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CHINA WANTIAN HOLDINGS LIMITED

中國萬天控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1854)

GRANT OF SHARE OPTIONS AND PROPOSED ADJUSTMENTS TO THE TERMS OF OUTSTANDING SHARE OPTIONS UNDER THE PREVIOUS GRANT

GRANT OF SHARE OPTIONS

This announcement is made by China Wantian Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 17.06A of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that on 11 October 2023 (the “**Date of Grant**”), the Board resolved to grant a total of 46,180,000 share options (the “**Options**”) to 17 eligible persons (the “**Grantees**”) to subscribe for up to an aggregate of 46,180,000 ordinary shares of HK\$0.01 each in the share capital of Company (the “**Shares**”) pursuant to the share option scheme adopted by the Company on 26 September 2016 (the “**Share Option Scheme**”), representing approximately 2.42% of the issued Shares as at the date of this announcement, subject to acceptance of the Grantees and if applicable, the approval by the shareholders of the Company (the “**Shareholders**”).

Details of the Options are as follows:

- Date of Grant : 11 October 2023
- Exercise price of the Options : HK\$0.93 per Share, which is higher than any of the following: (i) the closing price of HK\$0.90 per Share as stated in the Stock Exchange's daily quotations sheet on the Date of Grant; (ii) the average closing price of HK\$0.856 per Share as stated in the Stock Exchange's daily quotations sheets for the five (5) business days immediately preceding the Date of Grant; and (iii) the nominal value of HK\$0.01 per Share.
- Number of Options granted : 46,180,000 Options, of which the grant of 36,200,000 Options is subject to the approval of the Shareholders at an extraordinary general meeting of the Company (the "EGM"), and each Option shall entitle the Grantees to subscribe for one (1) Share upon exercise of such Option.
- Closing market price of the Shares on the Date of Grant : HK\$0.90 per Share
- Validity period of the Options : Three (3) years from the Date of Grant to 10 October 2026 (both days inclusive)
- Vesting period of the Options : The Options shall be vested on the first anniversary of the Date of Grant.
- Exercise period of the Options : The Options are exercisable until 10 October 2026 subject to vesting.
- Performance target : There is no performance target attached to the Options.

The purpose of the Share Option Scheme is to, among others, recognise the eligible participants for their contribution to the Group, and retain and provide incentives for them to promote the success of the Group's business. The Share Option Scheme will allow the eligible participants an opportunity to have a personal stake in the Company, which will further motivate them to optimise their performance as well as efficiency.

The remuneration committee of the Company (the “**Remuneration Committee**”) is of the view that performance targets are not necessary as (i) the value of the Options is subject to the future market price of the Shares, which in turn depends on the overall business performance of the Group, to which the Grantees, who are Directors and employees of the Group, would contribute directly; (ii) the Options are subject to the vesting period, which will ensure that the long-term interests of the Grantees and the Company are aligned and the Grantees will be motivated to contribute to the Company’s development; and (iii) the exercise price represents certain premium over both the closing price of the Shares on the Date of Grant and the average closing price of the Shares for the five (5) business days immediately preceding the Date of Grant. As such, the Remuneration Committee and the Board believe that in spite of the absence of performance targets, the grant of the Options could provide incentives for the Grantees to contribute to the competitiveness, results of operation and future growth of the Group, and reinforce the Grantees’ long-term commitment to the Group, which is in line with the aforesaid purpose of the Share Option Scheme.

Clawback mechanism : The Options granted are subject to the clawback mechanism as set out in the terms of the Share Option Scheme. The Options will automatically lapse upon the Grantee ceasing to be an eligible participant of the Group on one or more of the grounds, including but not limited to if he/she has been guilty of serious misconduct or has committed an act of bankruptcy or has made any arrangement with his/her creditors generally or has been convicted of any criminal offence involving his/her integrity or honesty, or on other grounds on which an employer would be entitled to terminate his/her employment pursuant to any applicable laws, or for any other reason save for the death of the Grantee.

Financial assistance : There are no arrangements for the Company or any of its subsidiaries to provide financial assistance to any of the Grantees to facilitate the purchase of Shares under the Share Option Scheme.

Among the Options granted above, a total of 36,200,000 Options were granted to Directors, chief executive and substantial shareholders (as defined in the Listing Rules) of the Company and a total of 9,980,000 Options were granted to 15 employees of the Group, details of which are as follows:

Name of Grantee	Position/capacity in the Company	Number of Options granted	Approximate percentage of issued Shares
Dr. Hooy Kok Wai ("Dr. Hooy")	Chairman of the Board, executive Director and substantial shareholder	24,000,000	1.26
Mr. Zhong Xueyong ("Mr. Zhong")	Vice-chairman of the Board, chief executive officer, executive Director and substantial shareholder	12,200,000	0.64
15 employees		<u>9,980,000</u>	<u>0.52</u>
Total		<u><u>46,180,000</u></u>	<u><u>2.42</u></u>

The grant of Options to each of the abovementioned Directors has been approved by the independent non-executive Directors in accordance with Rule 17.04(1) of the Listing Rules.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, save as disclosed above, as at the date of this announcement, none of the Grantees is (i) a Director, chief executive or substantial shareholder (as defined in the Listing Rules) of the Company, or an associate (as defined in the Listing Rules) of any of them; (ii) a participant with options and awards granted and to be granted exceeding the 1% individual limit (as defined in the Listing Rules); or (iii) a related entity participant (as defined in the Listing Rules) or service provider (as defined under the Listing Rules) with options and awards granted and to be granted in any 12-month period exceeding 0.1% of the total issued Shares.

