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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
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

A notice convening the EGM of the Company to be held at B1 Floor, InterContinental Shanghai Jing'An, No. 500, Heng Feng Road, Jing'an District, Shanghai, the PRC on October 15, 2021 at 3:00 p.m. is set out on pages 22 to 24 of this circular. A form of proxy for use at the EGM is also enclosed. Such form of proxy is also published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.hygeia-group.com.cn). Whether or not you are able to attend the EGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the EGM or any adjournment thereof if they so wish.

September 23, 2021

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DEFINITIONS

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

“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
“core 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 to be held at B1 Floor, InterContinental Shanghai Jing’an, No. 500, Heng Feng Road, Jing’an District, Shanghai, the PRC on October 15, 2021 at 3:00 p.m. or any adjournment thereof, the notice of which is set out on pages 22 to 24 of this circular

DEFINITIONS

“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 his/her lawful successor(s) 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
“Hygeia Medical Technology”	Shanghai Hygeia Medical Technology (Group) Co., Ltd.* (上海海吉亞醫療科技(集團)有限公司) (formerly known as Gamma Star Medical Technology Development (Shanghai) Co., Ltd.* (伽瑪星醫療科技發展(上海)有限公司), Gamma Star Medical Industrial (Shanghai) Co., Ltd.* (伽瑪星醫療工業(上海)有限公司)), a limited liability company established in the PRC on January 10, 2007 and a wholly-owned subsidiary of the Company
“Latest Practicable Date”	September 17, 2021, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing”	the listing of the Shares on the Main Board of the Stock Exchange on June 29, 2020
“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

DEFINITIONS

“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 circular and for geographical reference only, references herein do not apply to Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Pre-IPO Restricted Share Scheme”	the pre-IPO restricted share scheme approved and adopted by the Company on July 17, 2019 which recognized the share incentive plan implemented by Hygeia Medical Technology in July 2018
“Pre-IPO Share Award Scheme”	the pre-IPO share award scheme approved and adopted by the Company on July 17, 2019
“Prospectus”	the prospectus of the Company published on June 16, 2020
“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 the Appendix to this circular
“Shareholder(s)” or “Member(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

DEFINITIONS

“Subscription Price”	the price at which each Share subject to an Option may be subscribed on the exercise of that Option
“substantial shareholder”	has the same meaning ascribed thereto under the Listing Rules
“%”	per cent

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Zhu Yiwen (*Chairman*)

Ms. Cheng Huanhuan

Mr. Ren Ai

Mr. Zhang Wenshan

Ms. Jiang Hui

Non-executive Director:

Mr. Fang Min

Independent non-executive Directors:

Mr. Liu Yanqun

Mr. Chen Penghui

Mr. Ye Changqing

Registered office:

Harneys Fiduciary (Cayman) Limited

4th Floor, Harbour Place

103 South Church Street

P.O. Box 10240

Grand Cayman KY1-1002

Cayman Islands

Headquarters in the PRC:

Suites 702-707

Enterprise Square

No. 228 Meiyuan Road

Jing'an District, Shanghai

the PRC

Principal place of business in Hong Kong:

40/F., Dah Sing Financial Centre,

No. 248 Queen's Road East

Wanchai, Hong Kong

September 23, 2021

To the Shareholders

Dear Sir or Madam,

**PROPOSED ADOPTION OF THE SHARE OPTION SCHEME
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

Reference is made to the announcement of the Company dated August 24, 2021 in relation to the proposed adoption of the Share Option Scheme. The purpose of this circular is to provide you with (i) information regarding the resolution to be proposed at the EGM in relation to the proposed adoption of the Share Option Scheme, and (ii) notice of EGM.

LETTER FROM THE BOARD

PROPOSED ADOPTION OF THE SHARE OPTION SCHEME

Before the Listing, the Group adopted (i) the Pre-IPO Restricted Share Scheme on July 17, 2019, which recognized the share incentive plan implemented by Hygeia Medical Technology in July 2018; and (ii) the Pre-IPO Share Award Scheme on July 17, 2019, details of which are set forth in the Prospectus. Both the Pre-IPO Restricted Share Scheme and the Pre-IPO Share Award Scheme were terminated upon the Listing.

