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Guanze Medical Information Industry (Holding) Co., Ltd.

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2427)

VOLUNTARY ANNOUNCEMENT ADOPTION OF SHARE AWARD SCHEME

ADOPTION OF THE SHARE AWARD SCHEME

The Board is pleased to announce that on 2 December 2023, it has resolved to adopt the Share Award Scheme.

The Board may, from time to time, cause to be paid an amount from the Company's funds to the Trustee or the Trust Holdco for the purchase of the Shares on the market for the purpose of satisfying the Awards granted by the Board to the Selected Participant(s) under the Scheme Rules. The Share Award Scheme has been adopted to be funded solely by the existing Shares.

LISTING RULES IMPLICATIONS

The Share Award Scheme constitutes a share scheme under Chapter 17 of the Listing Rules and shall be subject to the applicable disclosure requirements under Rule 17.12 of the Listing Rules. However, it does not constitute a scheme involving the issue of new shares as referred to in Chapter 17 of the Listing Rules. Therefore, the adoption of the Share Award Scheme will not be subject to Shareholders' approval.

INTRODUCTION

The Board is pleased to announce that on 2 December 2023, it has resolved to adopt the Share Award Scheme.

THE SHARE AWARD SCHEME

A summary of the principal terms of the Share Award Scheme is set out below.

1. Purpose and objective

The purposes and objectives of the Share Award Scheme are:

- (i) to motivate certain Eligible Participants to optimise their performance and efficiency for the benefit of the Group;
- (ii) to recognise and reward certain Eligible Participants for their performance and contributions; and
- (iii) to retain certain Eligible Participants for their continual contribution to the operation and development of the Group.

2. Duration

Without prejudicing the subsisting rights of any Selected Participant and subject to early termination as may be determined by the Board pursuant to the Scheme Rules, the Share Award Scheme shall be valid and effective from the Adoption Date until the tenth (10th) anniversary of the Adoption Date, after which no Award shall be granted but the provision of the Share Award Scheme will in all other respects remain in full force and effect until all Awards that are granted on or before the tenth (10th) anniversary of the Adoption Date are vested and transferred to the relevant Selected Participants.

3. Participants of the Scheme

Pursuant to the Scheme Rules, the Eligible Participants of the Share Award Scheme include any employee (excluding any connected person(s) of the Company) of any member of the Group.

4. Administration

The Board shall be responsible for the administration of the Share Award Scheme in accordance with the Scheme Rules.

The Board has appointed the Trustee to assist in the administration of the Share Award Scheme. A Trust will be set up and administered by the Trustee for the purpose of holding the Trust Shares, Related Income and Residual Cash in accordance with the Scheme Rules and the Trust Deed.

5. Operation of the Scheme

The Board may, from time to time, cause to be paid an amount from the Company's funds to the Trustee or the Trust Holdco for the purchase of the Shares on the market for the purpose of satisfying the Awards granted by the Board to the Selected Participant(s) under the Scheme Rules.

6. Grant of Awards

Subject to the provisions of the Scheme Rules, the Board may, from time to time, at its absolute discretion select any Eligible Participant (excluding any Excluded Participant) for participation in the Share Award Scheme as a Selected Participant. Until so selected, no Eligible Participant shall be entitled to participate in the Share Award Scheme.

The Board is entitled to impose any conditions (including, without limitation, the performance, operating and financial targets and other criteria, if any, to be satisfied by the Selected Participant) as it deems appropriate in its sole and absolute discretion with respect to the entitlement of the Selected Participant to the Award, and the Board will inform such Selected Participant by way of the grant letter. The grant letter will set out, among other things, the number of the Awarded Shares, the terms, conditions (e.g. performance conditions) (if any), restrictions (if any) and vesting schedule of such Award.

Upon receipt of the grant letter, a Selected Participant is required to confirm his/her acceptance of the Award by returning to the Company a notice of acceptance within 28 days after the date of grant, failing which the Award will be deemed not to have taken effect and automatically lapses.

7. Scheme Limit

The maximum number of Awarded Shares that may be awarded by the Board under the Share Award Scheme in aggregate shall be no more than 5 per cent (5%) of the number of Shares issued as at the Adoption Date.

The maximum number of Shares which may be awarded to a Selected Participant under the Share Award Scheme shall not exceed 1 per cent (1%) of the issued share capital of the Company as at the Adoption Date.

8. Vesting of Awards

Fifteen (15) Business Days prior to the vesting date of the Awarded Shares, the Board shall confirm with the Trustee the list of Selected Participants who have fulfilled all vesting conditions (if any) and shall instruct the Trustee to send to the relevant Selected Participants a vesting notice together with such prescribed transfer documents which the Selected Participants are required to execute to effect the transfer of the Awarded Shares.

Subject to the receipt by the Trustee of the transfer documents prescribed by the Trustee and duly signed by the Selected Participants within the period stipulated in the vesting notice, the Trustee shall transfer or procure the Trust Holdco to transfer the relevant Awarded Shares to the relevant Selected Participant as soon as practicable after the Vesting Date and in any event not later than fourteen (14) Business Days after the Vesting Date.

