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Hygeia Healthcare Holdings Co., Limited

海吉亚医疗控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6078)

PROPOSED ADOPTION OF THE SHARE OPTION SCHEME

BACKGROUND

The Board is pleased to announce that it has resolved to propose the adoption of the Share Option Scheme to further improve the governance structure of the Company and to effectively attract, motivate and retain talents.

The Share Option Scheme will constitute a share option scheme under Chapter 17 of the Listing Rules, and is subject to (i) the approval of the Shareholders at the EGM to adopt the Share Option Scheme and to authorise the Board to grant Options under the Share Option Scheme and to allot and issue Shares pursuant to the exercise of any Option; and (ii) the Stock Exchange granting approval of (subject to such conditions as the Stock Exchange may impose) the listing of, and permission to deal in, any Shares which may fall to be allotted and issued pursuant to the exercise of any Option that is granted or may be granted under the Share Option Scheme.

Application will be made to the Stock Exchange for the approval of the listing of, and permission to deal in, the Shares which may fall to be allotted and issued pursuant to the exercise of any Options that may be granted under the Share Option Scheme.

PRINCIPAL TERMS OF THE SHARE OPTION SCHEME

A summary of principal terms of the Share Option Scheme is set out below. Further details of the terms of the Share Option Scheme will be set out in a circular to be despatched to the Shareholders in due course.

Purposes

The purpose of the Scheme is to provide incentives and/or rewards to Eligible Persons for their contributions to, and continuing efforts to promote the interests of, the Group and to enable the Group to recruit and retain talents.

Eligible Persons

Eligible Persons under the Share Option Scheme include any director or employee of the Group and any medical expert who in the sole discretion of the Board has contributed or will contribute to the Group.

The eligibility of the Eligible Persons to the grant of the Options shall be determined by the Board from time to time and on a case-by-case basis subject to the Board's opinion as to, among others, their contribution or potential contribution to the development and growth of the Group.

Duration of the Scheme

The Scheme shall be valid and effective for a period of 10 years commencing on the Adoption Date, after which period no further Options shall be granted. Subject to the above, in all other respects, in particular, in respect of Options remaining outstanding on the expiration of the 10-year period, the provisions of the Scheme shall remain in full force and effect.

Maximum number of Shares available for subscription

At the time of adoption of the Scheme by the Company, the number of Shares which may be issued upon exercise of all Options to be granted under the Scheme and all other share option schemes existing at such time (including the Scheme) (the "**Relevant Scheme(s)**") of the Company must not in aggregate exceed 3% of the total number of Shares in issue as at the Adoption Date (the "**Scheme Mandate Limit**").

The Scheme Mandate Limit may be refreshed by ordinary resolution of the Shareholders in general meeting, provided that:

- (a) the total number of Shares which may be issued upon exercise of all Options to be granted under all Relevant Scheme(s) under the Scheme Mandate Limit as refreshed shall not exceed 3% of the total number of Shares in issue as at the date of approval of the refreshing of the Scheme Mandate Limit by the Shareholders;
- (b) Options previously granted under all Relevant Scheme(s) (including options exercised, outstanding, cancelled, or lapsed in accordance with the rules of the Relevant Schemes) shall not be counted for the purpose of calculating the Scheme Mandate Limit as refreshed; and
- (c) a circular regarding the proposed refreshing of the Scheme Mandate Limit has been despatched to the Shareholders in a manner complying with, and containing the matters specified in, the relevant provisions of Chapter 17 of the Listing Rules.

The Company may seek separate approval from the Shareholders in general meeting for granting Options which will result in the Scheme Mandate Limit being exceeded, provided that:

- (a) the grant is only to Eligible Persons specifically identified by the Company before the approval is sought; and
- (b) a circular regarding the grant has been despatched to the Shareholders in a manner complying with, and containing the matters specified in, the relevant provisions of Chapter 17 of the Listing Rules.

