

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **EC Healthcare**, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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EC Healthcare

醫思健康

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2138)

- (1) TERMINATION OF THE 2020 CO-OWNERSHIP PLAN;
(2) ADOPTION OF THE CO-OWNERSHIP PLAN 2;
(3) SCHEME MANDATE TO ISSUE NEW SHARES
UNDER THE CO-OWNERSHIP PLAN 2;
(4) SERVICE PROVIDER SUBLIMIT UNDER THE CO-OWNERSHIP PLAN 2;
(5) PROPOSED ADOPTION OF THE NEW SHARE OPTION SCHEME AND
TERMINATION OF 2016 SHARE OPTION SCHEME
AND
(6) NOTICE OF EXTRAORDINARY GENERAL MEETING**

Unless the context otherwise requires, capitalised terms used in this cover shall have the same meanings as defined in this circular.

A notice convening the EGM to be held at Level 50, Langham Place Office Tower, 8 Argyle Street, Mong Kok, Hong Kong on Monday, 29 May 2023 at 4:00 p.m. is set out on pages 67 to 71 of this circular. A form of proxy for use at the EGM is enclosed with this circular. Such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and the Company at www.echealthcare.com.

Whether or not you are able to attend the EGM, you are requested to complete and sign the enclosed form of proxy in accordance with the instructions printed thereon and return the completed form of proxy to the Hong Kong branch share registrar of the Company, Link Market Services (Hong Kong) Pty Ltd. at Suite 1601, 16/F, Central Tower, 28 Queen's Road Central, Hong Kong as soon as possible and 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 you from attending and voting in person at the EGM or any adjournment thereof should you so wish and in such event, the form of proxy shall be deemed to be revoked.

12 May 2023

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DEFINITIONS

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

“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;
“2016 Share Option Scheme”	the Share Option Scheme adopted by the Company on 19 February 2016;
“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;

DEFINITIONS

“Acceptance Letter”	has the meaning set out in the sub-section headed “ <i>1.4 Investment Shares</i> ” in Appendix I of this circular;
“Announcement”	the announcement of the Company dated 19 April 2023 announcing, amongst other things, the conditional adoption of the Co-Ownership Plan 2;
“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”	has the meaning set out in the sub-section headed “ <i>2.1 Conditions for the termination of the 2020 Co-Ownership Plan and the adoption of the Co-Ownership Plan 2</i> ” in the “Letter from the Board” of this circular;
“Articles”	the articles of association of the Company as may be amended from time to time;
“associate”	has the meaning ascribed to it in the Listing Rules;
“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;

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“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;
“Cancelled Share(s)”	those Shares which were the subject of options which had been granted and accepted under the New Share Option Scheme or any of the other schemes but subsequently cancelled;
“close associates”	has the meaning ascribed to it under the Listing Rules;
“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;
“Commencement Date”	in respect of an NSO Option, the date upon which the NSO Vesting Period commences;
“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;

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“Connected Plan Trust”	the Co-Ownership Plan 2 trust constituted under the relevant Plan Trust Deed to hold Shares on trust for Connected Participants;
“Consultation Conclusions”	the consultation conclusions on the proposed amendments to the Listing Rules relating to share schemes of listed issuers and housekeeping rule amendment published by the Stock Exchange in July 2022;
“Contribution Shares”	Shares that an Eligible Participant: (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);
“Controlling Shareholder”	has the same meaning ascribed to it under the Listing Rules;
“Core Connected Person(s)”	has the meaning ascribed to it in Rule 1.01 of the Listing Rules;
“Date of Grant”	means, in relation to an NSO Option, the date on which the NSO Option is granted;
“Director”	a director of the Company;
“Doctor Group”	Service Providers who are qualified medical doctors and who: (A) became Service Providers on or after 1 March 2023;

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	(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 the 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;
“Exercise Date”	the date of the notice given by the NSO Grantee in respect of the exercise of the NSO Option;
“Exercise Price”	the price per Share at which a NSO Grantee may subscribe for Shares on the exercise of an NSO Option as described and subject to adjustments as set out in the provisions of the New Share Option Scheme;

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“Expiry Date”	the date of the expiry of the NSO Option as may be determined by the Board which shall not be later than the last day of the NSO Option Period in respect of such NSO Option;
“Extraordinary General Meeting” or “EGM”	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 termination of the 2016 Share Option Scheme, the adoption of the New Share Option Scheme, the grant of the Scheme Mandate, the Service Provider Sublimit and the NSO Service Provider Sublimit as described herein, notice of which is set out on pages 67 to 71 of this circular;
“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 set out in the sub-section headed “2.2(P) Award Shares Grant Settlement” in the “Letter from the Board” of this circular;
“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/her 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 circular in the section headed “1.19 Corporate Events” in Appendix I to this circular; 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 under the Co-Ownership Plan 2;

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“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\$”	<p>Hong Kong dollars, the lawful currency of Hong Kong;</p>

DEFINITIONS

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Independent Non-Executive Director”	the independent non-executive Directors of the Company, namely, Ma Ching Nam, Look Andrew and Au Tsun;
“Independent Shareholder”	in relation to a resolution 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”	the amount a Participant nominates to invest into the relevant Plan Trust, in the form of cash and/or Contribution Shares;
“Investment Amount Range”	for any Eligible Participant, an amount: (i) equal to or greater than 16.67% of his/her 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 Shares”	the Shares allotted and issued to, or purchased by, the Plan Trustee using the cash Investment Amounts in the manner set out in the section headed “ <i>1.5 Acquisition of Investment Shares</i> ” in Appendix I to this circular and the Contribution Shares, in each case, held in accordance with the Co-Ownership Plan 2;
“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;
“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;

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“Invitation Period”	the invitation period(s) during the Term determined by the Committee in accordance with the sub-section headed “ <i>1.4 Investment Shares</i> ” in the Appendix I of this circular;
“Latest Practicable Date”	8 May 2023, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information referred to in this circular;
“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 adopted by the Shareholders at the EGM, the principal terms of which are summarised in Appendix II to this circular;
“Non-Connected Participant(s)”	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;
“NSO Adoption Date”	the date on which the New Share Option Scheme is adopted by the Company by resolutions of the Shareholders at the EGM;
“NSO Approval Conditions”	the conditions for the New Share Option Scheme, details of which are set out under the paragraph headed “Termination of the 2016 Share Option Scheme and Adoption of the New Share Option Scheme” in the “Letter from the Board” of this circular;
“NSO Eligible Participant”	has the meaning ascribed to it under the rules of the New Share Option Scheme;

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“NSO Grantee”	any person and/or entity owned by any NSO Eligible Participant who has participated or will participate in the New Share Option Scheme by confirming the acceptance of offer(s) of NSO Option(s) granted or to be granted thereunder;
“NSO Offer”	an offer of the grant of an NSO Option and “ NSO Offer Date ” means in respect of an NSO Option, the date on which such NSO Option is offered in writing to an NSO Eligible Participant (which must be a Business Day);
“NSO Option(s)”	option(s) to subscribe for Shares granted pursuant to the New Share Option Scheme;
“NSO Option Period”	in respect of an NSO Option, the period to be notified by the Board to each NSO Grantee within which the NSO Option may be exercisable provided that such period of time shall not exceed a period of ten years commencing on the Commencement Date;
“NSO Participant”	any directors and employees of the Group (including persons who are granted NSO Options under the New Share Option Scheme as an inducement to enter into employment contracts with the Group) who, in the sole opinion of the Board, will contribute or have contributed to the Company and/or any of its subsidiaries;
“NSO Rules”	the rules of the New Share Option Scheme as may be altered from time to time;
“NSO Scheme Limit”	the maximum number of Shares in respect of which NSO Options may be granted under the New Share Option Scheme and shall not in aggregate exceed the number of Shares that represent 5% of the total number of Shares in issue as at the NSO Adoption Date, which is within the Scheme Mandate Limit;
“NSO Scheme Period”	a period commencing on the NSO Adoption Date and ending on the tenth anniversary of the NSO Adoption Date (both dates inclusive);

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“NSO Service Provider Sublimit”	such number of new Shares to be allotted and issued under the New Share Option Scheme (but excluding any options that have lapsed in accordance with the terms of the New Share Option Scheme), equals 2% of the Shares in issue as at the date of the EGM (as may be adjusted in the event of a subdivision or consolidation of Shares), and for the avoidance of doubt, the NSO Service Provider Sublimit (i) applies to Shares to be allotted and issued to those Service Providers under the New Share Option Scheme; and (ii) is within the Scheme Mandate Limit and the Service Provider Sublimit;
“NSO Vesting Period”	the vesting period as described in the respective NSO Grantee’s offer document, which shall not be shorter than 12 months the date upon which an offer for an NSO Option is accepted (subject to exceptions);
“Participant(s)”	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 adoption of the Co-Ownership Plan 2; (iii) the grant of the Scheme Mandate; and (iv) the Service Provider Sublimit;
“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;
“Plan Trustee”	the independent third-party professional trustee(s) of the Plan Trusts appointed by the Company from time to time;
“Priority”	has the meaning ascribed to it in the section headed “1.6 Priority if there is an over-subscription of Investment Shares” in Appendix I to this circular;

DEFINITIONS

“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 EGM 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 set out in the sub-section headed “2.2(P) Award Shares Grant Settlement” in the “Letter from the Board” of this circular;
“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), namely members of the Doctor Group and individual medical professionals who provide services to, or on behalf of, a Group Company;

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“Service Provider Sublimit”	such number of new Shares to be allotted and issued under the Co-Ownership Plan 2 and the 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;
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“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 “1.10 Share Pool” in Appendix I to this circular;
“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, 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;

DEFINITIONS

“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.

LETTER FROM THE BOARD



EC Healthcare
醫思健康

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 2138)

Executive Directors:

Tang Chi Fai (*Chairman and Chief Executive Officer*)
Lu Lyn Wade Leslie
Lee Heung Wing
Wong Ka Ki Ada
Wong Chi Cheung

Non-executive Director:

Luk Kun Shing Ben

Independent non-executive Directors:

Ma Ching Nam
Look Andrew
Au Tsun

Registered office:

Cricket Square, Hutchins Drive
P.O. Box 2681,
Grand Cayman KY1-1111
Cayman Islands

Principal place of business:

L50, Langham Place Office, Tower
8 Argyle Street, Mong Kok
Hong Kong

12 May 2023

To the Shareholders

Dear Sir or Madam,

- (1) TERMINATION OF THE 2020 CO-OWNERSHIP PLAN;**
(2) ADOPTION OF THE CO-OWNERSHIP PLAN 2;
(3) SCHEME MANDATE TO ISSUE NEW SHARES
UNDER THE CO-OWNERSHIP PLAN 2;
(4) SERVICE PROVIDER SUBLIMIT UNDER THE CO-OWNERSHIP PLAN 2;
(5) PROPOSED ADOPTION OF THE NEW SHARE OPTION SCHEME AND
TERMINATION OF 2016 SHARE OPTION SCHEME;
AND
(6) NOTICE OF EXTRAORDINARY GENERAL MEETING

LETTER FROM THE BOARD

1. INTRODUCTION

The purpose of this circular is to provide you with information reasonably necessary to enable you to make a decision on whether to vote for or against the resolutions to be proposed at the EGM for the approval of, *inter alia*:

- (i) the termination of the 2020 Co-Ownership Plan;
- (ii) the adoption of the Co-Ownership Plan 2;
- (iii) the grant of the Scheme Mandate to issue new Shares under the Co-Ownership Plan 2;
- (iv) the grant of the Service Provider Sublimit;
- (v) the termination of the 2016 Share Option Scheme;
- (vi) the adoption of the New Share Option Scheme;
- (vii) the grant of the NSO Scheme Limit; and
- (viii) the grant of the NSO Service Provider Sublimit.

