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EC Healthcare

醫思健康

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2138)

TERMINATION OF THE 2020 CO-OWNERSHIP PLAN AND ADOPTION OF THE CO-OWNERSHIP PLAN 2

1. TERMINATION OF THE 2020 CO-OWNERSHIP PLAN AND ADOPTION OF THE CO-OWNERSHIP PLAN 2

The Company refers to the 2020 Co-Ownership Plan, a co-ownership scheme adopted by the Company and approved by the shareholders of the Company at the extraordinary general meeting on 16 April 2020 (details of such scheme were contained in the circular dated 31 March 2020 issued by the Company). The Board has proposed to terminate the 2020 Co-Ownership Plan (for reasons set out below). In addition, the Board has considered and approved the adoption of the Co-Ownership Plan 2 which shall be valid and effective from the Effective Date.

2. REASONS FOR TERMINATING THE 2020 CO-OWNERSHIP PLAN AND PURPOSES AND OBJECTIVES OF THE CO-OWNERSHIP PLAN 2

As it is expected that the grant conditions of the 2020 Co-Ownership Plan would not be met under the foreseeable circumstances, and the early termination of the 2020 Co-Ownership Plan can release the investment shares contributed by the 2020 Co-Ownership Plan Participants for re-investment purposes in the Co-Ownership Plan 2 (provided that they are Eligible Participants), the Board has proposed to terminate the 2020 Co-Ownership Plan.

The purposes and objectives of the Co-Ownership Plan 2 are to incentivise skilled and experienced Eligible Participants to remain with the Group and to motivate them to strive for the future development and expansion of the Group in order to create value for the Shareholders, by providing Eligible Participants with a co-investment opportunity to acquire equity interests in the Company according to the Rules, and further aligning their interests with those of the long term Shareholders.

3. CONDITIONS

The termination of the 2020 Co-Ownership Plan and the effectiveness of the Co-Ownership Plan 2 is in each case subject to the satisfaction of the following conditions (together, the “**Approval Conditions**”):

- (i) the passing of each of the Plan Resolutions at the Extraordinary General Meeting; and
- (ii) the Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in, all of the new Shares which may be allotted and issued under the Scheme Mandate.

Application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, all the new Shares which may be allotted and issued under the Scheme Mandate.

4. KEY FEATURES OF THE CO-OWNERSHIP PLAN 2

- **Term:** The Co-Ownership Plan 2 shall be valid and effective for the period commencing on the Effective Date, and shall expire on the earliest of: (i) the date on which all Award Shares have been Settled; (ii) 31 December 2029; and (iii) the date on which the Co-Ownership Plan 2 is terminated in accordance with the Rules.
- **Administration:** The Co-Ownership Plan 2 shall be administered by the Committee and the Plan Trustee.
- **Eligible Participants:** Only Eligible Participants shall be eligible to participate in the Co-Ownership Plan 2. As of the date of this announcement, there are around 700 Eligible Participants. The Committee will invite Eligible Participants to participate in the Co-Ownership Plan 2 and become Participants in accordance with the terms of the Rules and subject to the satisfaction of the Approval Conditions.

Each Eligible Participant has been selected on the basis of such person's: (i) tenure and/or business relationship with the Group; (ii) professional qualification(s); (iii) job grading with grade 3 or above (i.e. position being assistant manager-grade or supervisor or above for the head office operational staff, and/or qualified senior medical professionals for professional staff); and/or (iv) overall contribution to the Group as assessed by the Committee.

Eligible Participants who are Service Providers have been selected on the basis of their (i) tenure and/or business relationship with the Group, (ii) professional qualification(s) and (iii) overall contribution to the Group as assessed by the Committee.

- **Service Provider Sublimit:** The Service Provider Sublimit will be 4% of the Shares in issue as at the date of the Extraordinary General Meeting, and will in any event be within the Scheme Mandate Limit. The basis for determining the Service Provider Sublimit includes the purpose of the Co-Ownership Plan 2 being to align the interests of the Service Providers with the Company and incentivise contributions from such Service Providers leading to a synergy for the Group's future development. Balancing this with the fact that Service Providers would contribute significantly to the Group's future development, the Directors have considered that a sublimit of 4% would not lead to an excessive dilution of existing Shareholders' holdings.
- **Investment Shares:** Award Shares will only be Granted (in the manner determined based on the matching ratio as discussed in the section headed "*Basis for determining the number of Award Shares*" below) to Participants who have contributed Investment Amounts (in cash and/or Contribution Shares) for Investment Shares in accordance with the Rules.

As soon as practicable after each Investment Amount Settlement Date, the Committee will direct and procure the Plan Trustee to acquire Shares in the manner specified in the paragraph headed "*Acquisition of Investment Shares*", below, on behalf of the Participants who have transferred cash to satisfy their Investment Amount, until the aggregate cash Investment Amounts transferred by those Participants have been utilised.

The relevant Plan Trustee will hold the Investment Shares on trust for the benefit of each Participant until the earlier of: (a) the date of service of a valid transfer notice by the relevant Participant to transfer any Investment Shares to the Participant; and (b) the first date of Settlement of the relevant Participant's Award Shares.

The Plan Trustee shall not take voting instructions from the Participants with respect to their Investment Shares and shall not exercise any voting rights attached to such Investment Shares.

