
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 stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional advisers.

If you have sold or transferred all your shares in Life Healthcare Group Limited, you should at once hand this circular with the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee.

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LIFE HEALTHCARE GROUP LIMITED

蓮和醫療健康集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 928)

**PROPOSALS FOR
GENERAL MANDATE TO ISSUE SHARES,
GENERAL MANDATE TO REPURCHASE SHARES,
RE-ELECTION OF DIRECTORS,
ADOPTION OF NEW SHARE OPTION SCHEME
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting of Life Healthcare Group Limited to be held at Portion 2, 12/F, The Center, 99 Queen's Road Central, Central, Hong Kong on 12 October 2022 at 10 a.m. is set out on pages 32 to 36 of this circular.

Whether or not you are able to attend the annual general meeting in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the branch share registrar of the Company in Hong Kong, Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event not later than 48 hours before the time appointed for the holding of the annual general meeting. Completion and return of a form of proxy will not preclude you from attending and voting at the annual general meeting or any adjourned meetings in person if you so wish.

PRECAUTIONARY MEASURES FOR ANNUAL GENERAL MEETING

Due to the constantly evolving COVID-19 pandemic situation, the Company may need to take certain precautionary measures at the venue of the annual general meeting to ensure the safety of attendees, including (but not limited to) requiring all attendees to have body temperature check and wear face masks. In addition, no refreshments will be served and no corporate gift will be distributed at the annual general meeting. The Company reserves the right to deny admission to the annual general meeting venue if any person does not comply with the precautionary measures to be taken at the annual general meeting or such person is subject to any HKSAR Government prescribed quarantine.

9 September 2022

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DEFINITIONS

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

“Adoption Date”	the date on which the proposed New Share Option Scheme is adopted by ordinary resolution of the Company in AGM, a notice of which is set out herein
“AGM”	the annual general meeting of the Company to be held at Portion 2, 12/F, The Center, 99 Queen’s Road Central, Central, Hong Kong on 12 October 2022 at 10 a.m., the notice of which is set out on pages 32 to 36 of this circular
“Articles of Association”	the Articles of Association of the Company as amended from time to time
“associate(s)”	has the meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors of the Company
“Business Day”	any day on which the Stock Exchange is open for business of dealing in securities
“close associate”	has the meaning ascribed to it under the Listing Rules
“Companies Law”	the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
“Company”	Life Healthcare Group Limited (Stock Code: 928), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the main board of the Stock Exchange
“Connected Person(s)”	has the meaning as defined in the Listing Rules
“core connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Date of Grant”	in respect of an Option, the Business Day on which the Board resolves to grant a Option to an Eligible Participant
“Director(s)”	the director(s) of the Company

DEFINITIONS

“Eligible Participant”	any directors (including executive directors, non-executive directors and independent non-executive directors) of the Group and employees of the Group (whether full-time or part-time) and any advisors, consultants, distributors, contractors, suppliers, agents, customers, partners, joint venture partners, promoters, service providers to the Group who the Board considers, in its sole discretion, have contributed or will contribute to the growth and development of the Group
“Existing Share Option Scheme”	the share option scheme adopted by the Company on 18 September 2012
“Grantee”	any Eligible Participant who accepts the offer of the grant of an Option in accordance with the terms of the New Share Option Scheme or (where the context so permits) a person entitled to any such Option in consequence of the death of the original Grantee
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Issue Mandate”	a general and unconditional mandate to be granted to the Directors to allot, issue and otherwise deal with new Shares and other securities not exceeding 20% of the total number of issued Shares as at the date of passing of the relevant resolutions at the AGM
“Latest Practicable Date”	4 September 2022, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Share Option Scheme”	a share option scheme of the Company to be adopted by the Company and to be approved by the Shareholders at the AGM, a summary of its principal terms is set out in Appendix III to this circular

DEFINITIONS

“Option(s)”	an option (or options) to subscribe for Shares granted pursuant to the New Share Option Scheme
“Option Period”	a period to be notified by the Board to each Grantee at the time of granting an Option which shall not expire later than 10 years from the Date of Grant
“PRC”	the People’s Republic of China excluding, for the purpose of this circular, Hong Kong, Macau and Taiwan, unless otherwise specified
“Repurchase Mandate”	a general and unconditional mandate to be granted to the Directors to exercise the power of the Company to repurchase Shares up to a maximum of 10% of the total number of issued Shares as at the date of passing of the relevant resolutions at the AGM
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of a par value of HK\$0.05 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the price per Share at which a Grantee may subscribe for Shares on the exercise of an Option pursuant to the New Share Option Scheme
“substantial shareholder(s)”	has the meaning as defined in the Listing Rules
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“%” or “per cent.”	percentage or per centum