Notwithstanding the foregoing, the maximum number of Shares which may be issued upon the exercise of all outstanding Options granted and yet to be exercised under the Scheme and any other share option schemes of the Company, must not, in aggregate, exceed 30% of the total number of Shares in issue from time to time.

Maximum entitlement of each Eligible Person

No Option shall be granted to any Eligible Person (“**Relevant Eligible Person**”) if, at the time of grant, the number of Shares issued and to be issued upon the exercise of all Options granted and to be granted (including exercised, cancelled and outstanding Options) to the Relevant Eligible Person in the 12-month period up to and including the Offer Date of the relevant Option would exceed 1% of the total number of Shares in issue at such time, unless:

- (a) such grant has been duly approved, in the manner prescribed by the relevant provisions of Chapter 17 of the Listing Rules, by ordinary resolution of the Shareholders in general meeting, at which the Relevant Eligible Person and his close associates (or his associates if the Relevant Eligible Person is a connected person) abstained from voting;
- (b) a circular regarding the grant has been despatched to the Shareholders in a manner complying with, and containing the information specified in, the relevant provisions of Chapter 17 of the Listing Rules; and
- (c) the number and terms (including the Subscription Price) of such Option are fixed before the general meeting of the Company at which the same are approved.

Grant of Options

Subject to the terms of the Scheme, the Board shall be entitled (but not bound) at any time within the period of 10 years after the Adoption Date to make an Offer to any Eligible Person as the Board may in its absolute discretion select to take up an Option pursuant to which such Eligible Person may, during the Option Period, subscribe for such number of Shares (provided the same shall be a board lot for dealing in the Shares on the Stock Exchange or an integral multiple thereof) as the Board may determine at the Subscription Price. The Board may in its absolute discretion specify such conditions, restrictions or limitations as it thinks fit when making an Offer to an Eligible Person (including, without limitation, as to any performance targets which must be satisfied by the Eligible Person and/or the Company and/or its subsidiaries, and any minimum period for which an Option must be held, before an Option may be exercised, if any), provided that such conditions shall not be inconsistent with any other terms and conditions of the Scheme.

Each Offer shall be in writing and shall specify, among others, a date by which the Eligible Person must accept the Offer or be deemed to have declined it, being a date not later than 21 days after (i) the Offer Date, or (ii) the date on which the conditions (if any) for the Offer are satisfied, whichever is earlier.

An Offer shall be deemed to have been granted and the Option to which the Offer relates shall be deemed to have been accepted when the Company receives the duplicate of the offer letter comprising acceptance of the Offer duly signed by the Grantee with the number of Shares in respect of which the Offer is accepted clearly stated therein, together with a remittance of the option price, being HK\$1.00 payable for each acceptance of grant of an Option, to the Company.

Restrictions on the Time of Grant of Options

No Offer shall be made to, and no Option shall be capable of acceptance by, any Eligible Person after inside information has come to the knowledge of the Company until an announcement of such inside information has been published. In particular, during the period commencing one month immediately preceding the earlier of: (1) the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules) and (2) the deadline for the Company to publish an announcement of its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules) and ending on the date of the results announcements, no Option may be granted. Such period will cover any period of delay in the publication of a results announcement.

Subscription Price

The Subscription Price shall be a price determined by the Board and notified to an Eligible Person and shall be at least the highest of:

- (a) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the Offer Date, which must be a business day;
- (b) the average of the closing price of the Shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the Offer Date; and
- (c) the nominal value of a Share.

Ranking of Shares

The Shares to be allotted and issued upon the exercise of an Option shall be subject to the Articles of Association and shall rank pari passu in all respects with the fully-paid Shares in issue of the Company as at the date of allotment and will entitle the holders to participate in all dividends or other distributions declared or recommended or resolved to be paid or made in respect of a record date falling on or after the date of allotment. Prior to the Grantee being registered as a Shareholder on the register of members of the Company, the Grantee shall not have any voting rights, or rights to participate in any dividends or distributions or any rights arising on a liquidation of the Company, in respect of the Shares to be issued upon the exercise of the Option.