- **Acquisition of Investment Shares:**

Acquisition of Investment Shares for an Invitation Period

As soon as practicable after, and in any event within six months of, the Investment Amount Settlement Date in respect of any Invitation Period, the Committee will endeavour to utilise the cash Investment Amounts of Participants who have accepted the invitation to participate in any Invitation Period in the following manner:

- (i) by directing and procuring the Plan Trustee to endeavour to purchase existing Shares on-market over a reasonable period of time as is feasible to purchase the requisite number of Shares at the prevailing market prices of the Shares, provided that such prices must be less than or equal to the Investment Share VWAP; and
 - (ii) if at the close of trading on the Stock Exchange on the date falling five months after the relevant Investment Amount Settlement Date there remain unutilised cash Investment Amounts, by directing and procuring the Plan Trustee to subscribe for new Shares to be allotted and issued by the Company under the Scheme Mandate at a price per Share equal to the Investment Share VWAP, until all of such unutilised cash Investment Amounts have been utilised.
- **Investment Amount Range:** The total Investment Amount to be contributed by a Participant (in cash and/or Contribution Shares) must be within the Investment Amount Range unless otherwise approved by the Committee and subject to shareholders' approval (if required), except for Participants who are existing participants of the 2020 Co-Ownership Plan who will be allowed to roll over their shares thereunder in full as Contribution Shares, whose maximum investment amount shall be the deemed monetary value of such Shares under the Rules, which may exceed the Investment Amount Range. Investment Amount Range for Service Providers is determined by reference to such Service Provider's Annual Remuneration Package, which is in line with other employees of Group Companies. Doctor Group Participants that participate in more than one Invitation Period shall in no case have an aggregate Investment Amount across all such Invitation Periods that is greater than 100% of the Annual Remuneration Package of such Doctor Group Participant.
- **Priority if there is an over-subscription of Investment Shares:** In respect of any Invitation Period, if the Committee determines that the total Investment Amounts of the Participants will result in a number of Investment Shares that would result in the total number of Award Shares that may be Granted to all Participants exceeding the Award Share Limit and/or require the issuance of Shares exceeding the Scheme Mandate Limit, the allocation for the subscription for and purchase of Investment Shares amongst different categories of Participants shall be determined based on the Priority set out in the Rules.
- **Invitation Period:** The Eligible Participants may only accept an invitation to take part in the Co-Ownership Plan 2 during the Invitation Period.

- **Plan Trustee:** The Company will appoint the Plan Trustee to administer the Co-Ownership Plan 2. The Plan Trustee will hold the relevant Investment Shares on trust for the benefit of Participants, either in the Connected Plan Trust or the Non-Connected Plan Trust, as follows:

- (i) for Participants who are Connected Participants, in the Connected Plan Trust; and
- (ii) for Participants who are not Connected Participants, in the Non-Connected Plan Trust,

and each Plan Trust will be administered on substantially the same terms.

- **Share Pool**

At any time during the Term prior to the Grant Date, the Committee, after having regard to the relevant circumstances and affairs of the Company and the expected total number of Award Shares that may be Granted under the Co-Ownership Plan 2 (which shall be no greater than the Award Share Limit), may direct and procure the Plan Trustee to endeavour to purchase existing Shares on-market at the prevailing market prices of the Shares using the Company's resources, provided that such prices must be less than or equal to the Share Pool VWAP. Any such Shares so purchased by the Plan Trustee shall constitute the Share Pool, together with:

- (A) such Shares as may be allotted and issued to the Plan Trustee in its capacity as a holder of the Shares in the Share Pool by way of scrip dividend or otherwise; and
- (B) such Shares which revert to the Plan Trustee as Returned Shares as described in the paragraph headed "*Clawback Mechanisms*" below.

- **Basis for determining the number of Award Shares:** The Grant of Award Shares to Participants is in all respects conditional upon the satisfaction of the Grant Conditions. If all of the Grant Conditions are satisfied on and subject to the terms of these Rules, a Participant who has Investment Shares held by the Plan Trustee on the Grant Date shall be entitled to a Grant with respect to those Investment Shares after the Grant Date as follows (subject to any adjustments provided for in the Rules as described in the section headed "*Corporate Events*" below):

For every whole multiple of 10 Investment Shares beneficially held by a Participant on the Grant Date, the Participant shall receive a number of Award Shares equal to **Y** where:

"Y" is calculated as follows:

- (a) if the Group Revenue for the Financial Year ended 31 March 2026 is greater than or equal to HK\$7,713 million and less than HK\$8,013 million, then Y is one;

- (b) if the Group Revenue for the Financial Year ended 31 March 2026 is greater than or equal to HK\$8,013 million and less than HK\$8,313 million, then Y is two;
- (c) if the Group Revenue for the Financial Year ended 31 March 2026 is greater than or equal to HK\$8,313 million and less than HK\$8,613 million, then Y is three;
- (d) if the Group Revenue for the Financial Year ended 31 March 2026 is greater than or equal to HK\$8,613 million and less than HK\$8,914 million, then Y is four;
- (e) if the Group Revenue for the Financial Year ended 31 March 2026 is greater than or equal to HK\$8,914 million and less than HK\$9,214 million, then Y is five;
- (f) if the Group Revenue for the Financial Year ended 31 March 2026 is greater than or equal to HK\$9,214 million and less than HK\$9,514 million, then Y is six;
- (g) if the Group Revenue for the Financial Year ended 31 March 2026 is greater than or equal to HK\$9,514 million and less than HK\$9,814 million, then Y is seven;
- (h) if the Group Revenue for the Financial Year ended 31 March 2026 is greater than or equal to HK\$9,814 million and less than HK\$10,114 million, then Y is eight;
- (i) if the Group Revenue for the Financial Year ended 31 March 2026 is greater than or equal to HK\$10,114 million and less than HK\$10,414 million, then Y is nine; and
- (j) if the Group Revenue for the Financial Year ended 31 March 2026 is greater than or equal to HK\$10,414 million, then Y is ten.