9. Total and Partial Lapse of Awards

Upon the occurrence of, but not limited to, any of the following events prior to or on the Vesting Date, the Award shall, unless the Board otherwise agrees, lapse forthwith (i.e. total lapse) and the Awarded Shares of such Award shall not vest on the relevant Vesting Date but shall become Returned Shares for the purpose of the Share Award Scheme, where the Selected Participant:

- (a) ceases to be an Eligible Participant;
- (b) has not fulfilled the vesting conditions (if any) determined by the Board;
- (c) has committed a serious criminal offence;
- (d) has violated the employees' code of conduct or policies of the Group;
- (e) has engaged in serious negligence, fraud or misconduct that resulted in significant loss to the Group; or
- (f) commits or permits or attempts to commit or permits a breach of the relevant Scheme Rules by, including but not limited to, assigning, transferring or creating any interest in favour of any other person in relation to the Awarded Shares.

In the event that that prior to or on the Vesting Date, a Selected Participant (i) is found to be an Excluded Participant or (ii) fails to return duly executed transfer documents prescribed by the Trustee for the relevant Awarded Shares within the stipulated period, the relevant part of the Award made to such Selected Participant shall, unless the Board otherwise agrees, lapse forthwith (i.e. partial lapse) and the relevant Awarded Shares shall not vest on the relevant Vesting Date but shall become Returned Shares for the purpose of the Share Award Scheme.

10. Restrictions

No Award shall be made by the Board and no Shares or payment (as the case may be) shall be delivered or made to the Trustee or the Trust Holdco and no instructions to acquire Shares shall be given to the Trustee under the Share Award Scheme where dealings in the Shares are prohibited under the Listing Rules and all applicable laws from time to time. Without limiting the generality of the foregoing, no such grant is to be made and no such instruction is to be given:

- (i) after inside information (having the meaning as defined in the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong) has come to the Company's knowledge until (and including) the trading date after such inside information has been published;
- (ii) within the period commencing 60 days (in the case of yearly results), or 30 days (in the case of results for half-year, quarterly or other interim period) immediately preceding the earlier of (i) the date of a meeting of the Board (as such date is first notified to the Stock Exchange) for the approval of the Company's results for any year, half-year, quarterly or other interim period (whether or not required under the Listing Rules); and (ii) the deadline for the Company to publish its quarterly, interim or annual results announcement for any such period, and ending on the date of such announcement; or

- (iii) in any other circumstances where dealings by Selected Participant are prohibited under the Listing Rules, the Securities and Futures Ordinance or any other applicable laws or regulations or where the requisite approval from any applicable regulatory authorities has not been granted.

11. No Assignment of the Award

An Award under the Share Award Scheme shall be personal to the relevant Selected Participant and shall not be assignable. No Selected Participant shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any other person over or in relation to the Awarded Shares referable to him or her or the Related Income or any of the Returned Shares under the Share Award Scheme prior to the Vesting Date.

12. Voting Rights and Entitlement

The Shares held by the Trustee or the Trust Holdco upon Trust shall not exceed 5 per cent (5%) of the issued share capital of the Company in issue from time to time.

The Trustee or the Trust Holdco shall not exercise the voting rights attached to any Shares held by either of them as nominee or under the Trust, including but not limited to the Trust Shares, the Awarded Shares, the Related Income and the Returned Shares. The Trustee shall abstain and shall procure the Trust Holdco to abstain from exercising the voting rights in respect of any Shares held directly or indirectly by it under the Trust.

A Selected Participant shall not have any interest or rights (including the right to receive dividends) other than a contingent interest in the Awarded Shares prior to the Vesting Date, and shall have no rights in the Residual Cash, the Related Income or any of the Returned Shares. No instructions may be given by a Selected Participant to the Trustee in respect of the Awarded Shares that have not vested and such other properties of the bank/securities account or the trust fund of the Trust managed by the Trustee or the Trust Holdco.

13. Alteration of the Share Award Scheme

The Share Award Scheme may be altered in any respect by a resolution of the Board provided that no such alteration shall operate to affect adversely any subsisting rights of any Selected Participant under the Share Award Scheme unless (i) the written consent of the relevant Selected Participants is obtained or (ii) the sanction of a special resolution is passed at a meeting of the relevant Selected Participants.

14. Termination and Acceleration of Vesting of Awarded Shares

The Share Award Scheme shall terminate on the earlier of: (i) the tenth (10th) anniversary date of the Adoption Date or (ii) such date of early termination as determined by the Board provided that such termination shall not affect any subsisting rights of any Selected Participant under the Share Award Scheme. The Board will notify the Trustee of such termination.

Upon termination, no further grant of Awarded Shares may be made under the Share Award Scheme. Upon receipt of the notification of termination from the Board in writing, the Trustee will, within twenty (20) Business Days of receiving such notice of termination, or such longer time as the Trustee and the Board may agree from time to time, vest all Awarded Shares which, as of the date of such notice are unvested and have not previously lapsed, and transfer or procure the Trust Holdco to transfer such vested Awarded Shares to the relevant Selected Participants in accordance with the Scheme Rules.

