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Chaoju Eye Care Holdings Limited
朝聚眼科醫療控股有限公司

(incorporated in the Cayman Islands with limited liability)
(Stock Code: 2219)

ADOPTION OF SHARE AWARD SCHEME

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The Board is pleased to announce that on 10 May 2022 (after trading hours), it has approved the adoption of the Scheme. The purposes and objectives of the Scheme are to recognise and motivate the contribution of certain employees of the Group and to incentivise them and to help the Group in retaining its existing employees and attracting and recruiting suitable personnel as additional employees to further the operation and development of the Group and to provide them with a direct economic interest in attaining the long-term business objectives of the Group.

The Share Award Scheme does not constitute a share option scheme pursuant to Chapter 17 of the Listing Rules and no Shareholders' approval is required for the adoption or implementation of the Scheme.

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Pursuant to the Scheme, Awarded Shares can be satisfied by (i) new Shares to be subscribed by the Trustee under the Company's available general mandate or under a specific mandate approved or to be approved by the Shareholders; or (ii) Shares purchased by the Trustee in the open market as directed by the Board.

An application will be made to the listing committee of the Stock Exchange for the listing of, and permission to deal in, any Shares which may be issued pursuant to the Scheme (as appropriate).

A summary of the principal terms of the Scheme and other relevant information are set out below in this announcement.

DETAILS OF THE SCHEME

Purposes and Objectives

The purposes and objectives of the Scheme are to recognise and motivate the contribution of certain employees of the Group and to incentivise them and to help the Group in retaining its existing employees and attracting and recruiting suitable personnel as additional employees to further the operation and development of the Group and to provide them with a direct economic interest in attaining the long-term business objectives of the Group.

Duration

Subject to the occurrence of any of the following terminating events (whichever is earlier), the Scheme shall be valid and effective for a term of 10 years commencing from the Adoption Date:

- (i) the Board gives not less than 3 months' prior notice in writing to the Trustee and all Selected Persons to terminate the Scheme; or
- (ii) an order for the winding-up of the Company is made or a resolution is passed for the voluntary winding-up of the Company (otherwise than for the purposes of, and followed by, an amalgamation or reconstruction in such circumstances that substantially the whole of the undertaking, assets and liabilities of the Company pass to a successor company).

Administration

The Scheme shall be subject to the administration of the Board and the Trustee in accordance with the Scheme Rules, the terms of the Trust Deed and all applicable laws and regulations. The Board shall have the absolute power to interpret the Scheme Rules or any part thereof.

The Board may delegate and authorise any committee, sub-committee or person to administer the Scheme in accordance with the Scheme Rules.

Eligibility of Participation

Under the Scheme Rules, the following classes of persons (the “**Eligible Persons**”) (excluding the Excluded Persons) are eligible for being elected to be Selected Person for participation in the Scheme:

- (i) any employee or director of the Company or any of its subsidiaries (including persons who are granted Shares under the Scheme as an inducement to enter into employment contracts with these companies);
- (ii) any employee or director of a Related Entity; and
- (iii) any person who provides services to the Group on a continuing and recurring basis in its ordinary and usual course of business which are material to the long-term growth of the Group.

Operation

Subject to the Scheme Rules and the requirements of the Listing Rules, the Board may, from time to time at its absolute discretion, select any Eligible Persons for participation in the Scheme as a Selected Person, make an offer to the Selected Persons and grant Awarded Shares to such Selected Persons, and such Awarded Shares can be satisfied by (i) new Shares to be subscribed by the Trustee under the Company’s available general mandate or under a specific mandate approved or to be approved by the Shareholders; or (ii) Shares purchased by the Trustee in the open market as directed by the Board.

Purchase of Awarded Shares

The Board may from time to time cause to be paid the Reference Amount to the Trust by way of settlement or otherwise contributed by the Company or any of its subsidiaries as directed by the Board which shall constitute part of the trust fund, for the purchase or subscription (as the case may be) of Shares and other purposes set out in the Trust Deed.

Subject to the Scheme Rules, the Board may from time to time instruct the Trustee to purchase the Shares on the Stock Exchange and to hold the Shares and/or Related Distribution on trust for the benefit of the Selected Persons on and subject to the Scheme Rules and the Trust Deed.

The Board shall, as soon as practicable after the Reference Date, cause to be paid the Reference Amount from the Company’s resources into the Account for the purchase and/or subscription of the Awarded Shares.

In case existing Shares are used for grant of Awarded Share(s), within 20 Trading Days after receiving the Reference Amount (or such longer period as the Trustee and the Board may agree from time to time having regard to the circumstances of the purchase concerned), the Trustee shall apply the Reference Amount towards the acquisition of such Awarded Shares at the prevailing market price.