A Participant's maximum entitlement is 10 Award Shares for every whole multiple of 10 Investment Shares beneficially held by such Participant through the Plan Trustee. If the total number of Investment Shares beneficially held by a Participant is less than 10, such Participant shall not receive any Award Shares. No Award Shares will be Granted if the Grant Conditions are not satisfied.

In the case of each Doctor Group Participant if, on the relevant Grant Date, the Grant Conditions have been satisfied but one or more of the Doctor Group Grant Conditions for such Doctor Group Participant have not been satisfied then the number of Award Shares such Doctor Group Participant shall be entitled to shall be between zero and their maximum entitlement as outlined in the Rules, to be determined by the Committee in their sole discretion.

- **Award Share Limit:** The maximum number of Award Shares that may be Granted to all Participants shall be the Award Share Limit. If, based on the calculations set out above, the number of Award Shares to be Granted to all Participants based on the provisions above is greater than the Award Share Limit, then a number of Award Shares equal to the Award Share Limit will be allocated among the Participants on a pro-rata basis, based on their respective entitlements to Award Shares if the Award Share Limit was not in place, provided that the number of Award Shares allocated to each of those Participants will be rounded down to the nearest whole number.
- **Limits:** The maximum number of new Shares that may be allotted and issued by the Company (whether as Investment Shares or Award Shares) pursuant to the Co-Ownership Plan 2 shall be the Scheme Mandate Limit, unless otherwise approved by the Shareholders in a general meeting in accordance with the applicable requirements under the Listing Rules.

The maximum number of new Shares that may be allotted and issued by the Company pursuant to the Co-Ownership Plan 2 to a Participant in the 12-month period up to and including the date of the relevant invitation or Grant shall be the 1% Individual Limit, except for a Participant that is (a) a Director; (b) a chief executive of the Company; or (c) an associate of a person in (a) or (b) above, who shall be subject to the 0.1% Individual Limit, unless otherwise approved by the Shareholders in a general meeting in accordance with the applicable requirements under the Listing Rules.

The maximum number of new Shares that may be Granted to all Service Providers shall be the Service Provider Sublimit, unless otherwise approved by the Shareholders in a general meeting in accordance with the applicable requirements under the Listing Rules.

- **Vesting Period:** The Vesting Period for each participant shall be the time period commencing on the relevant Investment Amount Settlement Date in respect of the Invitation Period(s) in which he was an invitee and ending on the date of Settlement of the first Award Share he receives under the Co-Ownership Plan 2 (both dates inclusive), and shall in any event be no less than 12 months.
- **Award Shares Grant Settlement:** For all Grantees other than Doctor Group Grantees, the Company will endeavour to Settle: (i) 50% of each Grantee's allocation of Award Shares ("**First Settlement Tranche**") on or before 30 September 2026; and (ii) the remaining 50% of each Grantee's allocation of Award Shares ("**Second Settlement Tranche**") on or before 31 March 2027, in the following manner:
 - (i) the Committee will direct and procure the Plan Trustee to Settle each Grantee's allocation using Shares from the Share Pool in accordance with the Rules;
 - (ii) in the event that the number of Award Shares to be Settled exceeds the number of Shares in the Share Pool and subject to the Public Float Requirement being complied with, the Committee will direct and procure the Plan Trustee to

endeavour to satisfy any shortfall by purchasing existing Shares on-market at the prevailing market prices of the Shares, provided that such prices must be less than or equal to the Award Share VWAP; and

- (iii) if at the close of trading on the Stock Exchange on: (a) 31 August 2026 in respect of the First Settlement Tranche; and (b) 28 February 2027 in respect of the Second Settlement Tranche, there remain Award Shares to be Settled, the Committee will direct and procure the Plan Trustee to subscribe for new Shares to Settle the remaining Award Shares, to be allotted and issued by the Company under the Scheme Mandate at a price per Share equal to the Award Share VWAP,

and such Shares shall then be transferred to the relevant Grantee.

For all Doctor Group Grantees, the Company will endeavour to Settle all of each Doctor Group Grantee's allocation of Award Shares on or before 31 March 2029, in the following manner:

- (i) the Committee will direct and procure the Plan Trustee to Settle each Doctor Group Grantee's allocation using Shares from the Share Pool; and
- (ii) in the event that number of Award Shares to be Settled exceeds the number of Shares in the Share Pool, the Committee will direct and procure the Plan Trustee to subscribe for new Shares to Settle the remaining Award Shares, to be allotted and issued by the Company under the Scheme Mandate at a price per Share equal to the Award Share VWAP,

and such Shares shall then be transferred to the relevant Doctor Group Grantee.

- **Early Termination by Participant:** A Participant may serve a notice prior to the first date of Settlement to have all, but not less than all, Investment Shares to which such Participant holds beneficial title transferred to such Participant. Upon receipt of notice of such transfer, such Participant shall cease to participate in the Co-Ownership Plan 2 and shall not be entitled to any Award Shares (whether or not already Granted).
- **Entitlement of Good Leaver:** If a Participant becomes a Good Leaver prior to the Grant Date, the number of Award Shares to be Granted shall be pro-rated by dividing the number of calendar days during which such Participant has participated in the Co-Ownership Plan 2 (from and including the Investment Amount Settlement Date until and including the date such Participant ceases his or her employment, engagement or office) by the total number of calendar days in the period from and including the Investment Amount Settlement Date until and including the Grant Date.

