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AK MEDICAL HOLDINGS LIMITED

愛康醫療控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1789)

GRANT OF SHARE OPTIONS

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The Board is pleased to announce that on 11 April 2023, the Company offered to grant 1,699,036 Options under the Share Option Scheme to a Director and the selected employees of the Group.

GRANT OF SHARE OPTIONS PURSUANT TO THE SHARE OPTION SCHEME

Pursuant to Rule 17.06A of the Listing Rules, the Board is pleased to announce that on 11 April 2023 (the “**Date of Grant**”), the Company offered to grant 1,699,036 Options to 86 selected eligible persons (the “**Grantees**”) under the Share Option Scheme to subscribe for an aggregate of 1,699,036 Shares (representing approximately 0.15% of the issued share capital of the Company as at the date of this announcement and approximately 0.15% of the enlarged issued share capital of the Company upon exercise in full of the Options, respectively), subject to acceptance by the Grantees and the vesting period and conditions set out below.

Principal terms of the Options granted under the Share Option Scheme are set out below:

Date of Grant: 11 April 2023

Number of Grantees: 86

Grantees:

- (i) Ms. Zhao Xiaohong, an executive Director; and
- (ii) 85 other employees of the Group, including certain members of the senior management

Number of Options granted:

- (i) To Ms. Zhao Xiaohong: 139,620 Options (each Option shall entitle the holder thereof to subscribe for one (1) Share)
- (ii) To other employees: 1,559,416 Options (each Option shall entitle the holder thereof to subscribe for one (1) Share)

Consideration of the grant of the Options: HK\$1.00 for each Grantee upon acceptance of the Options

Exercise price of Options: HK\$10.18 per Share, representing the highest of:

- (i) the closing price of HK\$10.18 per Share as stated in the daily quotation sheets issued by the Stock Exchange on the Date of Grant;
- (ii) the average closing price of HK\$9.416 per Share as stated in the daily quotation sheets issued by the Stock Exchange for the five business days immediately preceding the Date of Grant; and
- (iii) HK\$0.01, being the nominal value of the Share.

Closing price of the Shares on the Date of Grant: HK\$10.18 per Share

Validity/Exercise period of the Options: For a period of ten (10) years from the date upon which such Options are granted and accepted by the Grantees

- Vesting period of the Options:**
- (i) 20% of the total Options granted, will be vested on 11 April 2024 conditional upon the achievement or attainment of certain performance targets by the Company and the respective Grantee as summarized below;
 - (ii) 20% of the total Options granted, will be vested on 11 April 2025 conditional upon the achievement or attainment of certain performance targets by the Company and the respective Grantee as summarized below;
 - (iii) 30% of the total Options granted, will be vested on 11 April 2026 conditional upon the achievement or attainment of certain performance targets by the Company and the respective Grantee as summarized below; and
 - (iv) 30% of the total Options granted, will be vested on 11 April 2027 conditional upon the achievement or attainment of certain performance targets by the Company and the respective Grantee as summarized below.

Performance targets:

(i) Performance targets at the Company level

The pre-determined ratios of certain key financial performance indicators shall be taken into account to calculate the overall performance of the Company in that relevant year, including the revenue, net profit, cash flow and the rate of increase of the revenue to determine whether or not the Options shall vest in full, vest in proportion in accordance with the performance target actually achieved, or lapse in each of the vesting period set out above.

(ii) Performance targets at individual level

The Group has set up a performance appraisal system for the employees, which comprehensively evaluates the performance of the Grantees in an accurate and all-rounded manner. The Company will determine whether the Grantees meet the individual performance target based on their performance appraisal results for the relevant year. In case of partial achievement and satisfaction of the performance targets, the applicable Options will be vested in proportion in accordance with the performance targets actually achieved for the relevant year and the unvested portion of the relevant tranche of the Options shall lapse.

Clawback/lapse mechanism:

Without prejudice to the terms of the Share Option Scheme, any Option granted to any of the Grantees which is not yet vested shall immediately lapse, among others, when the Grantee ceases to be an eligible participant under the Share Option Scheme by reason of the termination of his/her relationship with the Group.

Financial assistance:

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

None of the grant will be subject to approval by the shareholders of the Company. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, save as disclosed above, none of the Grantees is (i) a Director, chief executive or substantial shareholder of the Company, or an associate (as defined under the Listing Rules) of any of them, or otherwise a connected person of the Company; or (ii) a related entity participant or a service provider of the Company.

The above grant would not result in the Options and Share awards granted and to be granted to each Grantee in the 12-month period up to and including the Date of Grant in aggregate to exceed 1% of the Shares in issue.

Upon granting the Options, the number of Shares available for future grant under the Share Options Scheme is 89,921,217 Shares, subject to refreshment of the scheme mandate limit.

The Board considers that the aforesaid grant is to (i) recognize the Grantees' past contribution to the Group; (ii) align the interests of the Grantees with those of the Group; and (iii) encourage and retain the Grantees to make contributions to the long-term growth and success of the Group.

DEFINITIONS

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

“Board”	the board of Directors
“Company”	AK Medical Holdings Limited (stock code: 1789), a company incorporated under the laws of the Cayman Islands with limited liability and whose Shares are listed and traded on the Main Board of the Stock Exchange
“Date of Grant”	has the meaning ascribed to it in this announcement
“Director(s)”	the directors of the Company
“Grantee(s)”	has the meaning ascribed to it in this announcement
“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
“Options”	the rights granted by the Company to a Grantee under the Share Option Scheme which permits (but does not obligate) the Grantee to subscribe for Shares in accordance with the terms of the Share Option Scheme and the terms of the Options
“Share(s)”	ordinary share(s) of nominal value of HK\$0.01 each in the share capital of the Company
“Share Option Scheme”	the share option scheme adopted by the Company on 17 November 2017, constituted by the rules thereof, in its present form or as amended from time to time in accordance with the provisions thereof

“**Stock Exchange**”

The Stock Exchange of Hong Kong Limited

“%”

per cent

By Order of the Board
AK Medical Holdings Limited
Li Zhijiang
Chairman

Hong Kong, 11 April 2023

As at the date of this announcement, the Board comprises Mr. Li Zhijiang, Ms. Zhang Bin, Mr. Zhang Chaoyang and Ms. Zhao Xiaohong as executive Directors, Dr. Wang David Guowei as non-executive Director, and Mr. Kong Chi Mo, Dr. Li Shu Wing David and Mr. Eric Wang as independent non-executive Directors.