Subsequent to the grant of Options, the number of Shares available for future grants pursuant to the Share Option Scheme is 1,449 Shares.

PROPOSED ADJUSTMENTS TO THE TERMS OF OUTSTANDING SHARE OPTIONS UNDER THE PREVIOUS GRANT

References are made to (i) the circular of the Company dated 13 May 2022 (the “**Circular**”) in relation to, among others, the conditional grant of 45,000,000 options and 23,000,000 options to Dr. Hooy and Mr. Zhong, respectively, pursuant to the Share Option Scheme on 13 April 2022 (the “**Previous Grant**”); (ii) the announcement of the Company dated 8 June 2022 in relation to the poll results of the extraordinary general meeting of the Company held on 8 June 2022 approving the Previous Grant; (iii) the announcement of the Company dated 12 June 2023 in relation to, among others, the adjustments to the outstanding options as a result of the rights issue on the basis of one rights share for every five then existing shares held (the “**Rights Issue**”); and (iv) the announcement of the Company dated 6 September 2023 in relation to the change of financial year end date from 31 March to 31 December (the “**Change of FY End Date**”).

As disclosed in the Circular, the remaining one third of the options pursuant to the Previous Grant, being 22,680,000 options (the “**Outstanding Options**”) in aggregate (comprising 15,000,000 and 7,680,000 Outstanding Options conditionally granted to Dr. Hooy and Mr. Zhong, respectively), may be exercised by Dr. Hooy and Mr. Zhong from 1 July 2024 to 30 June 2025 only if the audited revenue of the Group for the year ending 31 March 2024 is no less than 140% of the audited revenue of the Group for the year ended 31 March 2022.

Taking into consideration the Change of FY End Date and given that the next audited financial statements of the Group will cover the period of nine months from 1 April 2023 to 31 December 2023, the Board has resolved to approve that 23,847,112 options, being the adjusted number of the Outstanding Options in aggregate (comprising 15,776,391 and 8,070,721 options for Dr. Hooy and Mr. Zhong, respectively) as a result of the Rights Issue, may be exercised by Dr. Hooy and Mr. Zhong from 13 April 2024 to 12 April 2025 only if the annualised figure of the audited revenue of the Group for the nine months ending 31 December 2023 is no less than 140% of the audited revenue of the Group for the year ended 31 March 2022 (the “**Proposed Adjustments**”).

Save for the Proposed Adjustments, all other terms and conditions of the Previous Grant under the Share Option Scheme remain unchanged. The Proposed Adjustments have been approved by the Remuneration Committee and the independent non-executive Directors.

LISTING RULES IMPLICATIONS

Pursuant to Rule 17.04(3) of the Listing Rules, where any grant of options or awards to an independent non-executive director or a substantial shareholder of the listed issuer, or any of their associates, would result in the shares issued and to be issued in respect of all options and awards granted to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the relevant class of shares in issue, such further grant of options or awards must be approved by shareholders of the listed issuer in general meeting.

As the total number of Shares to be issued upon exercise of the Options proposed to be granted to Dr. Hooy and Mr. Zhong would exceed 0.1% of the Shares in issue in a 12-month period, the grant of the Options to each of Dr. Hooy and Mr. Zhong is conditional upon the approval by the Shareholders at the EGM.

Pursuant to Note (2) to Rule 17.03(18) of the Listing Rules, any change to the terms of options or awards granted to a participant must be approved by the board, the remuneration committee, the independent non-executive directors and/or the shareholders of the listed issuer (as the case may be) if the initial grant of the options or awards was approved by the board, the remuneration committee, the independent non-executive directors and/or the shareholders of the listed issuer (as the case may be). Accordingly, the Proposed Adjustments are conditional upon the approval by the Shareholders at the EGM.

The EGM will be convened and held for the Shareholders to, among other things, consider and, if thought fit, approve (i) the grant of Options to Dr. Hooy and Mr. Zhong, respectively; and (ii) the Proposed Adjustments. A circular containing, among other things, information relating to the grant of Options to each of Dr. Hooy and Mr. Zhong, the Proposed Adjustments and a notice of the EGM will be despatched to the Shareholders in due course.

By order of the Board
China Wantian Holdings Limited
Hooy Kok Wai
Chairman and Executive Director

Hong Kong, 11 October 2023

As at the date of this announcement, the Board comprises Dr. Hooy Kok Wai, Mr. Zhong Xueyong and Mr. Liu Chi Ching as executive Directors; and Ms. Lui Choi Yiu Angela, Mr. Siu Chun Pong Raymond and Mr. Lam Chi Wing as independent non-executive Directors.