If the Reference Amount is not sufficient to purchase and/or subscribe for all the necessary Shares to cover the Awarded Shares so specified, the Trustee shall purchase and/or subscribe for the maximum number of Shares possible from the Reference Amount and (a) apply the Returned Shares and Further Shares if so instructed by the Board or (b) seek further sums from the Board, until all Awarded Shares are purchased. The Trustee shall return any excess Reference Amount to the Company forthwith after the completion of the purchase and/or the subscription.

In case the grant of Awarded Share(s) involves the allotment of new Shares, such issue and allotment of new Shares shall be subject to the following conditions:

- (i) the passing of an ordinary resolution by the Shareholders in general meeting approving the generate mandate and/or specific mandate pursuant to which such Awarded Shares are to be issued and allotted; and
- (ii) the listing committee of the Stock Exchange granting approval of the listing of, and permission to deal in, such Shares to be allotted and issued pursuant to the Scheme and the generate mandate and/or specific mandate and all applicable laws and regulations.

Lapse of Awarded Shares

The Awarded Shares granted to a Selected Person shall automatically lapse forthwith in whole or in part (as the case may be pursuant to the Scheme Rules) on the occurrence of any of the following events on or before the relevant Vesting Date, unless the Board determines otherwise at its discretion:

- (i) a change of control of the Company becomes or is declared unconditional (including but not limited to a change in the majority Shareholder or ultimate beneficial owner of the Company);
- (ii) an order for the winding-up of the Company is made or a resolution is passed for the voluntary winding-up of the Company (otherwise than for the purposes of, and followed by, an amalgamation or reconstruction in such circumstances that substantially the whole of the undertaking, assets and liabilities of the Company pass to a successor company);
- (iii) a privatisation proposal of the Company becomes or is declared unconditional;
- (iv) the Selected Person ceases to be an Eligible Person or is found to be an Excluded Person;
- (v) death of the Selected Person;
- (vi) the Selected Person fails to satisfy any condition as set out in the grant letter in respect of the relevant part of Award;
- (vii) the Selected Person sells, transfers, charges, mortgages, encumbers or creates any interest in favour of any other person over such Awarded Shares in respect of the relevant part of the Award;

- (viii) a Selected Person (A) is unable or has no reasonable prospects of being able to pay his debts within the meaning of the Bankruptcy Ordinance (Chapter 6 of the Laws of Hong Kong) as amended from time to time or any other applicable law or has otherwise become insolvent; or (B) has made any arrangement (including debt reorganisation and similar arrangements) or composition with his creditors generally; or (C) has been convicted of any criminal offence involving his integrity or honesty; or
- (ix) the Selected Person fails to return duly executed transfer documents prescribed by the Trustee for the relevant Awarded Shares within the stipulated period.

Upon the total or partial lapse of the Award, the relevant Awarded Shares shall not vest on the relevant Vesting Date but shall become Returned Shares for the purpose of the Scheme.

Vesting of Awarded Shares

Unless the Scheme Rules provides otherwise, the Trustee shall transfer the relevant Awarded Shares to the relevant Selected Person as soon as practicable after the Vesting Date if no event of lapse occurs on or before the Vesting Date.

In case a Selected Person dies after any Awarded Share is vested in him but before such Awarded Shares are transferred to him, the Trustee shall hold the vested Awarded Shares upon trust and transfer the same to the legal personal representatives of the Selected Person.

Restrictions

No award shall be made to any Selected Persons and no payment shall be made to and no instruction to purchase Shares shall be given to the Trustee when any Director is in possession of unpublished inside information in relation to the Group or where dealings by Directors are prohibited under any code or requirement of the Listing Rules and all applicable laws from time to time.

Award to Connected Person

Any grant of the Awarded Shares to the directors or senior management of the Company must first be approved by the Remuneration Committee. Any member of the Board who himself has interest in a proposed Award shall abstain from voting on any resolution by which the Award is proposed.

As respects any grant of Awarded Shares to any Connected Selected Person, the Company and that Connected Selected Person shall comply with all applicable laws, rules and regulations, including the Listing Rules.

In any event, the aggregate interests of the Connected Selected Persons in the Scheme shall at all times be less than 30%.

Nature of the Award

Subject to the Scheme Rules, any Award made under this Scheme shall be personal to the Selected Person to whom it is made and shall not be assignable.

A Selected Person shall only have a contingent interest in the Awarded Shares and the related income referable to him subject to the vesting of such Shares. The Selected Person shall have no right in the Residual Cash or any of the Returned Shares.