In order 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, the Board proposes to adopt the Share Option Scheme which will be put forward at the EGM for Shareholders' approval.

The Share Option Scheme will take effect on the date of its adoption at the EGM and is conditional upon:

- (a) 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
- (b) 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.

According to the Share Option Scheme, the scope of Eligible Persons 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 Board is of the view that the inclusion of medical experts as Eligible Persons under the Share Option Scheme is appropriate and in the interests of the Company and the Shareholders as a whole, given that the success of the Group requires the co-operation and contribution not only from its directors and employees, but also from various other parties who play an significant role in and make actual or potential contribution to the business and development of the Group, such as the medical experts. As the Group devoted to providing high-quality healthcare services to all patients and prioritizing patient satisfaction, the Board acknowledges the necessity in disciplines development and improvement of academic and research capabilities. The medical experts, who have provided or will provide healthcare services, professional advice and expertise in respect of discipline development, medical professionals training, academic and scientific research or other support to the Group and receive service fees from the Group pursuant to the respective consulting

LETTER FROM THE BOARD

service contracts, are crucial to maintaining the Group's competitiveness in long term. As there may be a degree of uncertainty as to the effectiveness (or profitability, as the case may be) of certain contributions made by the medical experts, the Board considers that the granting of Options in addition to fixed services fees would give the Company greater flexibility, and serve as a better cost-control measure, at the same time incentivize the medical experts with the long-term value to be brought by the growth of the Company's business and market capitalization. Further, the Board considers that the medical experts and other Eligible Persons will share common interests and objectives with the Group upon their exercise of the Options, which is beneficial to the sustainable development of the Group.

In assessing the eligibility of Eligible Persons other than a director or employee of the Group, the Board will take into account a wide range of factors, including but not limited to, the academic and professional capabilities of the medical experts, the length of relationships between them and the Group, the positive impacts they have brought on the Group's business and academic development. As such, the Board is of the view that with the inclusion of medical experts as Eligible Persons, the Group will be well-placed to incentivise those who have been central to the business and academic development of the Group to make further contribution on a continuing basis.

The Share Option Scheme does not stipulate either a minimum period for which an Option must be held or any performance targets a Grantee is required to achieve before an Option may be exercised. However, under the Share Option Scheme, 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 Share Option Scheme. The Board believes that this will provide the Board with more flexibility in setting the terms and conditions of the Options under particular circumstances of each grant and facilitate the Board's aim to offer meaningful incentive to attract and retain quality personnel that are valuable to the development of the Group.

The number of Shares which may be issued upon exercise of all Options to be granted under the Share Option Scheme and all other share option schemes of the Company must not in aggregate exceed 3% of the total number of Shares in issue as at the Adoption Date. Based on 618,000,000 Shares in issue as at the Latest Practicable Date and assuming that there is no change in the issued share capital of the Company from the Latest Practicable Date to the Adoption Date, the maximum number of Shares that may be issued upon the exercise of the Options that may be granted under the Share Option Scheme is 18,540,000 Shares, being 3% of the total number of Shares in issue as at the Adoption Date.

LETTER FROM THE BOARD

The maximum number of Shares which may be issued upon the exercise of all outstanding Options granted and yet to be exercised under the Share Option 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.

Subject to the adoption of the Share Option Scheme and the terms of the Share Option Scheme, the Company plans to grant the first tranche of the Options in the coming 6 months, mainly to the executive Directors, senior management, mid-level management and other employees of the Group who have made significant contributions to the Group. As at the Latest Practicable Date, the identity of the Grantees and the terms of the Options to be granted have yet to be determined. Further announcement will be made by the Company in strict compliance with the requirements under Chapter 17 of the Listing Rules when the terms of the above possible grant of Options, including the identity of the Grantees and the number of Options, are determined.

The Board considers that it would not be appropriate to state the value of the Options that may be granted under the Share Option Scheme as if they have been granted as at the Latest Practicable Date, given that the variables which are crucial for the calculation of such value cannot be reasonably ascertained at this stage. Such variables include, but not limited to, the Subscription Price, the period during which the Options may be exercised, any performance targets or other conditions, restrictions or limitations that the Board may impose with respect to the Options. The Board believes that it would not be meaningful and may even be misleading to Shareholders if the value of the options is calculated based on a set of speculative assumptions.