LETTER FROM THE BOARD



LIFE HEALTHCARE GROUP LIMITED
蓮和醫療健康集團有限公司
(incorporated in the Cayman Islands with limited liability)
(Stock Code: 928)

Executive Directors:

Mr. Yuan Limin (*Chief Executive Officer*)

Mr. Pang Zhen

Mr. Man Wai Lun

Mr. Huang Zhifang

Registered office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman

KY1-1111

Cayman Islands

Independent non-executive Directors:

Mr. Liu Xinghua

Mr. Wang Yang

Mr. Chan Man Kiu

Principal place of business in Hong Kong:

Office A, 12/F,

Aubin House,

171–172 Gloucester Road

Wanchai

Hong Kong

9 September 2022

To the Shareholders

Dear Sir or Madam,

**PROPOSALS FOR
GENERAL MANDATE TO ISSUE SHARES,
GENERAL MANDATE TO REPURCHASE SHARES,
RE-ELECTION OF DIRECTORS,
ADOPTION OF NEW SHARE OPTION SCHEME
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information in respect of the resolutions to be proposed at the AGM relating to, *inter alia*, (i) the granting to the Directors of the Issue Mandate to issue Shares up to a maximum of 20% of the issued share capital of the Company at the date of passing the resolution at the AGM; (ii) the granting to the Directors of the

LETTER FROM THE BOARD

Repurchase Mandate to exercise all the powers of the Company to repurchase Shares up to a maximum of 10% of the issued share capital of the Company as at the date of passing the resolution at the AGM; (iii) the extension of the Issue Mandate by those Shares repurchased by the Company pursuant to the Repurchase Mandate granted to the Directors; (iv) the re-election of Directors; and (v) adoption of the New Share Option Scheme.

GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

The general mandates to issue and repurchase Shares, which were last granted by the Shareholders to the then Directors at the annual general meeting of the Company held on 31 August 2021, will expire at the AGM. As at the Latest Practicable Date, the general mandate to issue Shares has almost been fully utilised and the general mandate to repurchase Shares will lapse at the conclusion of the AGM. Ordinary resolutions will therefore be proposed at the AGM to renew the general mandates so as:

- (a) to grant the Issue Mandate to the Directors to exercise the powers of the Company to allot and issue Shares not exceeding 20% of the total number of issued Shares as at the date of passing the resolution. Based on the 1,542,025,060 Shares in issue as at the Latest Practicable Date and assuming that no further Shares are issued or repurchased prior to the AGM, subject to the passing of the relevant ordinary resolution to approve the Issue Mandate at the AGM, the Directors will be authorised to allot and issue up to 308,405,012 Shares under the Issue Mandate. The Issue Mandate will expire on the earliest of the date of the next annual general meeting, the date by which the next annual general meeting of the Company is required to be held by the Articles of Association or the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders at a general meeting of the Company;
- (b) to grant the Repurchase Mandate to the Directors to exercise all powers of the Company to repurchase issued Shares subject to the criteria set out in this circular. Under the Repurchase Mandate, the maximum number of Shares that the Company may repurchase shall not exceed 10% of the total number of issued Shares as at the date of passing the resolution. As at the Latest Practicable Date, the number of Shares in issue was 1,542,025,060 Shares. Subject to the passing of the proposed ordinary resolution approving the granting of the Repurchase Mandate and assuming no further Shares are issued or repurchased prior to the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 154,202,506 Shares, being 10% of the entire issued share capital of the Company as at the date of passing the resolution in relation thereof. The Repurchase Mandate will expire on the earliest of the date of the next annual general meeting, the date by which the next annual general meeting of the Company is required to be held by the Articles of Association or the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders at a general meeting of the Company; and

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- (c) subject to the passing of the aforesaid ordinary resolutions of the Issue Mandate and the Repurchase Mandate, to extend the number of Shares to be issued and allotted under the Issue Mandate by an additional number representing such number of Shares repurchased under the Repurchase Mandate.

In accordance with the Listing Rules, an explanatory statement is set out in Appendix I to this circular to provide you with requisite information reasonably necessary to enable you to make an informed decision on whether to vote for or against the proposed resolution in relation to the grant of the Repurchase Mandate at the AGM.

RE-ELECTION OF DIRECTORS

The Board currently comprises seven Directors, namely, Mr. Yuan Limin, Mr. Pang Zhen, Mr. Man Wai Lun, Mr. Huang Zhifang, Mr. Liu Xinghua, Mr. Wang Yang and Mr. Chan Man Kiu.

In accordance with Articles 83(3) and 84(1) of the Articles of Association, Mr. Yuan Limin, Mr. Pang Zhen, Mr. Huang Zhifang, Mr. Liu Xinghua, Mr. Wang Yang and Mr. Chan Man Kiu will retire at the AGM, and being eligible, offer themselves for re-election at the AGM.