The Trustee shall not exercise the voting rights in respect of any Share held by it as nominee or under the Trust (if any) (including but not limited to the Awarded Shares, the Returned Shares and any bonus Shares and scrip Shares derived from such Shares).

Scheme Limit

The Board shall not make any further Award which will result in:

- (i) the aggregate number of the Shares awarded by the Board under the Scheme exceeding 10% of the issued share capital of the Company as at the Adoption Date; and
- (ii) the aggregate number of the Shares held by public Shareholders falls below the minimum percentage as prescribed under the Listing Rules.

The maximum number of Shares which may be awarded to each Selected Person under the Scheme shall not exceed 1% of the issued share capital of the Company as at the Adoption Date.

Alternation of the Scheme

The Scheme may be altered in any respect by a resolution of the Board, with the prior consent of the Trustee (which consent shall not be unreasonably withheld), provided that no such alteration shall operate to affect adversely any subsisting rights of any Selected Person under the Scheme except with:

- (i) the consent in writing of Selected Person is obtained amounting to more than half in nominal value of all Shares so held by the Trustee on that date; or
- (ii) the approval by way of an ordinary resolution passed at a meeting of the Selected Persons.

Termination of the Scheme

The Scheme shall terminate on the earlier of (i) the expiry of 10 years after the Adoption Date and (ii) the date on which any of the terminating events as referred to in the paragraph "Duration" above occurs. The termination of the Scheme shall not affect any subsisting rights of any Selected Person under the Scheme.

Upon termination, no further Award shall be granted under the Scheme but in all other respects the provisions of the Scheme shall remain in full force and effect. The Awarded Shares granted and subsisting prior to the termination shall continue to be in full force and effect.

LISTING RULES IMPLICATIONS

The Share Award Scheme does not constitute a share option scheme pursuant to Chapter 17 of the Listing Rules and no Shareholders' approval is required for the adoption or implementation of the Scheme.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the meaning ascribed to them below:

“Account”	the bank account opened in the name of the Company to be operated solely for the purposes of operating the Scheme and the funds of the Scheme to be held on trust by the Company for the Selected Persons;
“Adoption Date”	10 May 2022, being the date on which the Scheme is adopted by the Board;
“Award”	an award of Shares by the Board to a Selected Person made in accordance with the Scheme Rules;
“Awarded Share(s)”	in respect of a Selected Person, (a) such number of new Share(s) issued by the Company for the Award to the relevant Selected Person; (b) such number of Shares determined by the Board and purchased by the Trustee on the market out of cash paid by the Company by way of settlement to the Trustee pursuant to the Scheme Rules; or (c) such number of Returned Shares or Further Shares awarded under the Scheme;
“Board”	the board of Directors, such committee or such sub-committee or person(s) delegated with the power and authority by the Board to administer the Scheme;
“Business Day(s)”	any day(s) on which the Stock Exchange is open for normal trading and on which banks in Hong Kong are open for normal banking business in Hong Kong generally throughout their normal business hours, excluding a Saturday, Sunday, public holiday(s) and day(s) on which a tropical cyclone warning signal no. 8 or above or a black rainstorm warning signal remains effective in Hong Kong at any time between 09:00 and 17:00 on weekdays;

“Company”	Chaoju Eye Care Holdings Limited, an exempted company incorporated under the laws of the Cayman Islands with limited liability whose Shares are listed on the Main Board of the Stock Exchange (stock code: 2219);
“Connected person”	has the meaning ascribed to it under the Listing Rules;
“Connected Selected Person”	any connected person of the Company who are selected for participation in the Scheme as a Selected Person;
“Director(s)”	the director(s) of the Company;
“Eligible Person(s)”	has the meaning ascribed to it under the section headed “Eligibility of Participation” in this announcement;
“Excluded Person(s)”	any Eligible Person who is resident in a place where the settlement of the award of the Awarded Shares and/or the vesting and transfer of Shares pursuant to the Scheme Rules is not permitted under the laws and regulations of such place or where in the view of the Board compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such person;
“Further Shares”	Shares purchased by the Trustee out of cash income or net proceeds of sale of non-cash and non-scrip distribution declared and distributed by the Company in respect of the Shares held by the Trustee;
“Grant Date”	the date specified in the grant letter sent by the Company to the Selected Person(s) as the date of grant of the Awarded Shares, or such other date as determined by the Board;
“Group”	the Company and its subsidiaries (whether incorporated in Hong Kong or elsewhere) from time to time;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Listing Rules”	the rules governing the listing of securities on the Stock Exchange;