IMPLICATION OF LISTING RULES

The Trustee is a professional trustee engaged by the Company for the Share Award Scheme. To the best knowledge and belief of the Company and the Directors after making reasonable inquiries, the Trustee and the Trust Holdco and their ultimate beneficial owner(s) are third parties independent of the Company.

The Shares held by the Trustee or the Trust Holdco under the Share Award Scheme for the purpose of satisfying Awards already granted to Eligible Participants would be regarded as shares held “in public hands”. In the avoidance of doubt, the Shares held by the Trustee or the Trust Holdco under the Share Award Scheme for satisfying future grants to Eligible Participants would not count towards the public float of the Company. The Company will take appropriate measures to ensure that at least 25% of the Company’s total issued Shares are held by the public from time to time.

The Share Award Scheme constitutes a share scheme under Chapter 17 of the Listing Rules and shall be subject to the applicable disclosure requirements under Rule 17.12 of the Listing Rules. However, it does not constitute a scheme involving the issue of new shares as referred to in Chapter 17 of the Listing Rules. Therefore, the adoption of the Share Award Scheme will not be subject to Shareholders’ approval.

DEFINITIONS

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

“Adoption Date”	2 December 2023, being the date on which the Share Award Scheme is adopted by the Board
“Award(s)”	award(s) of Shares by the Board in accordance with the Scheme Rules
“Awarded Shares”	in respect of a Selected Participant, such number of Shares determined by the Board and granted to such Selected Participant in accordance with the Scheme Rules
“Board”	the board of Directors
“Business Days”	a day (other than Saturday, Sunday and public holiday) on which the Stock Exchange is open for trading and on which banks are open for business in Hong Kong
“Company”	Guanze Medical Information Industry (Holding) Co., Ltd., an exempted company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Eligible Participant”	any employee (excluding any connected person of the Group) of any member of the Group
“Excluded Participant”	any Eligible Participant who is resident in a place where the award of the Awarded Shares and/or the vesting and transfer of the Awarded Shares pursuant to the terms of the Share Award Scheme is not permitted under the laws and regulations of such place or where in the view of the Board or the Trustee (as the case may be), compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such Eligible Participant
“Group”	the Company and its Subsidiaries and such entities which are considered as subsidiaries of the Company under the applicable accounting standard and policy
“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

“Related Income”	all income or distribution derived from a Share (net of all expenses or charges incurred in relation to the receipt or payment of such income) held upon the Trust in the form of Shares (including but not limited to, any bonus Shares or scrip Shares received in respect of the Share) or money and, for the avoidance of doubt, excludes any Residual Cash
“Residual Cash”	cash remaining in the account or the trust fund of the Trust (including interest income derived from deposits maintained with licensed banks in Hong Kong) which has not been applied in the acquisition of Trust Shares or Awarded Shares
“Returned Share(s)”	such Awarded Share(s) or Related Income which are not vested and/or forfeited in accordance with the terms of the Scheme Rules (whether as a result of a total or partial lapses or otherwise), or such Share(s) being deemed to be Returned Share(s) in accordance with the terms of the Share Award Scheme and the Trust Deed
“Scheme Rules”	the rules relating to the Share Award Scheme, as approved and adopted by the Board on the Adoption Date in its present form or as amended from time to time in accordance with Scheme Rules
“Selected Participant(s)”	Eligible Participant(s) selected by the Board pursuant to the Scheme Rules
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Share Award Scheme”	the “Guanze Share Award Scheme” of the Company constituted by the Scheme Rules
“Shareholder(s)”	the holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary(ies)”	subsidiary(ies) of the Company
“Trust”	the trust constituted by the Trust Deed
“Trustee”	CMB Wing Lung (Trustee) Limited, the trustee corporation to be appointed by the Company for the administration of the Share Award Scheme
“Trust Deed”	the trust deed to be entered into between the Company and the Trustee (as restated, supplemented and amended from time to time) in respect of the appointment of the Trustee for the administration of the Share Award Scheme

“Trust Holdco”	means Guanze Medical Share Award (BVI) Co., Ltd., a company incorporated in the British Virgin Islands, which is wholly owned by the Trustee as trustee of the Trust
“Trust Share(s)”	such Shares that are held, directly or indirectly, by the Trustee upon Trust, from time to time for the purpose of the Share Award Scheme
“Vesting Date(s)”	the date(s) on which the entitlement of a Selected Participant to the Awarded Shares accrues in accordance with the conditions as imposed by the Board or deemed to have accrued in accordance with the Scheme Rules
“%”	per cent

By order of the Board
Guanze Medical Information Industry (Holding) Co., Ltd.
Meng Xianzhen
Chairman of the Board

Hong Kong, 2 December 2023

As at the date of this announcement, the Board comprises Mr. Meng Xianzhen and Mr. Guo Zhenyu as executive directors; Ms. Meng Cathy as non-executive director; and Dr. Zhao Bin, Dr. Chang Shiwang and Dr. Wong Man Hin Raymond as independent non-executive directors.