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.

The Company will comply with the applicable requirements under Chapter 17 of the Listing Rules in respect of the operation of the Share Option Scheme. The Company is not required under the terms of the Share Option Scheme to appoint any trustee for the purpose of administering the Share Option Scheme. The Share Option Scheme will be subject to the administration of the Board. None of the Directors is or will be a trustee of the Share Option Scheme or has a direct or indirect interest in the trustee (if any) of the Share Option Scheme.

Pursuant to the note to Rule 17.03(2) of the Listing Rules, the Board has sought legal advice on the prospectus requirements of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) in relation to the Share Option Scheme proposed to be adopted and will comply with the relevant requirements when granting Options to the Eligible Persons.

LETTER FROM THE BOARD

A summary of the principal terms of the Share Option Scheme is set out in the Appendix to this circular. A copy of the Share Option Scheme will be available for inspection at 40/F, Dah Sing Financial Centre, No. 248 Queen's Road East, Wanchai, Hong Kong during normal business hours from the date of this circular up to and including the date of the EGM and will be available for inspection at the EGM.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the entitlement to attend and vote at the EGM, the transfer books and register of members of the Company will be closed from October 11, 2021 to October 15, 2021, both days inclusive, during which period no transfer of Shares can be registered. In order to qualify for attending and voting at the EGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on October 8, 2021.

NOTICE OF EGM

Set out on pages 22 to 24 of this circular is the notice of EGM at which, inter alia, ordinary resolution in relation to the proposed adoption of the Share Option Scheme will be proposed to the Shareholders for consideration and approval.

FORM OF PROXY

A form of proxy for use at the EGM is enclosed. Such form of proxy is also published on the website of the Stock Exchange (www.hkexnews.hk) and the Company (www.hygeia-group.com.cn). Whether or not you are able to attend the EGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the EGM or any adjournment thereof if they so wish.

LETTER FROM THE BOARD

VOTING BY WAY OF POLL

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman of the EGM, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. The chairman of the EGM shall therefore demand voting on the resolution set out in the notice of EGM be taken by way of poll pursuant to Article 72 of the Articles of Association.

On a poll, every Shareholder present in person or by proxy or (being a corporation) by its duly authorized representative shall have one vote for every fully paid Share of which he/she/it is the holder. A Shareholder entitled to more than one vote needs not use all his/her/its votes or cast all the votes he/she/it uses in the same way.

To the best of the Directors' knowledge and information having made all reasonable enquiries, no Shareholder has a material interest in the proposed adoption of the Share Option Scheme, and accordingly, no Shareholder is required to abstain from voting in respect of the resolution to be proposed at the EGM.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make this circular or any statement herein misleading.

RECOMMENDATION

The Directors consider that the proposed adoption of the Share Option Scheme is in the interests of the Group and its Shareholders as a whole. The Directors therefore recommend the Shareholders to vote in favour of the relevant resolution to be proposed at the EGM.

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

The following is a summary of the principal terms of the Share Option Scheme proposed to be approved at the EGM.

1. PURPOSE

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.

2. WHO MAY JOIN

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.

3. 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.

4. 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.

5. 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.

6. 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.

7. 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.

8. GRANT OF OPTIONS TO CONNECTED PERSONS

Where an Option is to be granted to a Director, chief executive or substantial shareholder of the Company, or any of their respective associates, the grant shall not be valid unless it has been approved by the independent non-executive Directors, excluding any independent non-executive Director who is a proposed Grantee of the Option.

Where an Option is to be granted to a substantial shareholder or an independent non-executive Director (or any of their respective associates), and the grant will, in the 12-month period up to and including the Offer Date of the relevant Option, result in the number and value of the Shares issued and to be issued upon exercise of all Options granted and to be granted (including exercised, cancelled and outstanding Options) exceeding:

- (a) 0.1% of the total number of Shares in issue as at the Offer Date; and
- (b) an aggregate value (based on the closing price of the Shares on the Stock Exchange on the Offer Date) of HK\$5 million,

such grant shall not be valid unless:

- (a) a circular containing the details of 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 (including, in particular, a recommendation from the independent non-executive Directors (excluding any independent non-executive Director who is a proposed Grantee of the Option) to the independent Shareholders as to voting); and

- (b) the grant has been approved by the Shareholders in general meeting (taken on a poll), at which the proposed Grantee, his associates and all core connected persons of the Company abstained from voting in favour of the relevant resolution granting the approval.