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

Reference is made to the Announcement, in relation to, among other things, the termination of the 2020 Co-Ownership Plan, the adoption of the Co-Ownership Plan 2, the Scheme Mandate and the Service Provider Sublimit.

2.1 Conditions for the termination of the 2020 Co-Ownership Plan and the adoption of the Co-Ownership Plan 2

On 31 March 2023, the Board considered and approved the adoption of the Co-Ownership Plan 2 (the terms of which include the Grant of Award Shares) which shall be valid and effective from the Effective Date. In addition, 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 also proposed to terminate the 2020 Co-Ownership Plan.

LETTER FROM THE BOARD

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 EGM; 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.

Details of the principal terms of the Co-Ownership Plan 2 are set out in Appendix I to this circular.

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 pursuant to the Scheme Mandate.

2.2 The Co-Ownership Plan 2

(A) Purposes and Objectives of the Co-Ownership Plan 2

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.

(B) 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 otherwise terminated in accordance with the Rules.

(C) Administration

The Co-Ownership Plan 2 shall be administered by the Committee and the Plan Trustee.

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(D) Eligible Participants

Only Eligible Participants shall be eligible to participate in the Co-Ownership Plan 2. As of the Latest Practicable Date, 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.

(E) 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.

(F) 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.

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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.

(G) 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:

- (a) 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
- (b) 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.

(H) 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.

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(I) 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.

(J) 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.

(K) 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 “1.19 Corporate Events” in Appendix I to this circular):

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;

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- (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.

(L) 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 in (K) 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.

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(M) 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.

(N) Vesting Period

The minimum Vesting Period is 12 months.

(O) Adjustments

Subject to the section headed “*1.19 Corporate Events*” in Appendix I to this circular below:

- (i) the number of Award Shares to be Granted to a Participant (if eligible) shall be determined in accordance with the calculations in the section headed “*1.11 Basis for determining the number of Award Shares*” in Appendix I to this circular but 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 in respect of the Invitation Period in which he was an invitee until and including the Grant Date) by the total number of calendar days in the period from and including the Effective Date until and including the Grant Date; or

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- (ii) if a Participant becomes a Good Leaver prior to the Grant Date, the number of Award Shares to be Granted shall be determined in accordance with the calculations in the section headed “*1.11 Basis for determining the number of Award Shares*” in Appendix I to this circular but 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 in respect of the Invitation Period(s) in which he was an invitee until and including the date such Participant ceases his employment, engagement or office) by the total number of calendar days in the period from and including the Effective Date until and including the Grant Date.

For the avoidance of doubt, a Bad Leaver will not be entitled to any Award Shares.

(P) 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.

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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.

3. SCHEME MANDATE TO ISSUE NEW SHARES UNDER THE CO-OWNERSHIP PLAN 2

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 at the Latest Practicable Date, 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 and approximately 9.09% of the total issued Shares as enlarged by and immediately following such full utilisation of the Scheme Mandate and issue of new Shares (assuming no other Shares will be issued or repurchased by the Company from the date of the Announcement and until such full utilisation of the Scheme Mandate).

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 EGM.

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4. 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.

5. REASONS FOR AND BENEFITS OF 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

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 the 2020 Co-Ownership Plan can release the investment shares to participants for re-investment purposes in the Co-Ownership Plan 2, the Board proposed to terminate the 2020 Co-Ownership Plan.

The Co-Ownership Plan 2 forms part of the incentive schemes of the Group and is intended to further align the interests of the Eligible Participants and the Shareholders as a whole.

The purpose of the Co-Ownership Plan 2 is to recognise the continual support and contribution of the relevant employees to the Group and their efforts as being fundamental in promoting and sustaining the Group's growth, development and long-term success.

The Co-Ownership Plan 2 aims to align interests of Eligible Participants and Shareholders by inviting Eligible Participants to acquire equity interests in the Company and rewarding them based on their magnitude of contribution. The Board expects that the Eligible Participants will be motivated to committing themselves in improving the Group's overall performances and competitiveness. The Co-Ownership Plan 2 also serves as a strategy in retaining skilled and experienced Eligible Participants to remain with the Group and to motivate them to strive for future development and expansion of the Group in order to create value for the Shareholders.

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In addition, by including the directors, employees and service providers as Eligible Participants, the Board believes that this would be a proper recognition of their direct contribution to the Group's future development and value creation abilities, and the Eligible Participants will be better motivated to support the development of the Group in a sustainable manner. By setting the vesting period at a minimum of 12 months, the Board is of the view that this approach will best align with the Group's talent recruitment and retention strategies throughout the period. In addition, the Board believes that it is in the best interests of the Company to have performance targets benchmarked at the Group's revenue, which can align the interests of the Eligible Participants and the Shareholders.

Details of the principal terms of the Co-Ownership Plan 2 are set out in Appendix I to this circular.

6. TERMINATION OF THE 2016 SHARE OPTION SCHEME AND ADOPTION OF THE NEW SHARE OPTION SCHEME

Pursuant to the Consultation Conclusions, Chapter 17 of the Listing Rules has been amended to govern both share option schemes and share award schemes with effect from 1 January 2023 ("**Amended Rules**"). The Board has resolved to propose (i) conditional upon the New Share Option Scheme becoming effective, terminating the 2016 Share Option Scheme and (ii) adopting the New Share Option Scheme with terms prepared in accordance with the Amended Rules.

Termination of 2016 Share Option Scheme

The 2016 Share Option Scheme was adopted by the Company on 19 February 2016. The 2016 Share Option Scheme is valid and effective for a period of ten years from 11 March 2016. Ordinary resolution will be proposed at the EGM that, conditional upon the New Share Option Scheme becoming effective, the 2016 Share Option Scheme will be terminated. As at the Latest Practicable Date, (i) the Company had 33,967,500 outstanding share options granted under the 2016 Share Option Scheme which shall continue to be valid and exercisable during the prescribed exercisable period in accordance with the 2016 Share Option Scheme; (ii) the maximum number of share options that can be granted by the Company under the 2016 Share Option Scheme was 98,000,000; and (iii) the Company does not intend to grant further share options under the 2016 Share Option Scheme prior to the EGM.

Adoption of New Share Option Scheme

A summary of the principal terms of the New Share Option Scheme is set out in Appendix II to this circular.

The purpose of the New Share Option Scheme is to provide an incentive or reward for the NSO Grantees for their contribution or potential contribution to the Company and/or any of its subsidiaries.

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The New Share Option Scheme shall be for the benefit of the employee (whether full-time or part-time) or director of any member of the Group and a very limited range of Service Providers (comprising mainly medical professionals), and the Company believes that this aligns with the intention of the Group of providing incentives to the employees and directors of the Group and the Service Providers to contribute towards the enhancement of the Group's enterprise value as a whole. The terms of the New Share Option Scheme allow the Company to, where it considers appropriate, specify a minimum holding period and performance targets which must be achieved before NSO Options can be vested or exercised by a NSO Grantee. Whilst there is a general rule under the New Share Option Scheme that the NSO Vesting Period in respect of any NSO Option granted to any NSO Eligible Participant shall not be less than 12 months from the date of acceptance of the Offer, the NSO Rules has nonetheless retained flexibility by setting out exceptional circumstances where there may be shorter NSO Vesting Periods as further set out in paragraph 8 of Appendix II. In addition, the basis for the determination of the Exercise Price has been set out in the New Share Option Scheme and such basis is determined in accordance with the Listing Rules. The NSO Rules have also set out clawback mechanisms where the Company would be able to clawback the incentives granted to such NSO Grantees who were involved in misconduct, malfeasance, breach of law or other actions which do not conform with the standard expected of the NSO Grantees of the New Share Option Scheme. The Company believes that the mechanism of the New Share Option Scheme as described above will provide it with flexibility in setting the terms and conditions of the NSO Options which are most appropriate taking into account the individual circumstances of the relevant NSO Eligible Participants and therefore can facilitate the Company's objective to offer meaningful incentive to attract, retain and motivate talented employees towards the performance goals in business operation and other long-term performance targets set by the Group and to provide them with an incentive to work better for the interest of the Group, and hence aligns with the purpose of the New Share Option Scheme.

Subject to the provisions of the NSO Rules and fulfilment of the conditions of the NSO Rules, the New Share Option Scheme shall be valid and effective during the NSO Scheme Period after which no further NSO Options will be granted but the provisions of the New Share Option Scheme shall in all other respects remain in full force and effect to the extent necessary to give effect to the exercise of any NSO Options granted prior thereto or otherwise as may be required in accordance with the provisions of the New Share Option Scheme and NSO Options granted prior thereto but not yet exercised shall continue to be valid and exercisable in accordance with the New Share Option Scheme.

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The New Share Option Scheme shall be subject to the administration of the Board (or any committee as may be authorised by the Board) whose decision as to all matters arising in relation to the New Share Option Scheme or its interpretation or effect (save as otherwise provided herein) shall be final and binding on all parties. The Board shall have the right to (i) interpret and construe the provisions of the New Share Option Scheme, (ii) determine the persons who will be granted NSO Options under the New Share Option Scheme, and the number, Exercise Price and other terms of NSO Options granted thereto, (iii) make such appropriate and equitable adjustments to the terms of NSO Options granted under the New Share Option Scheme as it deems necessary and (iv) make such other decisions or determinations as it shall deem appropriate in the administration of the New Share Option Scheme.

As at the Latest Practicable Date, the Company has not formulated any concrete plan or intention to grant any NSO Option to the independent non-executive Directors under the New Share Option Scheme. However, having considered that (i) equity-based remuneration continues to be an important means of ensuring alignment between the interests of Shareholders and all Board members, including the independent non-executive Directors and (ii) independent non-executive Directors may provide crucial contributions to the Group's development and business in providing valuable insight and advices to the Company with their deep industry knowledge and professional background, the Board believes the inclusion of independent non-executive Directors as NSO Participants and the flexibility to grant NSO Options to the independent non-executive Directors in addition to cash-based incentives will allow the Company to keep its remuneration package competitive in order to attract and retain talents.

The Board will be mindful of the recommended best practice E.1.9 of the corporate governance code as set out in Appendix 14 to the Listing Rules which recommends that issuers should generally not grant equity-based remuneration with performance-related elements to independent non-executive directors when considering any future grants of NSO Options to the independent non-executive Directors.

As at the Latest Practicable Date, there is no intention on the part of the Company to grant any NSO Option to any NSO Eligible Participant.

Performance Targets and Claw Back Mechanism

Unless the Directors otherwise determined, an NSO Grantee is not required to achieve any performance targets before the exercise of an NSO Option granted to him or be subject to the clawback mechanism referred to in the NSO Rules. The NSO Rules will give the Board discretion to impose such conditions on the NSO Options where appropriate. The Directors consider that it may not always be appropriate to impose such conditions particularly when the purpose of granting options is to remunerate or compensate employees and Service Providers. The Directors consider that it is not practicable to expressly set out a generic set of performance targets in the NSO Rules, as each NSO Grantee will play different roles and contribute in different ways to the Group. The Directors consider it more beneficial to the Company to retain the flexibility to determine when and to what extent such conditions are appropriate. If performance targets are imposed on an NSO Grantee upon the grant of NSO Options, the Board will have regard to the purpose of the New Share Option Scheme in assessing such performance targets with reference to factors including but not limited to, as

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and when appropriate, sales performance, operating performance, financial performance of the Group, corporate sustainability parameters and discipline and responsibility, the satisfaction of which shall be assessed and determined by the Board at its sole discretion.