- **Corporate Events:**

(A) If, after a Grant has been made and prior to the Settlement of an Award Share:

- (i) a general offer by way of takeover or otherwise (other than by way of scheme of arrangement below) is made to all the Shareholders (or all such Shareholders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror) by any person and such offer becomes or is declared unconditional, then prior to the offer becoming or being declared unconditional;
- (ii) a general offer for Shares by way of a scheme of arrangement is made by any person to all the Shareholders and has been approved by the necessary number of Shareholders at the requisite meetings of such Shareholders, then prior to such meetings;
- (iii) pursuant to the Companies Act, a compromise or arrangement (other than a scheme of arrangement contemplated above) between the Company and the Shareholders and/or the creditors of the Company is proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies, then prior to such compromise or arrangement being entered into; or
- (iv) a notice is given by the Company to the Shareholders to convene a general meeting for the purpose of considering and, if thought fit, approving a resolution to voluntarily wind-up the Company, then prior to such general meeting,

the Committee shall determine in its absolute discretion whether and, if so, the number of Award Shares (if any) that: (a) shall be Settled and the period within which such Award Shares shall be Settled; and/or (b) shall not be Settled and regarding which the Grant shall lapse and when such lapse shall occur, but treating all Participants fairly and taking into account the number of calendar days during which such Participant has participated in the Co-Ownership Plan 2, whether the Participant is a Good Leaver or a Bad Leaver (where applicable), the calculation for determining the number of Award Shares (if any) that would have been Settled if the relevant event as referred to in this paragraph had not occurred, and shall notify the Participants of its determination.

(B) If after a Grant has been made and prior to the Settlement of an Award Share there is a Reorganisation of Capital Structure (subject to applicable laws and regulations):

- (i) such corresponding adjustments (if required in light of the relevant Reorganisation of Capital Structure) shall be made to:
 - (a) the Award Share Limit, the Scheme Mandate Limit and the Service Provider Sublimit; and

- (b) the number or nominal value of Award Shares so far as not yet Settled,

such adjustments shall be proportionate to the change in the share capital of the Company, provided that any such adjustments give a Grantee no less proportion of the share capital of the Company, rounded to the nearest whole share, than that to which that Grantee was previously entitled; and

- (ii) in respect of any such adjustments, the auditors or an independent financial adviser to the Company (as the case may be) must confirm to the Committee in writing that the adjustments are in their opinion fair and reasonable and compliant with the relevant provisions of the Listing Rules.
- **Termination:** The Co-Ownership Plan 2 shall terminate automatically on the earlier of: (i) the date on which all Award Shares have been Settled and (ii) 31 December 2029, unless terminated earlier by the Committee if: (i) the Approval Conditions have not been satisfied before 11:59 pm on 31 December 2023; (ii) an ordinary resolution to terminate the Co-Ownership Plan 2 has been passed in a general meeting of the Company; or (iii) the Committee determines that any of the Grant Conditions have not been satisfied at the relevant time.

Upon termination:

- (A) where the termination takes place prior to the Grant date, each Participant will be deemed to have served a valid transfer notice in respect of all of his Investment Shares and the Committee will arrange for the transfer of the legal title to the Investment Shares to the relevant Participants, to the extent not already so transferred, and no further Award Shares may be offered or Granted; or
- (B) where such termination takes place on or following the Grant Date, each Participant will be deemed to have served a valid transfer notice in respect of all of his Investment Shares and the Committee will arrange for the transfer of the Investment Shares and any documentation evidencing the ownership of the Investment Shares to be transferred to the relevant Participants, to the extent not already so transferred to such Participant, and the provisions of the Co-Ownership Plan 2 will remain in full force and effect to the extent necessary to Settle the Award Shares not yet Settled in accordance with the provisions of the Co-Ownership Plan 2.

If, at the date of termination of the Co-Ownership Plan 2, the Plan Trustee holds any Share which has not been Settled in accordance with paragraph “Award Shares Grant Settlement” above, then the Committee shall direct and procure the Plan Trustee to:

- (A) sell such Shares on-market over a reasonable time period and remit the proceeds of sale (after making appropriate deductions in respect of stamp duty and other costs, liabilities and expenses in accordance with the Plan Trust Deed) to the Company; or
- (B) transfer the Shares to another share scheme of the Company in accordance with the Plan Trust Deed and the rules of such other share scheme.

If, at the date of termination of the Co-Ownership Plan 2, the Plan Trustee retains any unutilised funds received from the Company for use to purchase Shares for the Share Pool or otherwise then the Plan Trustee shall, upon notice of such termination remit such unutilised funds to the Company.

- **Clawback Mechanisms:** A Grant that has not been Settled shall automatically lapse upon the earlier of:
 - (A) the date on which the Grantee becomes a Bad Leaver;
 - (B) the date on which the Grantee (whether intentionally or otherwise) commits a breach of any provision of the Rules; and
 - (C) the date on which the Grantee serves notice pursuant to the paragraph headed “*Early Termination by the Participant*”.

Any Award Shares that are the subject of a Grant that has lapsed in accordance with this paragraph shall automatically become Returned Shares. A Grant that has not been Settled may be subject to adjustments in accordance with the paragraph headed “*Corporate Events*” above. There is no clawback mechanism under the Co-Ownership Plan 2 to recover Award Shares that have been Settled.