“PRC”	the People’s Republic of China, but for the purpose of this announcement only, references herein to “PRC” exclude Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan;
“Reference Amount”	<p>an amount equal to the sum of:</p> <ul style="list-style-type: none"> (a) the closing price of those Awarded Shares to be purchased by the Trustee as at the Reference Date; (b) the related purchase expenses (including for the time being, the brokerage fee, SFC transaction levy, Stock Exchange trading fee, investor compensation levy, listing fee and such other necessary expenses for the completion of purchase of all the Awarded Shares); and (c) such other necessary expenses;
“Reference Date”	the date of final approval by the Board of the total number of Shares to be awarded to the Selected Person in that single occasion pursuant to the Scheme;
“Related Distribution”	certain distributions derived from an Awarded Share referable to a Selected Person the record date for entitlement of which falls within the period from the Grant Date to the Vesting Date (both days inclusive) of such Awarded Share, which shall include only distributions in cash form such as dividends, cash form of scrip dividend, and in case of bonus Shares, the proceeds from sale of the bonus Shares in accordance with the Scheme Rules, but exclude all other forms of distributions such as nil paid rights, bonus warrants, non-cash distributions or proceeds of sale of the same or Residual Cash;
“Related Entity”	the holding company(ies) of the Company (if any), its subsidiaries and company(ies) which, in accordance with the generally accepted accounting principles in the Hong Kong Financial Reporting Standards, is/are recorded as affiliated company(ies) in the financial statements of the holding company(ies) of the Company and/or the Company, which shall include any company in which the holding company(ies) of the Company and/or the Company is directly or indirectly interested in not less than 20% of its issued share capital (or in case such company has no share capital, having a power to exercise or control the exercise of not less than 20% of voting right in its members’ meeting) and for the purpose of the Scheme shall exclude the Group;

“Remuneration Committee”	the remuneration committee of the Board;
“Residual Cash”	in respect of a Selected Person, being cash remaining in the Account or any trust fund set up by the Trustee in respect of his Award (including interest income derived from deposits maintained with licensed banks in Hong Kong), which has not been applied in the acquisition (whether by way of purchase or subscription) of his Awarded Shares or Further Shares;
“Returned Shares”	in respect of an Award, out of the Awarded Shares which are referable to a Selected Person, such Awarded shares which are not accepted or vested in accordance with the terms of the Scheme or such Shares being deemed to be Returned Shares in accordance with the terms of the Scheme, or such Shares forfeited in accordance with the terms of the Scheme;
“Scheme”	the share award scheme of the Company as adopted by the Board on the Adoption Date and as amended from time to time;
“Scheme Rules”	The rules relating to the Scheme in its present form or any amended form;
“Selected Person(s)”	any Eligible Person whom the Board may, from time to time, at its absolute discretion select for participation in the Scheme;
“SFC”	the Securities and Futures Commission of Hong Kong;
“Share(s)”	ordinary share(s) of HK\$0.00025 each in the share capital of the Company;
“Shareholder(s)”	holders of Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subsidiary” or “Subsidiaries”	any entity within the meaning of the term “subsidiary” as defined in the Listing Rules;
“Trading Day”	a Business Day on which the trading of the Shares through the Stock Exchange has been neither suspended nor prohibited under any code or requirement of the Listing Rules and all applicable laws from time to time (as determined by the Board and notified to the Trustee from time to time);

“Trust”	the trust constituted by the Trust Deed;
“Trust Deed”	a trust deed to be entered into between the Company as settlor and the Trustee as trustee (as restated, supplemented and amended from time to time) in respect of the appointment of the Trustee for the administration of the Scheme;
“Trustee”	such person(s) who will from time to time be duly appointed to be the trustee(s) of the trusts declared by the Trust Deed;
“Vesting Date”	in respect of a Selected Person, the date on which his entitlement to the Awarded Shares is vested in accordance with the conditions as imposed by the Board or is deemed to have vested pursuant to the Scheme Rules; and
“%”	per cent.

By order of the Board
Chaoju Eye Care Holdings Limited
ZHANG Bozhou
Chairman

Hong Kong, 10 May 2022

As at the date of this announcement, the Board comprises Mr. ZHANG Bozhou as the chairman and executive Director; Ms. ZHANG Xiaoli, Mr. ZHANG Junfeng and Mr. ZHANG Guangdi as executive Directors; Mr. KE Xian, Mr. Richard Chen MAO, Mr. LI Zhen and Ms. ZHANG Wenwen as non-executive Directors; and Mr. HE Mingguang, Ms. GUO Hongyan, Mr. LI Jianbin and Mr. BAO Shan as independent non-executive Directors.