Subject to the discretion of the Board, if there is a material misstatement in the financial information of the Company which is related to the performance target that requires a restatement, or if the NSO Grantee is guilty of fraud or persistent or serious misconduct, regardless of whether there is any accounting restatement or a material error in calculating or determining the performance metrics or other criteria, or if a grant of NSO Option or the exercise of any NSO Option is linked to any performance targets and the Directors are of the opinion that there occur any circumstances that show or lead to any of the prescribed performance targets having been assessed or calculated in a materially inaccurate manner, the Directors may (but not obliged to) by notice in writing to the NSO Grantee concerned (i) claw back such number of NSO Options (to the extent not being exercised) granted as the Directors may consider appropriate, or (ii) extend the NSO Vesting Period (regardless of whether the initial vesting date has occurred) in relation to all or any of the NSO Options (to the extent not being exercised) to such longer period as the Directors may consider appropriate. The NSO Options that are clawed back pursuant to the above will be regarded as cancelled and the NSO Options so calculated will be regarded as utilized for the purpose of calculating the NSO Scheme Limit.

With such clawback mechanism in place, the Company would be able to clawback the equity incentives granted to NSO Grantees culpable of misconduct and is in line with the purpose of the New Share Option Scheme and the interests of Shareholders.

The Directors believe that these provisions, together with such other terms as may be determined by the Board, will serve to protect the value of the Company as well as to achieve the purpose of the New Share Option Scheme. The Board or a duly constituted committee of the Board will be responsible for administering the New Share Option Scheme. There are no trustees appointed for the purposes of the New Share Option Scheme.

Conditions for adoption of the New Share Option Scheme

The adoption of the New Share Option Scheme is conditional upon:

- (a) the passing by the Shareholders at a general meeting of the Company of an ordinary resolution to approve the adoption of the New Share Option Scheme, the NSO Scheme Limit and the NSO Service Provider Sublimit and to authorise the Board to grant NSO Options under the New Share Option Scheme and to allot and issue Shares pursuant to the exercise of any NSO Option; and
- (b) the Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in, the Shares to be allotted and issued pursuant to the exercise of any NSO Options which may be granted under the New Share Option Scheme.

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Scheme Mandate limit of the New Share Option Scheme

Subject to the fulfilment of the conditions with respect to the adoption of the New Share Option Scheme at the EGM, the total number of Shares which may be issued in respect of all NSO Options to be granted under the New Share Option Scheme must not in aggregate exceed the NSO Scheme Limit, i.e. 5% of the total issued share capital of the Company (i.e. 59,260,563 Shares) as at the NSO Adoption Date unless the Company obtains a fresh approval from Shareholders to renew the 5% limit. The number of new Shares to be allotted and issued pursuant to any NSO Options to the Service Providers under the New Share Option Scheme, shall not exceed 2% of the issued Shares on the NSO Adoption Date. The basis for determining the NSO Service Provider Sublimit includes the actual or expected contribution to the Group attributable to the Service Providers, the extent of use of Service Provider in the Group's business, the current payment terms with the Service Providers.

Application will be made to the Listing Committee of the Stock Exchange for the approval of the listing of, and permission to deal in, the Shares, representing a maximum of 5% of the Company's issued share capital as at the NSO Adoption Date, which fall to be issued pursuant to the exercise of the NSO Options to be granted under the New Share Option Scheme. As at the Latest Practicable Date, there were 1,185,211,265 Shares in issue. Assuming that no further Shares will be allotted, issued or repurchased prior to the EGM, (i) the total number of Shares which may be allotted and issued upon exercise of all NSO Options to be granted under the New Share Option Scheme is 59,260,563 Shares, representing 5% of the total number of Shares in issue as at the NSO Adoption Date, and (ii) the number of Shares which may be allotted and issued pursuant to any NSO Options granted to the Service Providers under the New Share Option Scheme, is 23,704,225 Shares, representing 2% of the total number of Shares in issue as at the NSO Adoption Date.

Others

The Board has sought advice from its Hong Kong legal advisers and understands the adoption of the New Share Option Scheme does not constitute an offer of shares or debentures under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap 32 of the Laws of Hong Kong) ("**Companies (WUMP) Ordinance**") and therefore the prospectus requirements under Companies (WUMP) Ordinance are not applicable to the adoption of the New Share Option Scheme. The Company will continue to observe the requirements under Companies (WUMP) Ordinance and ensure any grant of NSO Options under the New Share Option Scheme does not constitute an offer of shares or debentures under Companies (WUMP) Ordinance or will qualify under the exemption thereof.

7. IMPLICATIONS UNDER THE LISTING RULES

7.1 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 and the New Share Option Scheme in accordance with Chapter 17 of the Listing Rules.

7.2 Public Float

All of the Connected Participants are Core Connected Persons, 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.

7.3 Extraordinary General Meeting

The termination of the 2020 Co-Ownership Plan is subject to the approval of the same by the Independent Shareholders at the EGM. The adoption of the Co-Ownership Plan 2, the grant of the Scheme Mandate and the Service Provider Sublimit are subject to: (i) the approval of the same by the Shareholders respectively at the EGM; and (ii) the grant of the listing approval by the Listing Committee in respect of the new Shares which may be allotted and issued pursuant to the Co-Ownership Plan 2. The adoption of the New Share Option Scheme is subject to: (i) the approval of the same by the Shareholders at the EGM; and (ii) the grant of the listing approval by the Listing Committee in respect of the new Shares to be allotted and issued upon exercise of the NSO Option(s) granted pursuant to the New Share Option Scheme.

As Mr. Tang is a Connected Seller (as defined in the Company's circular dated 31 March 2020) under the 2020 Co-Ownership Plan, and Mr. Lee Heung Wing ("**Mr. Lee**") and Mr. Wong Chi Cheung ("**Mr. Wong**") are Eligible Participants (as defined in the Company's circular dated 31 March 2020) under the 2020 Co-Ownership Plan, each of the foregoing Directors has abstained from voting on the relevant board resolutions of the Company and will abstain from voting on the relevant resolution approving the termination of the 2020 Co-Ownership Plan at the EGM. As at the Latest Practicable Date, each of Mr. Tang, Mr. Lee and Mr. Wong held or were deemed to be interested in 722,204,610 Shares, 680,500 Shares and 476,624 Shares respectively.

A summary of the principal terms of the NSO Rules which is proposed to be approved and adopted by the Company at the EGM is set out in Appendix II to this circular. A copy of the New Share Option Scheme will be published on the Company's website at www.ehealthcare.com and the website of the Stock Exchange at www.hkexnews.hk for display for a period of not less than 14 days before the date of the EGM. None of the Directors is a trustee of the New Share Option Scheme nor has a direct or indirect interest in the trustees of the New Share Option Scheme (if any).

As at the Latest Practicable Date, no Shareholder had a material interest in the adoption of the Co-Ownership Plan 2, the adoption of the New Share Option Scheme, the grant of the Scheme Mandate, the Service Provider Sublimit and the NSO Service Provider Sublimit. As such, no Shareholder is required to abstain from voting on the resolutions in relation thereto.

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So far as the Company is aware, save for the above persons, as at the Latest Practicable Date (i) no other Shareholders are required to abstain from voting on the resolution(s) in respect of the termination of the 2020 Co-Ownership Plan and the 2016 Share Option Scheme; and (ii) no Shareholders are required to abstain from voting on the resolution(s) in respect of the adoption of the Co-Ownership Plan 2, the grant of the Scheme Mandate, the Service Provider Sublimit, the adoption of the New Share Option Scheme and the NSO Service Provider Sublimit.

8. RECOMMENDATIONS

The Directors (including the Independent Non-Executive Directors) are of the view that:

- (i) the termination of the 2020 Co-Ownership Plan is in the interests of the Company and the Shareholders as a whole;
- (ii) the terms of the Co-Ownership Plan 2 are fair and reasonable and in the interests of the Company and the Shareholders as a whole;
- (iii) the grant of the Scheme Mandate to issue new Shares as Investment Shares and/or Award Shares under the Co-Ownership Plan 2 are in the interests of the Company and the Shareholders as a whole;
- (iv) the termination of the 2016 Share Option Scheme is in the interests of the Company and the Shareholders as a whole; and
- (v) the terms of the New Share Option Scheme (including the NSO Scheme Limit and the NSO Service Provider Sublimit) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Accordingly, the Directors recommend that the Independent Shareholders and the Shareholders (as the case may be) vote in favour of the relevant resolution(s) to be proposed at the EGM.

Your attention is drawn to additional information set out in the appendices to this circular.

WARNING: The information set out in this circular relating to the Co-Ownership Plan 2 and the New Share Option Scheme, including the proposed bases for determining whether the conditions for the Grant of the Award Shares and the New Share Option Scheme are satisfied, are for the purpose of considering the resolutions to be presented at the EGM only. Nothing in this circular shall 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 and the New Share Option Scheme are subject to the NSO Approval Conditions, the 2020 Co-Ownership Plan and/or the 2016 Share Option Scheme may or may not be terminated, and the Co-Ownership Plan 2 and/or the New Share

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Option Scheme may or may not be implemented and such bases for granting 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. ACTION TO BE TAKEN

A form of proxy at the EGM is enclosed herewith. Whether or not you intend to attend the EGM, you are requested to complete the form of proxy and return it to the office of the Company's Hong Kong branch share registrar, Link Market Services (Hong Kong) Pty Ltd. at Suite 1601, 16/F, Central Tower, 28 Queen's Road Central, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of a form of proxy will not preclude you from attending and voting in person at the EGM, or any adjournment thereof, should you so wish.

10. EGM

Notice of the EGM is set out on pages 67 to 71 of this circular. The EGM to be held on Monday, 29 May 2023 at 4:00 p.m. for the purpose of considering and, if thought fit, passing the resolutions set out therein.

According to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll. Therefore, all the resolutions put to the vote at the EGM will be taken by way of poll.

The register of shareholders of the Company will be closed on 29 May 2023, during which period no transfer of Shares will be effected, in order to determine the identity of the shareholders who are entitled to attend and vote at the EGM. To be entitled to attend and vote at the EGM, all transfer documents accompanied by the relevant share certificates must be lodged with the branch share registrar of the Company in Hong Kong, Link Market Services (Hong Kong) Pty Ltd. at Suite 1601, 16/F, Central Tower, 28 Queen's Road Central, Hong Kong for registration no later than 4:30 p.m. on Thursday, 25 May 2023. The shareholders recorded on the register of shareholders on Monday, 29 May 2023 will be allowed to attend and vote at the EGM. Please refer to section 7.3 of this "Letter from the Board" for details on the number of Shares with which the holders thereof will be required to abstain from voting or will be restricted from voting (as the case may be) on the relevant resolutions put to vote at the EGM.

11. OVERVIEW OF THE GROUP

The Group is principally engaged in the provision of medical and healthcare services.

12. RESPONSIBILITY STATEMENT

This document, for which the directors of the issuer collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the issuer. The directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this

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document 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 any statement herein or this document misleading.

13. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection by Shareholders on the respective websites of HKEx at www.hkexnews.hk and the Company at www.echealthcare.com for a period of not less than 14 days before the date of the EGM:

- (A) the rules of the Co-Ownership Plan 2 (i.e. the Rules); and
- (B) the rules of the New Share Option Scheme (i.e. the NSO Rules).

14. GENERAL

The Board confirms that to the best of their knowledge, information and belief having made all reasonable enquiries, as at the Latest Practicable Date, save as disclosed in section 7.3 of this letter, no other Shareholder is required to abstain from voting on any resolution to be proposed at the EGM.

Your attention is drawn to the information set out in the appendices to this circular.

Yours faithfully
For and on behalf of the Board of
EC Healthcare
Lu Lyn Wade Leslie
Executive Director

1. THE CO-OWNERSHIP PLAN 2 AND ITS SUMMARY

The terms of the Co-Ownership Plan 2 are subject to the provisions of Chapter 17 of the Listing Rules as the Co-Ownership Plan 2 involves the grant of Share Awards by the Company. Pursuant to Rule 17.02(1)(a) of the Listing Rules, 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 Scheme.

If the Co-Ownership Plan 2 is approved by the Independent Shareholders at the EGM, the Company will appoint the Plan Trustee to assist with the administration of the Plan Trusts and Grant of Award Shares granted pursuant to the Co-Ownership Plan 2. The Company will direct and procure the Plan Trustee to endeavour to purchase Investment Shares based on the cash Investment Amounts remitted in accordance with the terms set out below.

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.

WARNING: The information set out in this circular relating to the Co-Ownership Plan 2, including the proposed bases for determining whether the conditions for the Grant of Award Shares are satisfied, are for the purpose of considering the resolutions to be presented at the EGM only. Nothing in this circular shall 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 granting may or may not materialise. Accordingly, Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.

The following is a summary of the principal terms of the Co-Ownership Plan 2 but does not form part of, nor was it intended to be part of the Co-Ownership Plan 2 nor should it be taken as affecting the interpretation of the Co-Ownership Plan 2.

1.1 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 (see the section headed "*Termination*", below).

1.2 Administration

The Co-Ownership Plan 2 shall be administered by the Committee and the Plan Trustee.

1.3 Eligible Participants

Only Eligible Participants shall be eligible to participate in the Co-Ownership Plan 2. 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. An Eligible Participant will only become a Participant once the Committee confirms such Eligible Participants' acceptance of an invitation to participate. 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.

1.4 Investment Shares

Award Shares will only be Granted (in the manner determined based on the matching ratio as discussed in the section headed "*1.11 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.

The Committee shall determine the number, duration, and commencement date(s) of Invitation Period(s) during the Term, provided that no Invitation Period will end on or after 31 March 2026.

In the case of Eligible Participants who are not members of the Doctor Group, the Committee shall, within each Invitation Period, by way of an invitation letter (in such form as the Committee may determine and which may include such other terms as the Committee may determine) issued on a Business Day, invite Eligible Participants (who at the start of such Invitation Period have not been previously invited to participate in the Co-Ownership Plan 2 in any other prior completed Invitation Period), to contribute Investment Amounts and agree to be Granted Award Shares in accordance with the terms of the Rules and subject to the satisfaction of the Approval Conditions.

In the case of Eligible Participants who are members of the Doctor Group, the Committee shall within each Invitation Period, by way of an Invitation Letter issued on a Business Day, invite such persons (who, for the avoidance of doubt, may have been previously invited to participate in the Co-Ownership Plan in a prior completed Invitation Period) to contribute Investment Amounts and agree to be Granted Award Shares in accordance with the terms of the Rules and subject to the satisfaction of the Approval Conditions.

To the extent that the Committee determines any Invitation Period has to be shortened or suspended, or has otherwise become not feasible or not available, by reason of the restrictions set out in under the section headed “*1.14 Restrictions regarding Investment Shares and Award Shares*” below or otherwise, the Committee may set other Invitation Period(s) as appropriate, expedient or desirable to invite Eligible Participants to participate in the Co-Ownership Plan 2.

During the Invitation Period, the Committee will invite each Eligible Participant to participate in the Co-Ownership Plan 2. Eligible Participants who have communicated their acceptance in an Acceptance Letter, and are accepted by the Committee (subject to the satisfaction of the Approval Conditions) shall, within five Business Days following the end of such Invitation Period: (i) transfer their cash Investment Amounts in immediately available funds to the relevant Plan Trustee through the Company; and/or (ii) transfer to the relevant Plan Trustee legal title to their Contribution Shares.

An Eligible Participant shall not be entitled to transfer any additional Contribution Shares or funds in the event the aggregate deemed value of an Eligible Participant’s Contribution Shares (when aggregated with funds transferred to settle his Investment Amount (if any)) is determined to be less than the Investment Amount specified in his Acceptance Letter. Instead, the aggregate deemed value of the Contribution Shares contributed, together with the funds transferred (if any) to settle his Investment Amount, shall be deemed to be the conclusive Investment Amount.

As soon as practicable after, and in any event within six months of, the Investment Amount Settlement Date, the Committee will direct and procure the Plan Trustee to acquire Shares in the manner specified in the paragraph headed “*1.5 Acquisition of Investment Shares*” below, on behalf of the Participants who have transferred cash to satisfy their Investment Amount, until all of such unutilised cash Investment Amounts transferred by those Participants have been utilised. The Shares acquired will be allocated among the Participants who have transferred cash to satisfy their Investment Amount on a pro-rata basis, based on such Participant’s respective Investment Amounts settled in cash (and disregarding any contribution of Contribution Shares).

The Participants will not be entitled to any interest in respect of the Investment Amounts or any other monies held in a Plan Trust.

The relevant Plan Trustee will hold the purchased Shares and Contribution Shares as 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 all of Investment Shares to the Participant; and (b) the first date of Settlement of the relevant Participant’s Award Shares. As soon as reasonably practicable after the date of service of a transfer notice (or the date of Settlement, for Participants who have not served a notice before such date), the Committee will arrange for the legal title to all of the Investment Shares to be transferred to the relevant Participant.

Participants whose Investment Shares are held by a Plan Trustee shall be entitled to cash dividends, distributions and bonus Shares (but not other distributions such as nil-paid rights) made by the Company with respect to the Investment Shares in respect of the period they are so held. Any such cash dividends, distributions and bonus shares will generally be released to Participants from the relevant Plan Trust as soon as reasonably practicable after the relevant dividend, distribution or bonus has been paid, provided that the Committee shall have absolute discretion to determine when such dividend, distribution or bonus shares shall be so released. Any such cash dividends, distributions and bonus shares that have not been so released at the end of the term of the Co-Ownership Plan 2 shall be released to Participants as soon as reasonably practicable thereafter.

Where there is a choice between scrip or cash dividends arising from such Investment Shares and/or Award Shares, the Plan Trustee shall always elect cash dividends (and Participants shall have no right of election).

Unless otherwise required by applicable law, the Plan Trustee shall not take voting instructions from the Participants with respect to their Investment Shares and/or Award Shares and shall not exercise any voting rights attached to such Investment Shares and/or Award Shares held by it.

The Plan Trustee may not subscribe for any new Shares pertaining to either: (a) an open offer of new securities; or (b) any rights issue or bonus warrants issued in respect of any Investment Shares and/or Award Shares held by the Plan Trustee. In the event of a rights issue, the Plan Trustee will sell any nil-paid rights allotted to it. In the event of the issue of a bonus warrant, the Plan Trustee will sell the bonus warrants granted to it. The net proceeds from the sale of such rights are held as cash income of the trust fund of a Plan Trust and are first applied to fees, costs and expenses incurred by the Plan Trustee in the administration of the Plan Trusts and any excess then paid (without interest) to any Participant, subject to the Committee's absolute discretion.

1.5 Purchase of and/or subscription for Investment Shares

- (A) 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:
 - (a) 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

- (b) 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.
- (B) The Shares subscribed for and/or purchased by the Plan Trustee pursuant to the above section during any Share subscription/purchase period will be allocated among the Participants who have accepted an invitation to participate in the same Invitation Period preceding that Share subscription/purchase period and have remitted cash to satisfy that Investment Amount on a pro-rata basis, based on their respective Investment Amounts that they have settled in cash (and disregarding any contribution of Contribution Shares) in the relevant Plan Trust, provided that: (a) such allocation is compliant with the paragraph headed “1.14 Restrictions regarding Investment Shares and Award Shares” below and the Committee shall determine any adjustments that may be required to ensure compliance with such paragraph and (b) the number of Investment Shares allocated to each of those Participants will be rounded down to the nearest whole number of Shares. Any individual surplus cash Investment Amounts will be refunded to the relevant Participants on a pro-rata basis to their respective Investment Amounts that they have settled in cash (and disregarding any contribution of Contribution Shares). The Participants will not be entitled to any interest in respect of the Investment Amounts or any other monies held in a Plan Trust.

1.6 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 shall be determined in the following priority (the “**Priority**”):

- (A) to satisfy the cash Investment Amounts of up to an amount equal to 12 times the basic monthly salary and/or the basic monthly income set out in the contract of employment or engagement with the relevant Group Company of each Participant as an employee or Service Provider (as the case may be) of a Group Company as at the date of invitation to participate in the Co-Ownership Plan 2, with each Participant’s entitlement determined on a pro-rata basis as amongst all such Participants;

- (B) to satisfy the cash Investment Amounts of those Participants who, at the time of determination, are department heads or of a director grade, up to the remaining unsatisfied cash Investment Amounts of such Participants determined on a pro-rata basis;
- (C) to satisfy the cash Investment Amounts of those Participants who became an employee or a Service Provider (as the case may be) of a Group Company on or prior to 31 March 2024, up to the remaining unsatisfied cash Investment Amounts of such Participants (excluding the Participants covered under limb (B) above) determined on a pro-rata basis; and
- (D) to satisfy the cash Investment Amounts of those Participants who became an employee or a Service Provider (as the case may be) of a Group Company after 31 March 2024, up to the remaining unsatisfied cash Investment Amounts of such Participants (excluding the Participants covered under limb (B) above) determined on a pro-rata basis,

provided that an allocation under such Priority is compliant with the paragraph headed “1.14 Restrictions regarding Investment Shares and Award Shares” below and the Committee shall determine any adjustments that may be required to ensure compliance with such section.

1.7 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. 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.

1.8 Invitation Period

The Eligible Participants may only accept an invitation to take part in the Co-Ownership Plan 2 during the Invitation Period.

1.9 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 for each Participant in one of the two following Plan Trusts:

- (A) for Participants who are Connected Participants, in the Connected Plan Trust; and

- (B) for Participants who are Non-Connected Participants, in the Non-Connected Plan Trust.

Each Plan Trust will be administered on substantially the same terms. During the term of the Co-Ownership Plan 2, the Committee shall be permitted to direct and procure the Plan Trustee to transfer a Participant's Investment Shares from the Connected Plan Trust to the Non-Connected Plan Trust, or vice versa, if such Participant at any time ceases to be, or becomes (as the case may be), a Connected Participant.

The Committee may authorise the creation of any other trusts or arrangements as it deems necessary or advisable for the administration of the Co-Ownership Plan 2.

1.10 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 section headed "*1.20 Clawback Mechanisms*" below.