- **Cancellation of Grants:** A Grant that has not been Settled may be cancelled by the Committee with the consent of the relevant Participant. Any Grants so cancelled will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit.

5. SCHEME MANDATE TO ISSUE NEW SHARES AS INVESTMENT SHARES AND/OR AWARD SHARES

Subject to the satisfaction of the Approval Conditions, new Shares of up to the Scheme Mandate Limit (as may be adjusted subject to applicable laws and regulations) may be allotted and issued to Participants under the Co-Ownership Plan 2 as Investment Shares and/or Award Shares, pursuant to the Scheme Mandate to be sought at the Extraordinary General Meeting.

The total number of new Shares that may be granted under Scheme Mandate shall not exceed, when aggregated with other new Shares to be allotted and issued pursuant to any options and awards under other share schemes of the Company (but excluding any options and awards that have lapsed in accordance with the terms of the relevant share scheme), 10% of the issued Shares on the day of the Extraordinary General Meeting (as may be adjusted in the event of a subdivision or consolidation of Shares).

As of the date of this announcement, the number of the total issued Shares is 1,185,211,265. Assuming that there will be no change in the number of issued Shares between the date hereof and the date of the Extraordinary General Meeting, if the Scheme Mandate is approved and is utilised to the fullest extent, approximately 118,521,126 new Shares would be issued and (assuming there is no subdivision or consolidation of Shares) will represent approximately 10.00% of the current total issued Shares of the Company.

For the avoidance of doubt, the new Shares (if any) to be issued to settle any potential Grants to the Connected Participants will also be allotted and issued under the Scheme Mandate to be sought in the Extraordinary General Meeting.

6. THE PLAN TRUSTS FOR CONNECTED PARTICIPANTS AND NON-CONNECTED PARTICIPANTS

The Company bears the costs of establishing and administering the Co-Ownership Plan 2 including the payment of fees and expenses incurred by the Plan Trustee.

The Plan Trustee holding Shares for Connected Participants will be a connected person of the Company as it is holding Shares on behalf of connected persons of the Company. As the amount of annual fees payable to such Plan Trustee under the Connected Plan Trust is less than 0.1% of the percentage ratios as defined under the Listing Rules, the Connected Plan Trust will be fully exempted under Rule 14A.76(1) of the Listing Rules.

7. IMPLICATIONS UNDER THE LISTING RULES

Share Schemes under Chapter 17

The Company will convene and hold the Extraordinary General Meeting for the Shareholders to consider and, if thought fit, pass the ordinary resolutions to approve, among other things, the proposed adoption of the Co-Ownership Plan 2 in accordance with Chapter 17 of the Listing Rules.

Public Float

All of the Connected Participants are “core connected persons” under Rule 1.01 of the Listing Rules, and as such the Investment Shares held by the Plan Trustee on behalf of such Connected Participants will not count towards the Public Float Requirement.

Extraordinary General Meeting

The Company will seek the approval from its Shareholders or Independent Shareholders’ (as the case may be) at the Extraordinary General Meeting for the termination of the 2020 Co-Ownership Plan, the adoption of the Co-Ownership Plan 2, the grant of the Scheme Mandate and the Service Provider Sublimit.

8. DESPATCH OF CIRCULAR

A circular of the Company containing, among other things, further details of the Co-Ownership Plan 2, the Scheme Mandate and the Service Provider Sublimit and a notice convening the Extraordinary General Meeting is expected to be despatched in due course in accordance with the requirements under the Listing Rules.

WARNING: The information above represents only a summary of certain terms of the Co-Ownership Plan 2, including the bases for determining the respective conditions for the Grant of Award Shares. They do not represent a forecast or projection of the Company’s share price, future performance, cash flow or profitability. As the termination of the 2020 Co-Ownership Plan and the adoption of the Co-Ownership Plan 2 are subject to the Approval Conditions, the 2020 Co-Ownership Plan may or may not be terminated, and the Co-Ownership Plan 2 may or may not be implemented and such bases for Grant may or may not materialise. Accordingly, Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.

9. DEFINITIONS

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

Term	Definition
“0.1% Individual Limit”	in respect of a relevant Participant, such number of new Shares that, when taken together with any other new Shares allotted and issued (or to be allotted and issued) pursuant to any options and awards granted to such Participant under other share schemes of the Company (but excluding any options and awards that have lapsed in accordance with the terms of the relevant share scheme) in any 12 month period up to and including the date of grant of such new Shares, equals 0.1% of the Shares in issue as at the date of the relevant invitation or Grant;
“1% Individual Limit”	in respect of a relevant Participant, such number of new Shares that, when taken together with any other new Shares allotted and issued (or to be allotted and issued) pursuant to any options and awards granted to such Participant under other share schemes of the Company (but excluding any options and awards that have lapsed in accordance with the terms of the relevant share scheme) in any 12 month period up to and including the date of grant of such new Shares, equals 1% of the Shares in issue as at the date of the relevant invitation or Grant;
“2020 Co-Ownership Plan”	the co-ownership scheme adopted by the Company on 16 April 2020;
“2020 Co-Ownership Plan Participant”	an eligible person who validly accepted an invitation to participate in the 2020 Co-Ownership Plan, and whose acceptance was accepted by the relevant committee of the Board, pursuant to the terms of the 2020 Co-Ownership Plan;
“3-Year Group EBITDA”	the total aggregate Group EBITDA for the Financial Years ended 31 March 2024, 31 March 2025 and 31 March 2026;
“3-Year Group EBITDA Margin”	the percentage resulting from the following formula: (the 3-Year Group EBITDA divided by the 3-Year Group Revenue) multiplied by 100;