Transferability of Options

An Option shall be personal to the Grantee and shall not be assignable nor transferable, and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest (whether legal or beneficial) in favour of any third party over or in relation to any Option or attempt to do so.

Alteration of the Scheme

The Scheme may be altered in any respect by resolution of the Board, except that the specific provisions of the Scheme which relate to the matters set out in Rule 17.03 of the Listing Rules shall not be altered to the advantage of Grantees or prospective Grantees except with the prior approval of the Shareholders in general meeting (with Participants and their associates abstaining from voting).

Any change to the authority of the Board in relation to any alteration to the terms of the Scheme shall not be valid unless approved by Shareholders in general meeting.

Any alterations to the provisions of the Scheme which are of a material nature or any change to the terms of Options granted must be approved by the Shareholders in general meeting except where the alterations take effect automatically under the existing provisions of the Scheme. The Board's determination as to whether any proposed alteration to the provisions of the Scheme is material shall be conclusive.

The amended terms of the Scheme or the Options must comply with Chapter 17 of the Listing Rules.

SHAREHOLDERS' APPROVAL

The Board will convene the EGM for the purposes of, among other things, seeking the approval from the Shareholders for the adoption of the Share Option Scheme.

A circular containing, among other things, further details of the Share Option Scheme, 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.

As of the date of this announcement, the Share Option Scheme remains subject to the approval of the Shareholders. Shareholders and potential investors are advised to exercise caution when dealing in the Company's securities.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires:

“Adoption Date”	being the date of adoption of the Share Option Scheme by ordinary resolution of the Shareholders at the EGM
“Articles of Association”	the amended and restated memorandum and articles of association of the Company adopted on June 8, 2020 which became effective on the Listing Date (as amended from time to time)
“associate(s)”	has the same meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“close associate(s)”	has the same meaning ascribed thereto under the Listing Rules
“Company”	Hygeia Healthcare Holdings Co., Limited (海吉亞醫療控股有限公司), an exempted company with limited liability incorporated under the laws of Cayman Islands on September 12, 2018, the Shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the same meaning ascribed thereto under the Listing Rules

“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company for the purpose of, considering and, if thought fit, approving, among other things, the proposed adoption of the Share Option Scheme
“Eligible Person(s)”	any director or employee of the Group and any medical expert who in the sole discretion of the Board has contributed or will contribute to the Group
“Grantee”	any Eligible Person who accepts an Offer in accordance with the terms of the Share Option Scheme or (where the context so permits) any person entitled to exercise any Option in consequence of the death of the original Grantee
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time
“Offer”	an offer of the grant of an Option
“Offer Date”	the date on which an Offer is made to an Eligible Person, which must be a business day
“Option(s)”	a right to subscribe for Shares pursuant to the Share Option Scheme
“Option Period”	a period to be determined and notified by the Board to the Grantee during which the Option may be exercised and in any event shall be not more than 10 years commencing on the Offer Date and expiring on the last day of such 10-year period

“Participant(s)”	an Eligible Person as designated by the Board to be granted an Option under the Share Option Scheme
“PRC”	the People’s Republic of China, but for the purpose of this announcement and for geographical reference only, references herein do not apply to Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Share(s)”	ordinary share(s) in the share capital of the Company with nominal value of US\$0.00001 each
“Share Option Scheme” or “Scheme”	the share option scheme proposed to be adopted by the Company, the principal terms of which are set out in this announcement
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the price at which each Share subject to an Option may be subscribed on the exercise of that Option
“%”	per cent

By order of the Board
Hygeia Healthcare Holdings Co., Limited
Mr. Zhu Yiwen
Chairman

Hong Kong, August 24, 2021

As of the date of this announcement, the Board comprises Mr. Zhu Yiwen as chairman and executive Director, Mr. Fang Min as non-executive Director, Ms. Cheng Huanhuan, Mr. Ren Ai, Mr. Zhang Wenshan and Ms. Jiang Hui as executive Directors, and Mr. Liu Yanqun, Mr. Chen Penghui and Mr. Ye Changqing as independent non-executive Directors.