1.11 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 the Rules, a Participant who has Investment Shares held by the Plan Trustee on the relevant Grant Date will be entitled to a Grant of Award Shares (if any) on the Grant Date in accordance with the following provisions (subject to any adjustments provided for in the Rules as those described in the section headed "*1.19 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:

- (i) 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;

- (ii) 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;
- (iii) 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;
- (iv) 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;
- (v) 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;
- (vi) 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;
- (vii) 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;
- (viii) 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;
- (ix) 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
- (x) 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. For Participants that are not Doctor Group Participants, there are no additional individual performance targets to be eligible to receive Award Shares.

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.

1.12 Adjustments

Subject to the section headed “1.19 Corporate Events” below:

- (i) the number of Award Shares to be Granted to a Participant (if eligible) shall be determined in accordance with the calculations in the section headed “1.11 Basis for determining the number of Award Shares” above but 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 in respect of the Invitation Period in which he was an invitee until and including the Grant Date) by the total number of calendar days in the period from and including the Effective Date until and including the Grant Date; or
- (ii) if a Participant becomes a Good Leaver prior to the Grant Date, the number of Award Shares to be Granted shall be determined in accordance with the calculations in the section headed “1.11 Basis for determining the number of Award Shares” above but 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 in respect of the Invitation Period in which he was an invitee until and including the date such Participant ceases his employment, engagement or office) by the total number of calendar days in the period from and including the Effective Date until and including the Grant Date.

provided that, in each case, the number of Award Shares allocated to each of those Participants would be rounded down to the nearest whole number.

1.13 Award Share Limit

The maximum number of Award Shares that may be Granted to all Participants shall be the Award Share Limit. If 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.

1.14 Restrictions regarding Investment Shares and Award Shares

- (A) The Company may not make an invitation to purchase Shares and any invitee may not accept any invitation, and no Grants shall be made, during any of the following periods:
- (i) the period commencing one month immediately prior to the earlier of:
 - (a) the date of the meeting of the Board (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for approving the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and
 - (b) 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 publication of the results announcement;
 - (ii) the period of 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant Financial Year up to the date of publication of the results; and
 - (iii) the period of 30 days immediately preceding the publication date of the quarterly results (if any) and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the date of publication of the results.
- (B) For the avoidance of doubt, as far as the Directors of the Company are concerned, the Plan Trustee of the Connected Plan Trust shall not purchase any existing Shares on-market in respect of any Invitation Period during:
- (i) the period of 60 days immediately preceding the Company's publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and
 - (ii) the period of 30 days immediately preceding the publication date of the quarterly results (if any) and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results.

- (C) If the Company is in possession of unpublished inside information (as such term is defined in the SFO), it may not: (a) make any invitation; (b) accept an invitation; (c) direct and procure the Plan Trustee to make purchases of Shares; (d) Grant any Award Shares; or (e) allot and issue any new Shares, until (and including) the trading day after that inside information is published in accordance with the SFO or ceases to be inside information.
- (D) All allotments, issues and transfers of Shares under the Co-Ownership Plan 2 will be subject to any necessary consents under any applicable enactments or regulations for the time being in force.
- (E) The Participant will be responsible for complying with any requirements he needs to fulfil in order to obtain or avoid the necessity for any such consent.
- (F) 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.
- (G) The maximum number of new Shares that may be allotted and issued by the Company in respect of (in relation to Investment Shares) invitation(s) and (in relation to Award Shares) Grants made pursuant to the Co-Ownership Plan 2 to a single person in the 12-month period up to and including the date of such invitation or Grant (as the case may be) shall not (when aggregated with any other new Shares to be allotted and issued in respect of all options and awards granted to such person under all other share schemes of the Company but excluding any options and awards lapsed in accordance with the terms of the Co-Ownership Plan 2 or the relevant share scheme) exceed 1% of the Shares then in issue, unless otherwise approved by the Shareholders in a general meeting in accordance with the applicable requirements under the Listing Rules.

- (H) The maximum number of new Shares that may be allotted and issued by the Company in respect of (in relation to Investment Shares) invitation(s) and (in relation to Award Shares) Grants made pursuant to the Co-Ownership Plan 2 to (a) a Director; (b) a chief executive of the Company; or (c) an associate of a person in (a) or (b) above, in each case in the 12-month period up to and including the date of such invitation or Grant (as the case may be) shall not (when aggregated with any other new Shares to be allotted and issued in respect of all awards granted to such person under share schemes of the Company but excluding any awards lapsed in accordance with the terms of the Co-Ownership Plan 2 or the relevant share scheme) exceed 0.1% of the Shares then in issue, unless otherwise approved by the Shareholders in a general meeting in accordance with the applicable requirements under the Listing Rules.
- (I) 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 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.
- (J) Any issue or allotment of new Shares to a Participant who is a director or chief executive of the Company, (or any of their respective associates) is subject to the approval of the independent non-executive Directors of the Company
- (K) Notwithstanding any other provision of the Rules, if the Committee determines that the Settlement of a Grant to a Connected Participant (including a Participant who becomes a connected person after the Invitation Period(s) in which he was an invitee) requires the Company to make any filing or obtain any consent under any applicable enactments or regulations (including the consent of Independent Shareholders), the Committee may in its discretion (i) delay the Settlement until the necessary filing has been made and/or consent has been obtained to the satisfaction of the Committee; or (ii) determine that the Settlement of such Participant's Award Shares be made in an alternative form, provided that such form is economically equivalent to any Award Shares, at the Award Share VWAP, the Connected Participant would otherwise be entitled to on the Grant Date.

1.15 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.

1.16 Settlement of Award Shares

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:

- (A) 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;
- (B) 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
- (C) 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.

1.17 Early Termination by the 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).

1.18 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.

1.19 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 shall be made (if required in light of the relevant Reorganisation of Capital Structure) 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.

1.20 Clawback Mechanisms

(A) A Grant that has not been Settled shall automatically lapse upon the earlier of:

- (i) the date on which the Grantee becomes a Bad Leaver;
- (ii) the date on which the Grantee (whether intentionally or otherwise) commits a breach of any provision of the Rules; and
- (iii) the date on which the Grantee serves notice pursuant to the paragraph headed "*1.17 Early Termination by the Participant*".

- (B) Any Award Shares that are the subject of a Grant that has lapsed in accordance with this paragraph shall automatically become Returned Shares.
- (C) A Grant that has not been Settled may be subject to adjustments in accordance with the paragraph headed “1.19 Corporate Events” above.
- (D) There is no clawback mechanism under the Co-Ownership Plan 2 to recover Award Shares that have been Settled.

1.21 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.

1.22 Termination

The Co-Ownership Plan 2 shall terminate automatically on the earlier of: (x) the date on which all Award Shares have been Settled and (y) 31 December 2029, unless terminated earlier by the Committee if: (i) the Approval Conditions have not been satisfied on or before 11:59 p.m. on 31 December 2023; (ii) an ordinary resolution to terminate the Co-Ownership Plan 2 has been passed at 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 “1.16 Settlement of Award Shares” 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.

1.23 Alteration of the Co-Ownership Plan 2 or Grants

- (A) Subject to (B) and (C) below, the Committee may at any time alter any of the terms and conditions of, and any invitations and/or grants made pursuant to, the Co-Ownership Plan 2 in any way.
- (B) Any alterations to the terms and conditions of the Co-Ownership Plan 2 which:
 - (i) are of a material nature; or
 - (ii) relate to the matters set out in Rule 17.03 of the Listing Rules and are to the advantage of the Participants, must, in each case, be approved by the Shareholders in a general meeting, except where the alterations or changes take effect automatically under the existing terms of the Co-Ownership Plan 2. The Committee’s determination as to whether any proposed alteration to the terms and conditions of the Co-Ownership Plan 2 are of a material nature or relate to the matters set out in Rule 17.03 of the Listing Rules and are to the advantage of the Participants shall be conclusive.
- (C) Any change to:
 - (i) the terms of an invitation made to and accepted by an Eligible Participant under this Co-Ownership Plan 2; or
 - (ii) a Grant, must in each case be approved by the Board, the Committee, the independent non-executive Directors and/or the Shareholders (as the case may be) if the relevant invitation or Grant (as the case may be) was approved by the Board, the Committee, the independent non-executive Directors and/or the Shareholders (as the case may be).

1.24 Non-transferability of Grants and Award Shares

Unless otherwise provided under the Co-Ownership Plan 2 or permitted by virtue of waiver(s) from strict compliance with the Listing Rules granted by the Stock Exchange and approved by the Committee, any invitations to participate in, and any Grants made under, the Co-Ownership Plan 2 shall be personal to the relevant Eligible Participant, Participant or Grantee (as the case may be) and shall not be transferred or assigned to any third party.

The following is a summary of the principal rules of the New Share Option Scheme proposed to be approved at the EGM but does not form part of, nor was it intended to be, part of the New Share Option Scheme nor should it be taken as effecting the interpretation of the New Share Option Scheme:

1. Purpose

The purpose of the New Share Option Scheme is to provide an incentive or reward for the NSO Grantees for their contribution or potential contribution to the Company and/or any of its subsidiaries.

2. Administration

The New Share Option Scheme shall be subject to the administration of the Board (or any committee as may be authorised by the Board) whose decision as to all matters arising in relation to the New Share Option Scheme or its interpretation or effect (save as otherwise provided herein) shall be final and binding on all parties. The Board shall have the right to (i) interpret and construe the provisions of the New Share Option Scheme, (ii) determine the persons who will be granted NSO Options under the New Share Option Scheme, and the number, Exercise Price and other terms of the NSO Options granted thereto, (iii) make such appropriate and equitable adjustments to the terms of NSO Options granted under the New Share Option Scheme as it deems necessary and (iv) make such other decisions or determinations as it shall deem appropriate in the administration of the New Share Option Scheme.

3. Participants and basis of determining their eligibility

Subject to the discretion of the Board, an “**NSO Eligible Participant**” shall mean:

- (a) any director and/or employee of the Company or any of its subsidiaries (and including persons who are granted NSO Options under the New Share Option Scheme as an inducement to enter into employment contracts with these companies) (“**Employee Participant**”);
- (b) any director and/or employee of the holding companies, fellow subsidiaries or associated companies of the Company (“**Related Entity Participant**”); and
- (c) any Service Provider.

4. Acceptance of offers

An NSO Option shall be deemed to have been granted (subject to certain restrictions in the New Share Option Scheme), and accepted by the NSO Grantee and to have taken effect upon the issue of an option certificate after the duplicate offer document constituting acceptance of the NSO Option duly signed by the NSO Grantee, together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof, is received by the Company on or before the relevant NSO Acceptance Date. Upon acceptance, the NSO Option is granted as from the NSO Offer Date.

“**NSO Acceptance Date**” means the date upon which an offer for an NSO Option must be accepted by the relevant NSO Eligible Participant which date shall be not later than 14 days after the NSO Offer Date provided that no such offer shall be open for acceptance after the expiry of the NSO Scheme Period or after the termination of the New Share Option Scheme.