“3-Year Group Revenue”	the total aggregate Group Revenue for the Financial Years ended 31 March 2024, 31 March 2025 and 31 March 2026;
“Acceptance Letter”	a letter of acceptance to be sent by an Eligible Participant which specifies his/her Investment Amount and indicates whether any part of the Investment Amount will be settled in the form of Contribution Shares;
“Annual Remuneration Package”	with respect to: (A) an Eligible Participant who, prior to the date of his invitation to participate in the Co-Ownership Plan 2, has not yet filed with the Inland Revenue Department (or its equivalent outside of Hong Kong) an annual tax return reflecting his employment or engagement with the relevant Group Company, the total annual income set out in such Eligible Participant’s contract of employment or engagement with the relevant Group Company as at the date of the relevant invitation to participate in the Co-Ownership Plan 2 which would be reported as income to the relevant tax authorities (excluding any discretionary or contingent benefits); and (B) all other Eligible Participants, the total income reported by such Eligible Participant in his latest annual tax return in respect of his employment or engagement with the relevant Group Company filed with the Inland Revenue Department (or its equivalent outside of Hong Kong) prior to the date of the relevant invitation to participate in the Co-Ownership Plan 2;
“Approval Conditions”	is defined in the section headed “3. Conditions”;
“Award Shares”	Shares awarded to a Grantee on the Grant Date;
“Award Share Limit”	29,630,281 Shares;
“Award Share VWAP”	the 30-trading-day volume-weighted average closing price of a Share on the Stock Exchange, where such 30-trading-day period begins on the Business Day after the date on which the Company’s annual results announcement for the Financial Year ending 31 March 2026 is published;
“Bad Leaver”	any person who ceases to be employed or engaged by the Company or any Group Company, or ceases to be a Director or a director of any Group Company and who is not a Good Leaver;

“Board”	the board of Directors from time to time;
“Business Day”	any day (excluding Saturdays, Sundays and public holidays) on which the Stock Exchange is open for the business of dealing in securities and on which banks are open for normal banking business in Hong Kong;
“Co-Ownership Plan 2”	the co-ownership scheme adopted by the Company with effect from the Effective Date and constituted by the Rules as amended from time to time;
“Committee”	the remuneration committee of the Company or such other committee as the Board may authorise to administer the Co-Ownership Plan 2;
“Companies Act”	the Cayman Islands Companies Act, as amended and restated from time to time;
“Company”	EC Healthcare (formerly known as “Union Medical Healthcare Limited”), a company incorporated in the Cayman Islands, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 2138);
“Connected Participant”	a Participant who is a connected person of the Company under the Listing Rules, including but not limited to a Director, or chief executive of the Company or a director, or chief executive of any of its subsidiaries, as at the relevant time;
“connected person”	has the meaning ascribed to it in Chapter 14A of the Listing Rules;
“Connected Plan Trust”	the Co-Ownership Plan 2 trust constituted under the relevant Plan Trust Deed to hold Shares on trust for Connected Participants;
“Contribution Shares”	Shares that an Eligible Participant: <ul style="list-style-type: none"> (A) has held at all times since the Business Day immediately prior to the start of the relevant Invitation Period (or where a 2020 Co-Ownership Plan Participant is an Eligible Participant, Shares that he has held at all times since the later of: (i) the Business Day immediately prior to the start of the relevant Invitation Period; and (ii) the date the trustee of the 2020 Co-Ownership Plan transfers the legal title to such Shares upon termination of the 2020 Co-Ownership Plan) and up to and including the date he transfers the legal title to such Shares to the relevant Plan Trustee; and

	(B) indicates in his Acceptance Letter he intends to contribute to the Co-Ownership Plan 2 to settle any part of his Investment Amount (and the deemed price of each such Share, for the purposes of administering the Co-Ownership Plan 2, shall be the Investment Share VWAP);
“Director”	a director of the Company;
“Doctor Group”	Service Providers who are qualified medical doctors and who: <ul style="list-style-type: none"> (A) became Service Providers on or after 1 March 2023; (B) provide services to the relevant Group Company in a speciality practice area; and (C) have equal to or greater than ten years of experience practicing as qualified medical doctors;
“Doctor Group Grant Conditions”	in respect of a Doctor Group Participant, the person’s annual billing figure for the Financial Year ending 31 March 2028 being greater than or equal to the person’s annual billing figure for the 12 month period immediately preceding the Doctor Group Participant Start Date (when such person was employed as a qualified medical doctor) compounded at a rate of 5% per annum for the period from the Doctor Group Participant Start Date until 31 March 2028, as determined by the Committee in their sole discretion;
“Doctor Group Grantee”	any Doctor Group Participant to whom a Grant is made in accordance with the terms of the Rules or, in the event of such person’s death, his estate or legally appointed representative;
“Doctor Group Participant”	Participants who are members of the Doctor Group;
“Doctor Group Participant Start Date”	in respect of a Doctor Group Participant, the date on which such person became a Service Provider;
“Effective Date”	the date on which the last in time of the Approval Conditions is satisfied;