9. 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.

10. 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.

11. RIGHTS ON CEASING TO BE AN ELIGIBLE PERSON

- (a) Subject to paragraphs 11(b), 11(c) and 15(e), where the Grantee of an outstanding Option ceases to be an Eligible Person for any reason, any part of the Option which has been vested and is exercisable prior to the date of cessation shall remain exercisable for three months following the date of cessation after which date any outstanding Option shall lapse and not be exercisable, and any part of the Option which has yet to be vested prior to the date of cessation shall lapse on the date of cessation and not be exercisable. The date of such cessation shall be (i) if he is an employee of the Group, his last actual

working day at his work place with the Group whether salary is paid in lieu of notice or not; or (ii) if he is not an employee of the Group, the date on which the contract or arrangement constituting him an Eligible Person ceases;

- (b) where the Grantee of an outstanding Option dies or loses working capability due to performance of duties before exercising the Option in full or at all, any part of the Option which has been vested and is exercisable prior to the date of death or the date of occurrence of relevant event shall remain exercisable by such Grantee or his lawful successor(s) for twelve months following the date of death or the date of occurrence of relevant event after which date any outstanding Option shall lapse and not be exercisable, and any part of the Option which has yet to be vested prior thereto shall lapse on the date of death or the date of occurrence of relevant event and not be exercisable;
- (c) where the Grantee (being a director or employee of any member of the Group) of an outstanding Option ceases to be an Eligible Person by resignation or termination of employment by the Company or any of its subsidiaries due to personal reasons, other than termination of employment on one or more of the grounds specified in paragraph 15(e), the Option shall lapse on the date of cessation or termination and not be exercisable. For the avoidance of doubt, any Option which has yet to be vested prior to the date of such cessation or termination shall lapse in such situation and not be exercisable. The date of such cessation or termination shall be his last actual working day at his work place with the Group whether salary is paid in lieu of notice or not.

12. RIGHTS ON GENERAL OFFER

- (a) If a general offer by way of voluntary offer, takeover or otherwise (other than by way of scheme of arrangement pursuant to paragraph 12(b)) is made to all the holders of Shares (or all such holders other than the offeror, any person controlled by the offeror and any person acting in association or concert with the offeror) and such offer becomes or is declared unconditional prior to the expiry date of the relevant Option, the Company shall forthwith give notice thereof to the Grantee and the Grantee shall be entitled to exercise the Option to the extent notified by the Company at any time within such period as shall be notified by the Company; and

- (b) if a general offer for Shares by way of scheme of arrangement is made to all the holders of Shares and has been approved by the holders of Shares at the requisite meetings, the Company shall forthwith give notice thereof to all the Grantees and any Grantee may at any time thereafter (but before such time as shall be notified by the Company) exercise the Option to the extent notified by the Company.

13. RIGHTS ON WINDING-UP

In the event a notice is given by the Company to its Shareholders to convene a Shareholders' meeting for the purpose of considering and, if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall forthwith give notice thereof to all the Grantees and any Grantee may at any time thereafter (but before such time as shall be notified by the Company) exercise the Option to the extent notified by the Company, and the Company shall as soon as possible and in any event no later than three days prior to the date of the proposed Shareholders' meeting, allot, issue and register in the name of the Grantee such number of fully-paid Shares which fall to be issued on exercise of such Option.

14. RIGHTS ON COMPROMISE OR ARRANGEMENT

In the event of a compromise or arrangement, other than a scheme of arrangement contemplated in paragraph 12(b) above, between the Company and its members and/or creditors being proposed in connection with a scheme for the reconstruction or amalgamation of the Company (which may cause the Option no longer exercisable), the Company shall give notice thereof to all the Grantees on the same day as it first gives notice of the meeting to its members and/or creditors to consider such a scheme or arrangement and any Grantee may at any time thereafter but before such time as shall be notified by the Company exercise the Option to the extent notified by the Company, and the Company shall as soon as possible and in any event no later than three days prior to the date of the proposed meeting, allot, issue and register in the name of the Grantee such number of fully-paid Shares which fall to be issued on exercise of such Option.