5. Terms of Options

Each offer of grant of the NSO Option shall state the following, among other things:

- (a) the NSO Eligible Participant’s name, address and occupation;
- (b) the NSO Offer Date;
- (c) the NSO Acceptance Date;
- (d) the Commencement Date or, if the NSO Option Period does not commence on the Commencement Date, the date of commencement of the NSO Option Period;
- (e) the number of Shares in respect of which the NSO Option is offered;
- (f) the Exercise Price and the manner of payment of the Exercise Price for the Shares on and in consequence of the exercise of the NSO Option;
- (g) the Expiry Date in relation to that NSO Option;
- (h) the method of acceptance of the NSO Option;
- (i) any minimum period for which an NSO Option must be held before it can be exercised;
- (j) the NSO Vesting Period;
- (k) the performance targets which must be achieved before the NSO Option can be exercised (if any); and
- (l) such other terms and conditions relating to the offer of the NSO Option which in the opinion of the Board are fair and reasonable but not being inconsistent with the New Share Option Scheme and the Listing Rules.

6. Exercise Price

The Exercise Price in relation to each NSO Option shall, subject to the adjustments referred to in the NSO Rules, be determined by the Board in its sole discretion. However, in no circumstances shall the Exercise Price be less than the highest of:

- (a) the official closing price of the Shares as stated in the daily quotation sheets of the Stock Exchange on the NSO Offer Date;
- (b) the average of the official closing price of the Shares as stated in the daily quotation sheets of the Stock Exchange for the five Business Days immediately preceding the NSO Offer Date; and
- (c) the nominal value of a Share.

7. Maximum number of Shares subject to the New Share Option Scheme

- 7.1 Unless further approval has been obtained pursuant to the NSO Rules as stipulated below, the maximum number of Shares in respect of which NSO Options may be granted under the New Share Option Scheme shall not in aggregate exceed the number of Shares that represents 5% (i.e. NSO Scheme Limit) of the issued Shares on the NSO Adoption Date (as may be adjusted in the event of any subdivision or consolidation of Shares), which is expected to be 59,260,563 Shares. The number of new Shares which may be allotted and issued to Service Providers pursuant to any NSO Options under the New Share Option Scheme, shall not exceed 2% of the issued Shares on the NSO Adoption Date (as may be adjusted in the event of any subdivision or consolidation of Shares), which is expected to be 23,704,225 Shares (i.e. the NSO Service Provider Sublimit).

For the avoidance of doubt, (i) NSO Options lapsed in accordance with the terms of the New Share Option Scheme will not be counted for the purpose of calculating towards the NSO Scheme Limit (or the NSO Service Provider Sublimit); (ii) the NSO Scheme Limit is within the Scheme Mandate Limit; and (iii) the NSO Service Provider Submit is within the NSO Scheme Limit, the Scheme Mandate Limit and the Service Provider Sublimit.

- 7.2 Subject to the issue of a circular by the Company which complies with the Listing Rules and the approval of the shareholders of the Company in general meeting and/or such other requirements prescribed under the Listing Rules from time to time, the NSO Scheme Limit may be refreshed from time to time to 5% of the Shares in issue (“**New NSO Scheme Limit**”) (or the NSO Service Provider Sublimit may be refreshed from time to time to 2% of the Shares in issue) as at the date of such shareholders’ approval (“**New Approval Date**”).

For the avoidance of doubt, NSO Options previously granted under the New Share Option Scheme (including those outstanding, cancelled, lapsed in accordance with the New Share Option Scheme or exercised NSO Options) will not be counted for the purpose of calculating the New NSO Scheme Limit.

- 7.3 Where the refreshment of the NSO Scheme Limit (and/or the Service Provider Sublimit) is sought:
- (a) within three years from the date of shareholders approval for the last refreshment (or, as the case may be, the date of adoption of the New Share Option Scheme): (i) at the general meeting for considering and approving the proposed resolution of such refreshment, any controlling shareholders and their associates (or if there is no controlling shareholder, directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates) shall abstain from voting in favour of the relevant resolution; and (ii) the Company shall comply with the requirements under Rules 13.39(6) and (7), 13.40, 13.41 and 13.42 of the Listing Rules (or the successor provisions then prevailing); and
 - (b) after three years from the date of shareholders approval for the last refreshment (or, as the case may be, the date of adoption of the New Share Option Scheme), the requirements under paragraph (a) above shall not be applicable.
- 7.4 The Board may grant NSO Options exceeding the NSO Scheme Limit to NSO Eligible Participants specifically identified by the Board if the following are fulfilled:
- (a) the issue of a circular by the Company to its shareholders containing the name of NSO Eligible Participants who are specifically identified in excess of the NSO Scheme Limit, the number and terms of the NSO Options to be granted, the purpose of granting such NSO Options to the NSO Grantees with an explanation as to how the terms of the NSO Options serve such purpose and the other information required under Rule 17.03C(3) of the Listing Rules;
 - (b) the approval of the Shareholders in general meeting in compliance with Rules 17.03D(2) and 17.06 of the Listing Rules has been obtained; and/or
 - (c) such other requirements prescribed under the Listing Rules from time to time have been complied with.

7.5 The Board shall, subject to and in accordance with the provisions of the New Share Option Scheme and the Listing Rules, be entitled to but shall not be bound, at any time on any Business Day during the NSO Scheme Period to offer to grant an NSO Option to any NSO Eligible Participant whom the Board may in its absolute discretion select and subject to such conditions (including, without limitation, any minimum period for which an NSO Option must be held before it can be exercised and/or any performance targets which must be achieved before an NSO Option can be exercised) as it may think fit, provided that the maximum number of Shares in respect of which NSO Options may be granted under the New Share Option Scheme to any NSO Eligible Participant, shall not, when aggregated with:

- (a) any Shares issued upon exercise of NSO Options or options, awards or securities under any other schemes which have been granted to that NSO Eligible Participant;
- (b) any Shares which would be issued upon the exercise of outstanding NSO Options or options, awards or other securities under any other schemes granted to that NSO Eligible Participant; and
- (c) any Cancelled Shares which were the subject of NSO Options or options, awards or securities under any other schemes which had been granted to and accepted by that NSO Eligible Participant,

in any 12-month period up to the Offer Date, exceed 1% of the number of Shares in issue on the Offer Date. If the Board determines to offer NSO Options to an Eligible Participant which exceed the above limit:

- (a) that grant shall be subject to (i) the issue of a circular by the Company to its Shareholders which shall comply with Rules 17.03D(2) and 17.06 of the Listing Rules and/or such other requirements as prescribed under the Listing Rules from time to time; and (ii) the approval of the Shareholders in general meeting at which that NSO Eligible Participant and his close associates (or his associates if the NSO Grantee is a connected person) shall abstain from voting; and
- (b) unless provided otherwise in the Listing Rules, the date of the Board meeting at which the Board resolves to grant the proposed NSO Options to that NSO Eligible Participant shall be taken as the NSO Offer Date for the purpose of calculating the Exercise Price.

8. Exercise of option

The NSO Vesting Period in respect of any NSO Option granted to any NSO Eligible Participant shall not be shorter than 12 months from the date of NSO Acceptance Date.

However, the Board (or the remuneration committee of the Company where it relates to grants of NSO Options to an Employee Participant who is a Director and/or senior manager of the Company) will have a discretion in allowing a shorter NSO Vesting Period to an Employee Participant in the following circumstances:

- (a) grants of “make-whole” NSO Option(s) to new joiners to replace the share options they forfeited when leaving the previous employers, which would provide talents with higher incentives in joining the Group for the Group’s further development;
- (b) grants to an Employee Participant whose employment is terminated due to death or occurrence of any out of control event, which allows flexibility for the Company to reward employees in exceptional circumstances to ensure fair treatment;
- (c) grants that are made in batches during a year for administrative and compliance reasons, which include NSO Options that should have been granted earlier if not for such administrative or compliance reasons but had to wait for subsequent batch. In such case, the NSO Vesting Period may be shorter to reflect the time from which the NSO Option would have been granted which allows flexibility for the Company to reward employees in case of delays due to administrative or compliance reasons;
- (d) grants of NSO Options with a mixed or accelerated vesting schedule such as where the NSO Options may vest evenly over a period of twelve (12) months, which provides flexibility for the Company in granting NSO Options; or
- (e) grants with performance-based vesting conditions in lieu of time-based vesting criteria, which allows flexibility for the Company to reward exceptional performers who fulfilled the performance targets in less than 12 months.

The Board is of the view that the discretion in allowing a shorter NSO Vesting Period in each of the circumstances as detailed above is appropriate and in line with the requirements under the Listing Rules and market practice. Such discretion gives the Company more flexibility to (i) provide higher incentives when attracting talents; (ii) reward exceptional performers with accelerated vesting; and (iii) grant NSO Options in exceptional circumstances where justified, which is in line with the purpose of the New Share Option Scheme.

Subject to the NSO Rules, an NSO Option shall be exercised in whole or in part and, other than where it is exercised to the full extent outstanding, shall be exercised in integral multiples of such number of Shares as shall represent one board lot for dealing in Shares on the Stock Exchange for the time being, by the NSO Grantee giving notice in writing to the Company stating that the NSO Option is thereby exercised and the number of Shares in respect of which it is exercised.

9. Performance targets and clawback mechanism

Unless the Directors otherwise determined, an NSO Grantee is not required to achieve any performance targets before the exercise of an NSO Option granted to him or be subject to the clawback mechanism below. Where any grant of NSO Options to the Directors and/or senior managers is without performance target and/or clawback mechanism, the remuneration committee of the Company shall form a view as to why performance target and/or clawback mechanism is not necessary and how the grants align with the purpose of the New Share Option Scheme.

In respect of any NSO Option which is performance linked, if any of the following events (“**Clawback Event**”) shall occur during an NSO Option Period:

- (a) there being a material misstatement in the financial information of the Company which is related to the performance target that requires a restatement;
- (b) the NSO Grantee being guilty of fraud or persistent or serious misconduct, regardless of whether there is any accounting restatement or a material error in calculating or determining the performance metrics or other criteria; or
- (c) if a grant of NSO Option or the exercise of any NSO Option is linked to any performance targets and the Directors are of the opinion that there occur any circumstances that show or lead to any of the prescribed performance targets having been assessed or calculated in a materially inaccurate manner,

the Directors may (but not obliged to) by notice in writing to the NSO Grantee concerned (i) claw back such number of NSO Options (to the extent not being exercised) granted as the Directors may consider appropriate, (ii) extend the NSO Vesting Period (regardless of whether the initial vesting date has occurred) in relation to all or any of the NSO Options (to the extent not being exercised) to such longer period as the Directors may consider appropriate. The NSO Options that are clawed back pursuant to this paragraph will be regarded as cancelled and the NSO Options so calculated will be regarded as utilized for the purpose of calculating the NSO Scheme Limit.

“**Performance targets**“ means any one or more performance measures, or derivations of such performance measures that may be related to the individual NSO Grantee or the Group as a whole or to a subsidiary, division, department, region, function or business unit of the Company or the relevant Service Providers, and assessed either annually or cumulatively over a period of years, on an absolute basis or relative to a pre-established target, to previous years’ results or to a designated comparison group, in each case as specified by the Directors (or, as the case may be, the remuneration committee of the Board) in their sole discretion, including, without limitation, one or more of the criteria as specified in the New Share Option Scheme.

10. Non-transferability of NSO Options

An NSO Option and an offer to grant an NSO Option shall be personal to the NSO Grantee and shall not be transferable or assignable, and no NSO Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest (legal or beneficial) in favour of any third party over or in relation to any NSO Option held by him or any offer relating to the grant of an NSO Option made to him or attempt to do so (save that, subject to the waiver to be granted by the Stock Exchange, the NSO Grantee may transfer the NSO Option to a vehicle (such as a trust or a private company) for the benefit of the NSO Grantee and any family members of such NSO Grantee (e.g. for estate planning or tax planning purposes)). Any breach of the foregoing by a NSO Grantee shall entitle the Company to cancel any NSO Option or any part thereof granted to such NSO Grantee to the extent not already exercised.