Details of the Directors proposed for re-election at the AGM are set out in Appendix II to this circular.

LETTER FROM THE BOARD

ADOPTION OF THE NEW SHARE OPTION SCHEME

The Existing Share Option Scheme was adopted by the Company on 18 September 2012. Pursuant to the Existing Share Option Scheme, the Directors were authorised to grant to eligible persons share options to subscribe for Shares in the capital of the Company. The Existing Share Option Scheme has a term of 10 years which will expire on 17 September 2022 and thus the Directors wish to seek Shareholders' approval for the New Share Option Scheme. As at the Latest Practicable Date, there are 86,040,000 options under the Existing Share Option Scheme granted which remain outstanding or unexercised, details of which are as follows:

Name or Category of Participants	Date of Grant	Number of outstanding share options as at the Latest Practicable Date (HK\$) (Note)	Exercise Period	Exercise Price (HK\$) (Note)
Consultants				
Dai Kai Fu* 戴凯夫	25 Oct 2017	9,560,000	From 25 Oct 2017 to 24 Oct 2027	0.902
Yang Wei Lan* 杨卫兰	25 Oct 2017	9,560,000	From 25 Oct 2017 to 24 Oct 2027	0.902
Chen Ma Hong* 陈曼红	25 Oct 2017	9,560,000	From 25 Oct 2017 to 24 Oct 2027	0.902
Liang Xiao Li* 梁小力	25 Oct 2017	9,560,000	From 25 Oct 2017 to 24 Oct 2027	0.902
Song Hong Lin* 宋宏林	25 Oct 2017	9,560,000	From 25 Oct 2017 to 24 Oct 2027	0.902
Liang Zhi Hua* 梁志华	25 Oct 2017	9,560,000	From 25 Oct 2017 to 24 Oct 2027	0.902
Zong Xiao Feng* 宗小峰	25 Oct 2017	9,560,000	From 25 Oct 2017 to 24 Oct 2027	0.902
Weng Sheng Hao* 翁声浩	25 Oct 2017	9,560,000	From 25 Oct 2017 to 24 Oct 2027	0.902
Sau Dao You* 孙道友	25 Oct 2017	9,560,000	From 25 Oct 2017 to 24 Oct 2027	0.902
Total		<u>86,040,000</u>		

Note: After adjustment for share consolidation of 5 shares of HK\$0.01 each into 1 consolidated share of HK\$0.05 each effective on 23 September 2020.

* For identification purposes only

LETTER FROM THE BOARD

A summary of the principal terms of the New Share Option Scheme is set out in Appendix III to this circular. A copy of the rules of the New Share Option Scheme will be published on the websites of the Stock Exchange (www.hkexnews.hk) and of the Company (www.ir.lifehealthcare.com) for display for a period of not less than 14 days before the AGM and will be made available for inspection at the AGM.

The coming into effect of the New Share Option Scheme is conditional upon:

- (i) the passing of an ordinary resolution at the AGM by the Shareholders necessary to approve and adopt the New Share Option Scheme and to authorise the Directors to grant Options under the New Share Option Scheme and to allot and issue Shares pursuant to the exercise of any Options; and
- (ii) the listing committee of the Stock Exchange granting the approval for the listing of and permission to deal in the Shares to be issued upon the exercise of the Options representing 10 per cent. of the issued share capital of the Company as at the date of the AGM.

If all of the above conditions are not satisfied on or before the date following 30 days after the Adoption Date, the New Share Option Scheme will determine immediately, and no person shall be entitled to any rights or benefits or be under any obligations under or in respect of the New Share Option Scheme.

Save for a few changes that have been made in the New Share Option Scheme to conform with the market practices, the terms of the New Share Option Scheme and the Existing Share Option Scheme are broadly similar. The few changes include (i) votes of resolution(s) of a meeting of the Grantees are cast on a poll only; (ii) update the Companies Ordinance as Chapter 622 of the Laws of Hong Kong and (iii) add a new clause that any change to the authority of the Board in relation to any alteration to the terms of this Scheme cannot be altered by resolution of the Board in order to comply with the Listing Rules. The terms of the New Share Option Scheme provide that in granting the Options under the New Share Option Scheme, the Board may offer to grant any Options subject to such terms and conditions in relation to the minimum period of the Options to be held and/or the performance criteria to be satisfied before such Options can be exercised and/or any other terms as the Board may determine in its absolute discretion. The Board will also have the discretion in determining the Subscription Price in respect of any Option, provided that the relevant requirements in the Listing Rules are complied with. The Directors are of the view that the flexibility given to the Directors to impose the minimum period for which the Options have to be held and performance targets and other conditions that have to be achieved before the Options can be exercised, will place the Group in a better position to attract human resources that are valuable to the growth and development of the Group as a whole. There will not be any trustees of the New Share Option Scheme.