15. LAPSE OF OPTION

The right to exercise an Option (to the extent not already exercised) shall terminate immediately upon the earliest of:

- (a) the expiry of the Option Period or any period within which an Option may be exercised as stipulated in the Offer;

- (b) the expiry of any of the periods referred to in paragraphs 11, 12(a) and 14;
- (c) subject to the scheme of arrangement becoming effective, the expiry of the period referred to in paragraph 12(b);
- (d) subject to paragraph 13, the date of the commencement of the winding-up of the Company;
- (e) the date on which the Grantee ceases to be an Eligible Person due to (i) material violations of the rules and regulations of any member of the Group, or material breach of the terms of his employment or other contract or arrangement constituting him an Eligible Person; (ii) serious dereliction of duty, or material decision errors causing significant losses to any member of the Group; (iii) accepting or asking for bribes, commission of embezzlement, theft or other similar acts; (iv) where the Grantee is a director or employee of any member of the Group, working or working part-time at other companies or entities, the business of which compete with any member of the Group, or engaging in any works not arranged by any member of the Group during the working hours, without permission of such member of the Group; (v) where the Grantee is a director or employee of any member of the Group, participating in activities which compete with the business of any member of the Group, or seeking benefits for other companies which compete with any member of the Group; (vi) reveal, disclose, notify, deliver or transfer trade secret of any member of the Group to any third party, or publicize trade secret of any member of the Group by any means (including but not limited to publishing online or applying for patent) without the permission of any member of the Group; (vii) conviction of criminal offense; or (viii) any conduct that is materially adverse to the reputation or interests of any member of the Group. In such circumstance, the Company may require the Grantee to return the gains from the exercised Option. For the avoidance of doubt, any Option which has yet to be vested prior to the date of such cessation shall lapse in such situation and not be exercisable. Whether any one or more of the events specified in this paragraph occur in relation to a Grantee and the date of such cessation shall be solely and conclusively determined by the Board;
- (f) if an Option was granted subject to certain conditions, restrictions or limitation, the date on which such conditions, restrictions or limitation is not satisfied or capable of being satisfied; or
- (g) the date on which the Grantee commits a breach of paragraph 18.

16. CANCELLATION OF OPTIONS GRANTED

The Company may cancel an Option granted but not exercised with the approval of the Grantee of such Option.

No options may be granted to an Eligible Person in place of his cancelled Options unless there are available unissued Options (excluding the cancelled Options) within the Scheme Mandate Limit of the Scheme (or similar limit under any other share option schemes adopted by the Company) from time to time.

17. TERMINATION OF THE SCHEME

The Company, by resolution in general meeting, or the Board may at any time terminate the operation of the Scheme and in such event no further Options will be offered but in all other respects the provisions of the Scheme shall remain in full force and effect and Options granted prior to such termination shall continue to be valid and exercisable in accordance with the Scheme.

18. 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.

19. EFFECT OF REORGANISATION OF CAPITAL STRUCTURE

In the event of any alteration in the capital structure of the Company whilst any Option remains outstanding, whether by way of capitalisation issue, rights issue, consolidation, subdivision or reduction of the share capital of the Company, the Company shall make corresponding adjustments (if any) to:

- (a) the maximum number of Shares subject to the Scheme; and/or
- (b) the number or nominal amount of Shares subject to the Options already granted so far as they remain exercisable; and/or
- (c) the Subscription Price,

provided that:

- (a) no such adjustments shall be made in respect of an issue of securities by the Company as consideration in a transaction;
- (b) any such adjustments must be made so that each Grantee is given the same proportion of the share capital of the Company as that to which he was previously entitled;
- (c) no such adjustments shall be made which would result in the Subscription Price for a Share being less than its nominal value, provided that in such circumstances the Subscription Price shall be reduced to the nominal value;
- (d) any such adjustments, save those made on a capitalisation issue, shall be confirmed by an independent financial adviser or the auditors in writing to the Directors as satisfying the requirements of paragraph (b) above, the requirements of the relevant provisions of the Listing Rules and the supplementary guidance on Rule 17.03(13) of the Listing Rules set out in the letter issued by the Stock Exchange on September 5, 2005 (the “**Supplementary Guidance**”) and any further guidance/interpretation of the Listing Rules issued by the Stock Exchange from time to time, and that in the opinion of the auditors or an independent financial adviser that the adjustments made by the Board are fair and reasonable;
- (e) any such adjustments to be made pursuant to a subdivision or consolidation of share capital shall be made on the basis that the aggregate Subscription Price payable by a Grantee on the full exercise of any Option shall remain as nearly as possible the same (but shall not be greater than) as it was before such event; and
- (f) any adjustments to be made will comply with the Listing Rules, the Supplementary Guidance and any further guidance/interpretation of the Listing Rules issued by the Stock Exchange from time to time.

20. 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 proposed 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.

NOTICE OF EXTRAORDINARY GENERAL MEETING



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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an extraordinary general meeting (the “**EGM**”) of Hygeia Healthcare Holdings Co., Limited (the “**Company**”) will be held at B1 Floor, InterContinental Shanghai Jing’an, No. 500, Heng Feng Road, Jing’an District, Shanghai, the PRC on October 15, 2021 at 3:00 p.m. for the following purposes:

ORDINARY RESOLUTION

1. To consider and, if thought fit, to pass (with or without amendments) the following resolution as ordinary resolution:

“**THAT**

- (a) subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting the approval for the listing of, and the permission to deal in, Shares to be issued pursuant to the exercise of the options which may be granted under the share option scheme (the “**Share Option Scheme**”), a copy of which is tabled at the EGM and marked “A” and initialed by the chairman of the EGM for identification purpose, the Share Option Scheme be and is hereby approved and adopted; and the Directors be and are hereby authorized to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the Share Option Scheme, including without limitation to:
 - (i) to administer or authorize any person(s) as deemed appropriate at the sole discretion of the Board to administer the Share Option Scheme under which options will be granted to the persons eligible under the Share Option Scheme (“**Eligible Persons**”, as defined in the Share Option Scheme) to subscribe for Shares, including but not limited to determining and granting the options in accordance with the terms of the Share Option Scheme;

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (ii) to modify and/or amend the Share Option Scheme from time to time provided that such modification and/or amendment is effected in accordance with the terms of the Share Option Scheme relating to the modification and/or amendment and subject to Chapter 17 of the Listing Rules;
- (iii) to allot and issue from time to time such number of Shares in the share capital of the Company as may be required to be allotted and issued pursuant to the exercise of the options under the Share Option Scheme and subject to the Listing Rules;
- (iv) to make application at appropriate time or times to the Stock Exchange for listing of, and permission to deal in, any Shares which may hereafter from time to time be allotted and issued pursuant to the exercise of the options under the Share Option Scheme; and
- (v) to consent, if it so deems fit and expedient, to such conditions, modifications and/or variations as may be required or imposed by the relevant authorities in relation to the Share Option Scheme.”

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

Hong Kong, September 23, 2021

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

- (i) The resolution at the EGM will be taken by poll (except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands) pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). The results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the Listing Rules.
- (ii) A shareholder of the Company entitled to attend and vote at the EGM is entitled to appoint another person as his/her/its proxy to attend and vote instead of himself/herself/itself; a proxy need not be a shareholder of the Company. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
- (iii) In order to be valid, a form of proxy must be deposited at the Company’s share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong together with the power of attorney or other authority (if any) under which it is signed (or a notarially certified copy thereof) not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy shall not preclude shareholders of the Company from attending and voting in person at the EGM or any adjournment thereof if they so wish.
- (iv) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other joint holder(s) and for this purpose seniority shall be determined as that one of the said persons so present whose name stands first on the register in respect of such share shall alone be entitled to vote in respect thereof.
- (v) For the purpose of determining the entitlement to attend and vote at the EGM, the transfer books and register of members will be closed from October 11, 2021 to October 15, 2021, both days inclusive, during which period no share transfers can be registered. In order to qualify for attending and voting at the EGM, all transfers accompanied by the relevant share certificates must be lodged with the Company’s share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong not later than 4:30 p.m. on October 8, 2021.

As of the date of this notice, 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.