11. Rights on ceasing employment or other engagement

In the event of the NSO Grantee ceasing to be an NSO Eligible Participant for any reason other than his death, ill-health, injury, disability or the termination of his relationship with the Company and/or any of its subsidiaries on one or more of the grounds specified in paragraph 18(e) below, the NSO Grantee may exercise the NSO Option up to his entitlement at the date of cessation of being an NSO Eligible Participant (to the extent not already exercised) within the period of one month (or such longer period as the Board may determine) following the date of such cessation (which date shall be, in relation to a NSO Grantee who is an NSO Eligible Participant by reason of his employment with the Company or any of its subsidiaries, the last actual working day with the Company or the relevant subsidiary whether salary is paid in lieu of notice or not).

12. Rights on death, disability and transfer

In the case of the NSO Grantee ceasing to be an NSO Eligible Participant by reason of death, ill-health, injury or disability (all evidenced to the satisfaction of the Board) and none of the events which would be a ground for termination of his relationship with the Company and/or any of its subsidiaries under paragraph 18(e) below has occurred, the NSO Grantee or the personal representative(s) of the NSO Grantee shall be entitled within a period of 12 months (or such longer period as the Board may determine) from the date of cessation of being an NSO Eligible Participant or death to exercise the NSO Option in full (to the extent not already exercised).

13. Rights on a General Offer

If a general offer (whether by way of take-over offer, share repurchase offer or scheme of arrangement or otherwise in like manner) is made to all the holders of Shares (or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or in concert with the offeror), the Company shall use its best endeavours to procure that such offer is extended to all the NSO Grantees (on the same terms mutatis mutandis, and assuming that they shall become, by the exercise in full of the NSO Options granted to them as shareholders of the Company). If such offer, having been approved in accordance with applicable laws and regulatory requirements, becomes, or is declared unconditional, the NSO Grantee (or his legal personal representative(s)) shall be entitled to exercise his NSO Option in full (to the extent not already exercised) at any time within 14 days after the date on which such general offer becomes or is declared unconditional.

14. Rights on Winding Up or Scheme of Reconstruction of the Company

14.1 In the event a notice is given by the Company to its shareholders to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date as or soon after it despatches such notice to each member of the Company give notice thereof to all NSO Grantees and thereupon, each NSO Grantee (or in the case of the death of the NSO Grantee, his personal representative(s)) shall be entitled to exercise all or any of his NSO Options (to the extent not already lapsed or exercised) at any time not later than two Business Days prior to the proposed general meeting of the Company by giving notice in writing to the Company, accompanied by a remittance for the full amount of the aggregate Exercise Price for the Shares in respect of which the notice is given whereupon the Company shall as soon as possible and, in any event, no later than the Business Day immediately prior to the date of the proposed general meeting referred to above, allot and issue the relevant Shares to the NSO Grantee credited as fully paid.

14.2 If a compromise or arrangement between the Company and its Shareholders and/or creditors 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 pursuant to the Companies Act, the Company shall give notice thereof to all the NSO Grantees (together with a notice of the existence of the provisions of this paragraph) on the same day as it despatches to Shareholders and/or creditors of the Company a notice summoning the meeting to consider such a compromise or arrangement, and thereupon each NSO Grantee shall be entitled to exercise all or any of his NSO Options in whole or in part at any time prior to 12 noon (Hong Kong time) on the Business Day immediately preceding the date of the general meeting directed to be convened by the relevant court for the purposes of considering such compromise or arrangement and if there is more than one meeting for such purpose, the date of the first meeting. With effect from the date of such meeting, the rights of all NSO Grantees to exercise their respective NSO Options shall forthwith be suspended. Upon such compromise or arrangement becoming effective, all NSO Options shall, to the extent that they have not been exercised, lapse and determine.

15. Reorganisation of Capital Structure

In the event of any capitalisation issue, rights issue, open offer (if there is a price dilutive element), sub-division or consolidation of shares, or reduction of capital of the Company in accordance with the applicable laws and regulatory requirements, such corresponding alterations (if any) shall be made (except on an issue of securities of the Company as consideration in a transaction which shall not be regarded as a circumstance requiring alteration or adjustment) in:

- (a) the number of Shares subject to any outstanding NSO Options;
- (b) the Exercise Price; and/or
- (c) the number of Shares subject to the New Share Option Scheme,

as the approved independent financial adviser shall at the request of the Company or any NSO Grantee, certify in writing either generally or as regards any particular NSO Grantee, to be in their opinion fair and reasonable, provided that any such alterations shall be made on the basis that an NSO Grantee shall have as near as possible the same proportion of the equity capital of the Company (as interpreted in accordance with the supplementary guidance attached to the letter from the Stock Exchange dated 5 September 2005 to all the issuers relating to share option schemes) as that to which the NSO Grantee was previously entitled to subscribe had he exercised all the NSO Options held by him immediately before such adjustments and the aggregate Exercise Price payable by an NSO Grantee on the full exercise of any NSO Option shall remain as nearly as possible the same as (but shall not be greater than) it was before such event and that no such alterations shall be made if the effect of such alterations would be to enable any Share to be issued to an NSO Grantee at less than its nominal value, provided that no adjustment to the Exercise Price and the number of Shares should be made to the advantage of the NSO Eligible Participants without specific prior approval of the Shareholders.

For the avoidance of doubt, in no circumstances shall the Exercise Price be less than the par value of the Shares.

16. Restrictions on the time of grant of Option

16.1 For so long as the Shares are listed on the Stock Exchange, the Board shall not grant any NSO Option after any inside information has come to the knowledge of the Company until such inside information has been announced pursuant to the requirements of the Listing Rules. In particular, no NSO Option shall be granted during the period of one month immediately preceding the earlier of:

- (a) 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

- (b) the deadline for the Company to publish an announcement of (i) its results for any year or half-year period in accordance with the Listing Rules, or (ii) its results for any quarterly or any other interim period where the Company has elected to publish them, whether or not required under the Listing Rules,

and ending on the actual date of the results announcement for such year, half year, quarterly or interim period (as the case may be). The period during which no NSO Option may be granted will cover any period of delay in the publication of a results announcement.

16.2 For so long as the Shares are listed on the Stock Exchange, no NSO Option may be granted to a Director on any day on which financial results of the Company are published and:

- (a) during the period of 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and
- (b) during the period of 30 days immediately preceding the publication date of the quarterly results (if any) and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results,

or such other periods or times (if any) during which the Directors are prohibited from dealing in Shares pursuant to the Listing Rules or any code or securities dealing restrictions adopted by the Company.

17. Restrictions on Grant to Connected Persons

Subject to other requirements of the New Share Option Scheme, if the Board determines to offer to grant NSO Options to any Connected Person, such grant shall be subject to the approval by the independent non-executive Directors (and in the event that the Board offers to grant NSO Options to an independent non-executive Director, the vote of such independent non-executive Director shall not be counted for the purposes of approving such grant).

If the Board determines to offer to grant NSO Options to a substantial shareholder or an independent non-executive Director (or any of their respective associates) and that grant would result in the Shares issued and to be issued upon exercise of all options, awards or securities already granted and proposed to be granted (including options exercised, cancelled and outstanding) to such person under the New Share Option Scheme and any other schemes in the 12-month period up to and including the Offer Date represent in aggregate over 0.1%, or such other percentage as may from time to time be provided under the Listing Rules, of the Shares in issue on the NSO Offer Date, such grant shall be subject to, in addition to the approval of the independent non-executive Directors as referred to above, the issue of a circular by the Company to its Shareholders and the approval of the Shareholders in general meeting by way of a poll convened and held in accordance with the Articles at which the proposed NSO Grantee, his/her/its associates and all Core Connected Persons of the Company shall abstain from voting, and/or such other requirements prescribed under the Listing Rules from time to

time. Unless provided otherwise in the Listing Rules, the date of the Board meeting at which the Board proposes to grant the proposed NSO Options to that NSO Eligible Participant shall be taken as the NSO Offer Date for the purpose of calculating the Exercise Price.

18. Lapse of Options

Unless otherwise provided in the respective NSO Grantee's offer document, an NSO Option shall lapse automatically and not be exercisable (to the extent not already exercised) on the earliest of:

- (a) the Expiry Date relevant to that NSO Option;
- (b) the expiry of any of the periods referred to in paragraph 12, 13 or 14;
- (c) the date on which the scheme of arrangement of the Company referred to in paragraph 14.2 becomes effective;
- (d) the date of commencement of the winding-up of the Company in respect of the situation contemplated in paragraph 14.1 (as determined in accordance with the Companies Act);
- (e) the date on which the Grantee ceases to be an NSO Eligible Participant by reason of his resignation or dismissal, or by reason of the termination of his relationship with the Company and/or any of its subsidiaries on any one or more of the grounds that he has been guilty of serious misconduct or has been convicted of any criminal offence involving his integrity or honesty or in relation to an employee or consultant of the Company and/or any of its subsidiaries (if so determined by the Board) on any other ground on which an employer would be entitled to unilaterally terminate his employment or service at common law or pursuant to any applicable laws or under the NSO Grantee's service contract with the Company or the relevant subsidiary;
- (f) the date that is thirty (30) days after the date on which the NSO Grantee is terminated by the Company and/or any of its subsidiaries on a ground other than those set forth in paragraph (e) above;
- (g) the date on which the Board shall exercise the Company's right to cancel the NSO Option at any time after the Grantee commits a breach of paragraph 10 or the NSO Options are cancelled in accordance with paragraph 20; and
- (h) the occurrence of such event or expiry of such period as may have been specifically provided for in the offer document, if any.

19. Rights and Ranking of Shares

The Shares to be allotted and issued upon the exercise of an NSO Option shall be subject to all the provisions of the Articles and shall rank *pari passu* in all respects with and shall have the same voting, dividend, transfer and other rights, including those arising on liquidation of the Company as attached to the fully paid Shares in issue on the date of issue and rights in

respect of any dividend or other distributions paid or made on or after the date of issue. Shares issued on the exercise of an NSO Option shall not rank for any rights attaching to Shares by reference to a record date preceding the date of allotment.

20. Cancellation of Options granted but not exercised

Any cancellation of NSO Options granted but not exercised must be approved in writing by the NSO Grantees of the relevant NSO Options. For the avoidance of doubt, such approval is not required in the event any NSO Option is cancelled if any NSO Option is transferred, assigned, charged, mortgaged, encumbered or created any interest (legal or beneficial) in favour of any third party or any NSO Grantee offered to do any of the aforesaid. Where the Company cancels NSO Options, the grant of new NSO Options to the same NSO Grantee may only be made under the New Share Option Scheme within the limits set out in paragraphs 7.1, 7.2 and 7.5.