“Eligible Participant”	a director, employee or Service Provider of any Group Company as at or after the adoption of Co-Ownership Plan 2, in each case who has been selected by the Committee and who has not given to such Group Company nor has such Group Company given to such person a notice of resignation or notice of termination (as the case may be) of employment, engagement, office or contract, provided that neither Mr. Tang nor any non-executive Director shall be Eligible Participants;
“Extraordinary General Meeting”	the extraordinary general meeting of the Company to be convened by the Company to approve, among other things, the adoption of the Co-Ownership Plan 2, the termination of the 2020 Co-Ownership Plan, the grant of the Scheme Mandate and the Service Provider Sublimit as described herein;
“Financial Year”	in respect of any calendar year, the Company’s financial year ending on 31 March of the relevant year;
“First Settlement Tranche”	has the meaning ascribed to it under the section “4. Key Features of the Co-Ownership Plan 2 — Award Shares Grant Settlement”;
“Good Leaver”	<p>a person who ceases to be employed or engaged by the Company or any other Group Company, or ceases to be a director of any Group Company:</p> <p>(A) by reason of: (i) death; (ii) retirement at or after the age of 60; (iii) permanent ill health or physical or mental disability which renders him/her incapable of continued employment, engagement or holding office in his current position carrying out the normal duties for that position, as certified by a general medical practitioner, or other specialist medical professional; or (iv) the relevant circumstances as set out in this announcement in the section headed “4. Key Features of the Co-Ownership Plan 2 — Corporate Events”; or</p> <p>(B) who has been determined by the Committee to be a Good Leaver;</p>
“Grant”	the grant of an Award Share to a Participant (including the Connected Participants) under the Co-Ownership Plan 2;

“Grant Conditions”	<p>(A) the 3-Year Group EBITDA Margin being greater than or equal to 18%;</p> <p>(B) the Group Revenue for the Financial Year ended 31 March 2026 being greater than or equal to HK\$7,713 million; and</p> <p>(C) the closing price of a Share on the Stock Exchange on the Business Day immediately prior to the proposed Grant Date being greater than or equal to HK\$3.961,</p> <p>subject to any adjustment considered by the Board as appropriate and shareholders’ approval (if required);</p>
“Grant Date”	<p>the date on which the Grants are made, being:</p> <p>(A) in the case of Participants who are not Doctor Group Participants, the date falling 10 Business Days after the publication of the Company’s annual results announcement for the Financial Year ending 31 March 2026;</p> <p>(B) in the case of Doctor Group Participants, the date falling 10 Business Days after 31 March 2028;</p>
“Grantee”	<p>any Participant to whom a Grant is made in accordance with the terms of the Rules or, in the event of such person’s death, his estate or legally appointed representative;</p>
“Group”	<p>the Company and its subsidiaries and a “Group Company” means any of the aforesaid companies;</p>
“Group EBITDA”	<p>the earnings before interests, taxation, depreciation-owned property, plant and equipment and amortisation of the Group for a relevant Financial Year as set out in the Company’s published annual results announcement in respect of such Financial Year;</p>
“Group Revenue”	<p>the revenue of the Group for a relevant Financial Year as set out in the Company’s published annual results announcement, provided that any revenue attributable (as determined by the Committee) to assets acquired and/or realised in such Financial Year as a result of a ‘very substantial acquisition’(such term having the meaning given to it in Chapter 14 of the Listing Rules) by a Group Company shall be excluded for such purposes;</p>

“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;
“Independent Shareholder”	in relation to a resolution to at a general meeting of the Company, any Shareholder that is not required to abstain from voting on such resolution under the Listing Rules;
“Investment Amount Range”	for any Eligible Participant, an amount: (i) equal to or greater than 16.67% of his Annual Remuneration Package; and (ii) less than or equal to 100% of his/her Annual Remuneration Package;
“Investment Amount Settlement Date”	in respect of any Invitation Period, the date on which the total Investment Amounts of all of the Participants who have accepted an invitation in such Invitation Period have been transferred to the Company and/or the Plan Trustee (as the case may be);
“Investment Amount”	the amount a Participant nominates to invest into the relevant Plan Trust, in the form of cash and/or Contribution Shares;
“Investment Share VWAP”	in respect of an Invitation Period, the higher of: (i) the five-trading-day volume-weighted average closing price of a Share on the Stock Exchange where such five-trading-day period is ended on the Business Day immediately prior to the date of issuance of the Invitation Letter for such Invitation Period; and (ii) the closing price of a Share on the Stock Exchange on the Business Day immediately prior to the date of issuance of the Invitation Letter for such Invitation Period;
“Investment Share(s)”	the Share(s) allotted and issued to, or purchased by, the Plan Trustee using the cash Investment Amounts in the manner set out in the paragraph headed “4. Key Features of the Co-Ownership Plan 2 — Acquisition of Investment Shares” and the Contribution Shares, in each case, held in accordance with the Co-Ownership Plan 2;
“Invitation Letter”	an invitation letter, in such form as the Committee may determine and which may include such other terms as the Committee may determine;
“Invitation Period”	the invitation period(s) during the Term determined by the Committee in accordance with the Rules;

