by utilising the Company's internal resources provided to the Trustee, to four selected employees of the Group, pursuant to the Share Award Scheme at nil consideration, subject to acceptance by the Grantees.

Details of the Awarded Shares are as follows:

Date of Grant	:	16 January 2024
Number of Shares granted	:	24,000,000
Number of Grantees	:	Four non-connected employees of the Group
Consideration for the grant	:	Nil
Closing price of the Shares as at the Date of Grant	:	HK\$0.425
Vesting conditions	:	The Awarded Shares shall vest in the Grantees subject to the terms of the Share Award Scheme. Vesting of the Awarded Shares shall be conditional on the Grantee remaining an employee of the Group until and on each of their vesting dates and his/her execution of the relevant documents to effect the transfer from the Trustee.
Vesting date	:	100% of the total number of Awarded Shares granted to each of the Grantees shall vest on the first anniversary of the Date of Grant.
Performance targets	:	There is no performance target attached to the Awarded Shares.
Clawback mechanism	:	In any of the following circumstances, the Board may, at its sole and absolute discretion, require the Grantee to return the gains from the vested Awarded Shares:  (a) the Grantee has committed any act of fraud or dishonesty or serious misconduct in connection with his employment or engagement by any member of the Group and whether or not it has resulted in his employment or engagement or service being terminated by the relevant member of the Group; or

- (b) the Grantee has engaged in any act or omission to perform any of his duties that has had or will have a material adverse effect on the reputation or interests of any member of the Group.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Grantees is a third party independent of the Company and its connected persons.

The 24,000,000 Awarded Shares granted to the Grantees represent approximately 4% of the issued share capital of the Company as at the date of this announcement. The 24,000,000 Awarded Shares represent the value of approximately HK\$10,200,000, taking into account of the closing price of HK\$0.425 per Share as stated in the daily quotation sheets issued by the Stock Exchange on the date of grant.

### **REASONS FOR AND BENEFIT OF THE GRANT OF AWARDED SHARES**

The objectives of the Share Award Scheme are to recognise the contributions by certain Eligible Participants and to provide them with incentives in order to retain them for the continual operation and development of the Group and to attract suitable personnel for further development of the Group.

The purpose of grant of Awarded Shares to the Grantees, comprising the employees of the Group, is to recognise the Grantees' contribution to the business performance and development of the Group, and to incentivise the employees to remain with the Group. As such, the Remuneration Committee holds the view that the grant and its terms are consistent with the purpose of the Share Award Scheme.

The Directors (including the independent non-executive Directors) are of the view that the grant of the Awarded Shares to the Grantees, the respective terms and transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the shareholders of the Company as a whole.

### **NUMBER OF SHARES AVAILABLE FOR FUTURE GRANT**

The 24,000,000 underlying Awarded Shares shall be purchased by the Trustee from the open market by utilising the Company's internal resources provided to the Trustee. Therefore, no new Shares will be required to be issued by the Company. Accordingly, the grant of the Awarded Shares will not result in any dilution effect to the number of total issued Shares upon vesting thereof.

After the grant of the Awarded Shares, a total of 36,000,000 Shares will be available for future grant pursuant to the Share Award Scheme.



## LISTING RULES IMPLICATIONS

The Share Award Scheme was contemplated and adopted to be funded solely by the existing Shares. The Share Award Scheme constitutes a share scheme under Chapter 17 of the Listing Rules and shall be subject to the applicable disclosure requirements under Rule 17.12 of the Listing Rules. However, it does not constitute a scheme involving the issue of new shares as referred to in Chapter 17 of the Listing Rules. Therefore, the adoption of Share Award Scheme will not be subject to Shareholders' approval.