21. Alteration to the New Share Option Scheme and Terms of NSO Options

The terms and conditions of the New Share Option Scheme and the regulations for the administration and Rule 17.03(18) operation of the New Share Option Scheme (provided that the same are not inconsistent with the New Share Option Scheme and the Listing Rules) may be altered in any respect by resolutions of the Board except that:

- (a) any alteration to the advantage of the NSO Grantees or the NSO Eligible Participants (as the case may be) in respect of the matters contained in Rule 17.03 of the Listing Rules, including without limitation, the definitions of “NSO Eligible Participant”, “Expiry Date”, “NSO Grantee” and “NSO Option Period” and the provisions relating to purpose, duration and control of the New Share Option Scheme, conditions to the grant of an NSO Option, NSO Options granted to connected persons, Exercise Price, exercise of NSO Options, lapse of NSO Options, maximum number of Shares available for subscription, capital restructuring of the Company, termination of the New Share Option Scheme, and cancellation of NSO Options, and this paragraph 21; or
- (b) any material alteration to the terms and conditions of the New Share Option Scheme or any change to the terms of NSO Options granted (except any alterations which take effect automatically under the terms of the New Share Option Scheme), or any change to the authority of the Board in respect of alteration of the New Share Option Scheme,

must be made with the prior approval of the Shareholders in general meeting at which any persons to whom or for whose benefit the Shares may be issued under the New Share Option Scheme and their respective associates shall abstain from voting PROVIDED THAT the amended terms of the New Share Option Scheme or the NSO Options shall remain in compliance with Chapter 17 of the Listing Rules and no alteration shall operate to affect adversely the terms of issue of any NSO Option granted or agreed to be granted prior to such alteration or to reduce the proportion of the equity capital to which any person was entitled pursuant to such NSO Option prior to such alteration except with:

- (i) the consent in writing of NSO Grantees holding in aggregate NSO Options which if exercised in full on the date immediately preceding that on which such consent is obtained would entitle them to the issue of three-fourths in nominal value of all Shares which would fall to be issued upon the exercise of all NSO Options outstanding on that date or the sanction of a special resolution; and
- (ii) the approval of the Board, the remuneration committee of the Company, the independent non-executive Directors and/or the Shareholders if the initial grant of the NSO Option was approved by the Board, the remuneration committee of the Company, the independent non-executive Directors and/or the Shareholders (as the case may be).

Written notice of any alterations made in accordance with this paragraph shall be given to all NSO Grantees.

22. Termination of the New Share Option Scheme

The Company may by ordinary resolution in general meeting or the Board may at any time resolve to terminate the operation of the New Share Option Scheme and in such event no further NSO Options shall be offered or granted but the provisions of the New Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any NSO Option granted prior to the termination or otherwise as may be required in accordance with the provisions of the New Share Option Scheme. NSO Options granted prior to such termination but not yet exercised at the time of termination shall continue to be valid and exercisable in accordance with the New Share Option Scheme.

23. Life of the New Share Option Scheme

The New Share Option Scheme shall remain in effect for the period commencing on the NSO Adoption Date and ending on the tenth anniversary of the NSO Adoption Date (both dates inclusive).

Subject to above and fulfilment of the conditions on the New Share Option Scheme taking effect, the New Share Option Scheme shall be valid and effective during the NSO Scheme Period after which no further NSO Options will be granted but the provisions of the New Share Option Scheme shall in all other respects remain in full force and effect to the extent necessary to give effect to the exercise of any NSO Options granted prior thereto or otherwise as may be

required in accordance with the provisions of the New Share Option Scheme and NSO Options granted prior thereto but not yet exercised shall continue to be valid and exercisable in accordance with the New Share Option Scheme.

NOTICE OF EGM



EC Healthcare

醫思健康

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2138)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (“**EGM**”) of EC Healthcare (the “**Company**”) will be held at Level 50, Langham Place Office Tower, 8 Argyle Street, Mong Kok, Hong Kong on Monday, 29 May 2023 at 4:00 p.m. for the following purposes. Unless otherwise indicated, capitalized terms used herein shall have the same meanings as those defined in the circular of the Company dated 12 May 2023 (the “**Circular**”).

ORDINARY RESOLUTIONS

1. “**THAT:**

- (A) subject to and conditional upon the passing of Resolution 2, the Co-Ownership Plan adopted by the Company on 16 April 2020 (“**2020 Co-Ownership Plan**”) be and is hereby terminated, in accordance with the rules of the 2020 Co-Ownership Plan, from the date on which the Co-Ownership Plan 2 becomes effective; and
- (B) any one or more of the Directors be and are hereby authorised to do all such further acts and things, to execute such further documents and to take all such steps which in their opinion may be necessary, desirable or expedient for the purpose of giving effect to the termination of the 2020 Co-Ownership Plan.”

2. “**THAT:**

- (A) the Co-Ownership Plan 2, a copy of which is produced to this meeting marked “A” and signed by the Chairman of the meeting for the purpose of identification, as may be amended from time to time be and is hereby approved and adopted; and
- (B) any one or more of the Directors be and are hereby authorised to do all such further acts and things, to execute such further documents and to take all such steps which in their opinion may be necessary, desirable or expedient for the purpose of giving effect to the Co-Ownership Plan 2, including approving any amendments to the terms of the Co-Ownership Plan 2 that are not material to the authority given hereunder.”

NOTICE OF EGM

3. **“THAT:**

- (A) conditional upon the passing of Resolution 2, a mandate (the **“Scheme Mandate”**) be and is hereby granted to the Directors to exercise all the powers of the Company to allot and issue a total maximum number of new shares of the Company (**“Shares”**) of up to, 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 EGM (as may be adjusted in the event of a subdivision or consolidation of Shares) pursuant to and subject to the rules (the **“Rules”**) of the Co-Ownership Plan 2 as may be amended from time to time, and such Scheme Mandate shall be in addition to and shall not prejudice or revoke any general or special mandate(s) which has/have been granted prior to the passing of this resolution or may from time to time be granted to the Directors; and
- (B) any one or more of the Directors be and are hereby authorised to do all such further acts and things, to execute such further documents and to take all such steps which in their opinion may be necessary, desirable or expedient for the purpose of giving effect to the allotment and issue of the new Shares under the Co-Ownership Plan 2.”

4. **“THAT:**

- (A) conditional upon the passing of Resolution 2, the directors of the Company be and are hereby authorised to exercise all the powers of the Company to allot and issue to Service Providers a total maximum number of new shares of the Company (**“Shares”**) of up to 4% of the issued Shares on the day of the EGM (**“Service Provider Sublimit”**) (subject to adjustment in the event of any share consolidation or subdivision after the Service Provider Sublimit has been approved, provided that the maximum number of new Shares that may be allotted and issued as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall be the same) pursuant to and subject to the Rules of the Co-Ownership Plan 2 as may be amended from time to time; and
- (B) any one or more of the Directors be and are hereby authorised to do all such further acts and things, to execute such further documents and to take all such steps which in their opinion may be necessary, desirable or expedient for the purpose of giving effect to the allotment and issue of the new Shares under the Service Provider Sublimit under the Co-Ownership Plan 2.”

NOTICE OF EGM

5. “**THAT:**

- (A) conditional upon the New Share Option Scheme (as defined below) becoming effective, the share option scheme adopted by the Company on 19 February 2016 be and is hereby terminated (save with respect to any outstanding, issued and unexercised options thereof) with effect from the conclusion of the EGM;
- (B) subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting approval of the listing of, and permission to deal in, the shares of the Company (not exceeding 5% of the shares of the Company in issue as at the date of passing of this resolution) which may fall to be issued upon the exercise of the options to be granted under the new share option scheme of the Company (the “**New Share Option Scheme**”), the rules of which are contained in the document marked “B” produced to the meeting and signed by the Chairman of the Meeting for identification purposes or other schemes of the Company, the New Share Option Scheme be and is hereby approved and adopted and the Directors of the Company be and are hereby authorized to grant options and to allot, issue and deal with the shares which fall to be issued pursuant to the exercise of any option granted under the New Share Option Scheme and to take all such steps as may be necessary or expedient in order to give full effect to the New Share Option Scheme including, but not limited to:
 - (i) administering the New Share Option Scheme and granting options under the New Share Option Scheme;
 - (ii) modifying and/or amending the New Share Option Scheme from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the New Share Option Scheme relating to the modification and/or amendment and subject to Chapter 17 of the Listing Rules; and
 - (iii) making application(s) at the appropriate time or times to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, any shares of the Company or any part thereof that may hereafter from time to time be issued and allotted pursuant to the exercise of the options granted under the New Share Option Scheme.”

NOTICE OF EGM

6. “**THAT**, the NSO Service Provider Sublimit (as defined in the New Share Option Scheme) on the total number of Shares that may be allotted and issued in respect of all share options to be granted to Service Providers (as defined in the New Share Option Scheme) under the New Share Option Scheme (i.e. 2% of the shares of the Company in issue as at the date of passing of this resolution) be and is hereby approved and adopted and the directors of the Company be and are hereby authorised to take all such steps and attend all such matters, approve and execute (whether under hand or under seal) such documents and do such other things, for and on behalf of the Company, as the directors of the Company may consider necessary, desirable or expedient to effect and implement the NSO Service Provider Sublimit.”

Yours faithfully
For and on behalf of the Board of
EC Healthcare
Raymond Siu
Company Secretary

Hong Kong, 12 May 2023

Notes:

1. All resolutions (except for procedural and administrative matters) at the meeting will be taken by poll pursuant to 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.
2. Any shareholder of the Company entitled to attend and vote at the above meeting is entitled to appoint another person as his/her/its proxy to attend and vote on his/her/its behalf. A Shareholder who is the holder of two or more Shares may appoint more than one proxy to represent him and vote on his/her/its behalf at the above meeting. A proxy need not be a Shareholder. 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.
3. In case of joint registered holders of a Share, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the vote(s) of the other joint holder(s) and for this purpose seniority shall be determined by the order in which the names stand in the register of Shareholders of the Company in respect of the Shares.

NOTICE OF EGM

4. In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed or a certified copy of that power of attorney or authority, must be deposited at the offices of the Company's branch share registrar in Hong Kong, Link Market Services (Hong Kong) Pty Ltd. at Suite 1601, 16/F, Central Tower, 28 Queen's Road Central, Hong Kong not less than 48 hours before the time for holding the EGM or any adjournment thereof. Completion and return of a form of proxy will not preclude a shareholder of the Company from attending in person and voting at the EGM or any adjournment thereof should he so wish and in such event, the form of proxy shall be deemed to be revoked.
5. The register of shareholders of the Company will be closed on Monday, 29 May 2023, during which period no transfer of Shares will be effected, in order to determine the identity of the shareholders who are entitled to attend and vote at the EGM. To be entitled to attend and vote at the EGM, all transfer documents accompanied by the relevant share certificates must be lodged with the branch share registrar of the Company in Hong Kong, Link Market Services (Hong Kong) Pty Ltd. at Suite 1601, 16/F, Central Tower, 28 Queen's Road Central, Hong Kong for registration no later than 4:30 p.m. on Thursday, 25 May 2023.
6. If a black rainstorm warning signal is in force or a tropical cyclone warning signal number 8 or above remains hoisted at 8:00 a.m. on 29 May 2023, the above meeting will be postponed. Shareholders of the Company are requested to read the website of the Company at www.ehealthcare.com for details of alternative meeting arrangements. If shareholders of the Company have any queries concerning the alternative meeting arrangements, please call the Company at (852) 3975 4798 during business hours from 9: 30 a.m. to 6: 30 p.m. on Monday to Friday, excluding public holidays.
7. The above meeting will be held as scheduled when an amber or red rainstorm warning signal is in force.
8. Shareholders of the Company should make their own decision as to whether they would attend the above meeting under bad weather conditions bearing in mind their own situation and if they should choose to do so, they are advised to exercise care and caution.

As at the date of this notice, the executive Directors 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.