“Listing Committee”	the listing sub-committee of the board of directors of the Stock Exchange;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time;
“Mr. Tang”	Mr. Tang Chi Fai, the Chief Executive Officer of the Company, chairman of the Board, chairman of the nomination committee of the Company and an executive Director;
“New Share Option Scheme”	the new share option scheme of the Company proposed to be approved by the Shareholders at the Extraordinary General Meeting;
“Non-Connected Participant”	a Participant who is not a Connected Participant, as at the relevant time;
“Non-Connected Plan Trust”	the Co-Ownership Plan 2 trust constituted under the relevant Plan Trust Deed to hold Shares on trust for Non-Connected Participants;
“Participant”	an Eligible Participant who has accepted an invitation to participate in the Co-Ownership Plan 2 and whose acceptance is accepted by the Committee pursuant to the terms of the Rules;
“Plan Resolutions”	the resolutions to be put to Shareholders or Independent Shareholders (as the case may be) at the Extraordinary General Meeting to approve: (i) the termination of the 2020 Co-Ownership Plan; (ii) the Co-Ownership Plan 2; (iii) the grant of the Scheme Mandate; and (iv) the Service Provider Sublimit;
“Plan Trustee”	the independent third-party professional trustee(s) of the Plan Trusts appointed by the Company from time to time;
“Plan Trust(s)”	the Connected Plan Trust and/or the Non-Connected Plan Trust, as the case may be;
“Plan Trust Deeds”	the trust deeds entered into between the Company and the Plan Trustee (as restated, supplemented and amended from time to time) in respect of the appointment of the Plan Trustee for the administration of the Connected Plan Trust and the Non-Connected Plan Trust;

“Priority”	has the meaning ascribed to it in the section headed “4. Key Features of the Co-Ownership Plan 2 — Priority if there is an over-subscription of Investment Shares”;
“Public Float Requirement”	the requirement under the Listing Rules for the Company to have 25% or more of its issued Shares held by the “public”, as such term is defined in Chapter 8 of the Listing Rules, or such other requirement applicable to the Company from time to time, pursuant to the Listing Rules, regarding the minimum prescribed percentage of the Company’s securities to be in public hands;
“Reorganisation of Capital Structure”	an alteration in the capital structure of the Company by way of a capitalisation of profits or reserves, bonus issue, rights issue, open offer, subdivision or consolidation of shares or reduction of the share capital of the Company in accordance with applicable laws and the Listing Rules;
“Returned Shares”	such Award Shares which, in accordance with the terms of the Co-Ownership Plan 2, are not Settled (whether as a result of a lapse or otherwise);
“Rules”	the rules of the Co-Ownership Plan 2 as amended from time to time;
“Scheme Mandate”	a mandate to be sought from the Shareholders at the Extraordinary General Meeting to authorise the Directors to allot and issue new Shares under the Rules up to the Scheme Mandate Limit;
“Scheme Mandate Limit”	such number of new Shares to be allotted and issued under the Co-Ownership Plan 2 and New Share Option Scheme that, when aggregated with other new Shares to be allotted and issued pursuant to any options and awards under other share schemes of the Company (but excluding any options and awards that have lapsed in accordance with the terms of the relevant share scheme), equals to 10% of the issued Shares on the day of the Extraordinary General Meeting (as may be adjusted in the event of a subdivision or consolidation of Shares);
“Second Settlement Tranche”	has the meaning ascribed to it under the section “4. Key Features of the Co-Ownership Plan 2 — Award Shares Grant Settlement”;

“Service Provider”	any person who, or entity which, provides services to a Group Company 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 (as determined by the Committee), including but not limited to members of the Doctor Group and individual medical professionals who provide services to, or on behalf of, a Group Company;
“Service Provider Sublimit”	such number of new Shares to be allotted and issued under the Co-Ownership Plan 2 and New Share Option Scheme that, when aggregated with any other new Shares to be allotted and issued pursuant to any options and awards granted to the Service Providers under other share schemes of the Company (but excluding any options and awards that have lapsed in accordance with the terms of the relevant share scheme), equals 4% of the Shares in issue as at the date of the Extraordinary General Meeting (as may be adjusted in the event of a subdivision or consolidation of Shares), and in any event within the Scheme Mandate Limit;
“Settle”	in respect of a Grant, the transfer of the relevant Award Share(s) to the relevant Grantee after the relevant Award Shares have vested, and “Settlement” shall be construed accordingly;
“Shareholders”	holders of Shares;
“Shares”	ordinary shares in the share capital of the Company with par value of HK\$0.00001 each;
“Share Pool”	the pool of Shares held by the Plan Trustee constituted as set out in the section headed “4. Key Features of the Co-Ownership Plan 2 — Share Pool” of this announcement;
“Share Pool VWAP”	the higher of: (i) the five-trading-day volume-weighted average closing price of a Share on the Stock Exchange where such five-trading-day period is ended on the Business Day; and (ii) the closing price of a Share on the Stock Exchange on the Business Day, in each case immediately prior to the date of any instructions given by the Company to the Plan Trustee for on-market purchase of Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiaries”	has the meaning ascribed to it in the Listing Rules;

“Term”	has the meaning ascribed to it in “4. Key Features of the Co-Ownership Plan 2 — Term”;
“Vesting Period”	in respect of a Participant, the time period commencing on the relevant Investment Amount Settlement Date in respect of the Invitation Period(s) in which he was an invitee and ending on the date of Settlement of the first Award Share he receives under the Co-Ownership Plan 2 (both dates inclusive); and
“%”	per cent.

By Order of the Board
EC Healthcare
Raymond Siu
Company Secretary

Hong Kong, 19 April 2023

As at the date of this announcement, the executive Directors of the Company are Mr. Tang Chi Fai, Mr. Lu Lyn Wade Leslie, Mr. Lee Heung Wing, Ms. Wong Ka Ki Ada, and Mr. Wong Chi Cheung; the non-executive Director is Mr. Luk Kun Shing Ben; and the independent non-executive Directors are Mr. Ma Ching Nam, Mr. Look Andrew and Mr. Au Tsun.

If there is any inconsistency between the English and the Chinese versions of this announcement, the English version shall prevail.