## DEFINITIONS

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

“Adoption Date”	16 January 2024, being the date on which the Board adopted the Share Award Scheme;
“Award”	an award by the Board to a Selected Participant entitling the Selected Participant to receive the Awarded Shares in accordance with the Scheme Rules;
“Awarded Share(s)”	in respect of a Selected Participant, such number of Shares as awarded to him by the Board;
“Board”	the board of Directors, and in relation to the Scheme Rules, if the context so permits, it shall include such committee or sub-committee or person(s) as from time to time delegated with the power and authority by the board of directors of the Company to administer the Scheme and/or to deal with the Trust/Trustee in any manner as authorised by the Board;
“Company”	Meihao Medical Group Co., Ltd (美皓醫療集團有限公司), a company incorporated in the Cayman Islands, the shares of which are listed on the Main Board of the Stock Exchange;
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules;
“Contributed Amount”	cash paid or made available to the Trust by way of settlement or otherwise contributed by the Company, any Subsidiary, any significant shareholder, and/or any party designated by the Company as permitted under the Scheme to the Trust as determined by the Board from time to time;

“Date of Grant”	the date on which the Awarded Shares are granted to a Grantee;
“Director(s)”	director (including independent non-executive director) of the Company;
“Eligible Participant”	any individual being an Employee Participant, Related Entity Participant or Service Provider, provided such person is not a connected person of the Group;
“Employee Participant”	employees (including full-time employees and part-time employees) of the Company or any of its Subsidiaries (including persons who are granted awards under the Scheme as an inducement to enter into employment contracts with these companies);
“Excluded Participant”	any Eligible Participant who is resident in a place where the grant of an Award and/or the vesting and transfer of the Awarded Shares pursuant to the terms of the 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 Participant;
“Grantee”	a Selected Participant who received and agrees to accept an award of Shares under the Share Award Scheme;
“Group”	the Company and its Subsidiaries from time to time, and “member of the Group” means any or a specific one of them;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Purchase Price”	the consideration, if any, as determined at the sole and absolute discretion of the Board, payable by a Selected Participant to the Company for acceptance of an Award;
“Related Entity”	holding companies, fellow Subsidiaries or associated companies of the Company;

“Related Entity Participant”	employees of the holding companies, fellow Subsidiaries or associated companies of the Company;
“Scheme Rules”	the rules of the Share Award Scheme, as may be amended from time to time;
“Selected Participant”	Eligible Participant(s) selected by the Board pursuant to the Scheme Rules for participation in the Share Award Scheme (or his/her legal personal representative or lawful successor as the case may be);
“Service Provider”	persons who provide services to the Company and/or its Subsidiaries on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long-term growth of the Company and/or its associated companies. For the avoidance of doubt, Service Provider may not include placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions, as well as 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” or “Scheme”	the Meihao Share Award Scheme adopted by the Company on the Adoption Date (in its present or any amended form);
“Share(s)”	ordinary shares of HK\$0.01 each in the capital of the Company (or of such other nominal amount as shall result from a sub-division, consolidation, reclassification, reduction or reconstruction of the share capital of the Company from time to time);
“Shareholder(s)”	the shareholder(s) of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subsidiary”	has the meaning given to it by the Listing Rules;
“Trust”	the trust constituted by the Trust Deed;
“Trust Deed”	a trust deed to be entered into between the Company as settlor and the Trustee as trustee of the Trust (as restated, supplemented and amended from time to time); and

“Trustee”

the trustee as appointed under the Trust Deed to act as trustee of the Trust, and any additional or replacement trustees, being the trustee or trustees for the time being of the trusts declared in the Trust Deed.

By order of the Board  
**Meihao Medical Group Co., Ltd**  
**Mr. Wang Xiaomin**  
*Chairman, Chief Executive Officer and Executive Director*

Wenzhou, 16 January 2024

*As at the date of this announcement, the Board of the Company includes the executive Directors Mr. Wang Xiaomin and Ms. Zheng Man; and the independent non-executive Directors Mr. Ng Ming Chee, Ms. Tam Hon Shan Celia and Dr. Zhou Jian.*