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As at the Latest Practicable Date, there were 1,542,025,060 Shares in issue. Assuming that there are no further allotment of Shares from the Latest Practicable Date up to the date of approval of the New Share Option Scheme, options to subscribe for up to 154,202,506 Shares may be issued under the New Share Option Scheme (upon the New Share Option Scheme becoming effective) pursuant to Rule 17.03(3) of the Listing Rules, representing 10% of Shares in issue as at the date of approval of the New Share Option Scheme.

The Directors consider that it is not appropriate to state the value of all Options that can be granted under the New Share Option Scheme as if they had been granted on the Latest Practicable Date as a number of variables which are crucial for the calculation of the Options' value have not been determined. Such variables include the Subscription Price, exercise period, any performance targets set and other relevant variables. The Directors believe that any calculation of the value of the Options as at the Latest Practicable Date based on a number of speculative assumptions would not be meaningful and might be misleading to the Shareholders.

Application for Listing

An application will be made to the listing committee of the Stock Exchange for any Options that may be granted under the New Share Option Scheme and the listing of, and permission to deal in, the Shares which may fall to be issued pursuant to the exercise of any Options that may be granted under the New Share Option Scheme up to 10% of the Shares in issue as at the date of approval of the New Share Option Scheme.

Reasons for adopting the New Share Option Scheme

The Existing Share Option Scheme will expire on 17 September 2022. The Directors consider that it is appropriate to adopt the New Share Option Scheme, which will be valid for 10 years from the Adoption Date, in order to provide appropriate incentives or rewards to eligible persons for their contributions or potential contributions to the Group on a long-term basis. The purpose of the New Share Option Scheme is to attract and retain the best available personnel, to provide additional incentive to employees, directors, consultants, advisors and business partners of the Group and to promote the success of the business of the Group.

The New Share Option Scheme also expressly provides that, the Board may, with respect to each grant of Options, determine the Subscription Price (being not less than the minimum price specified in the Listing Rules), the conditions precedent and any performance targets that apply to the Options. The Directors believe the New Share Option Scheme will provide the Board with flexibility in determining the applicable performance targets and any other conditions to which the specific grant of Options may be subject on a case-by-case basis, and thus will place the Group in a better position to attract human resources that are valuable to the long term growth and development of the Group. There are no businesses or interests of the Directors that compete or may compete with the business of the Group.

LETTER FROM THE BOARD

NOTICE OF AGM

Notice of the AGM is set out on pages 32 to 36 of this circular. A form of proxy for use at the AGM is enclosed. Whether or not you are able to attend the AGM in person, you should complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the share registrar of the Company in Hong Kong, Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event not later than 48 hours before the time appointed for the holding of the AGM. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof, should you so wish.

No Shareholder is required to abstain from voting on the resolutions regarding (i) the granting to the Directors of the Issue Mandate to issue Shares up to a maximum of 20% of the issued share capital of the Company at the date of passing the resolution at the AGM; (ii) the granting to the Directors of the Repurchase Mandate to exercise all the powers of the Company to repurchase Shares up to a maximum of 10% of the issued share capital of the Company as at the date of passing the resolution at the AGM; (iii) the extension of the Issue Mandate by those Shares repurchased by the Company pursuant to the Repurchase Mandate granted to the Directors; (iv) the re-election of Directors and (v) adoption of the New Share Option Scheme.

Pursuant to Rule 13.39(4) of the Listing Rules, all votes at the AGM will be taken by poll and the Company will announce the results of the poll in the manner set out in Rule 13.39(5) of the Listing Rules.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 7 October 2022 to 12 October 2022, both days inclusive, during which period no transfer of Shares will be registered. In order to qualify for attending and voting at the AGM or any adjournment thereof, all transfers of Shares accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar and transfer office, Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on 6 October 2022.

LETTER FROM THE BOARD

RESPONSIBILITY OF THE DIRECTORS

This circular, for which the Directors collectively and individually accept full responsibility, include particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and are not misleading or deceptive. There are no other matters the omission of which would make any statement herein or this circular misleading.

RECOMMENDATION

The Directors are of the opinion that the proposals for the Issue Mandate, the Repurchase Mandate, the extension of the Issue Mandate to include Shares repurchased pursuant to the Repurchase Mandate, the re-election of the Directors and adoption of the New Share Option Scheme are in the best interests of the Company and the Shareholders as a whole, and so recommend you to vote in favour of the relevant resolutions to be proposed at the AGM.

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

By Order of the Board
Life Healthcare Group Limited
Pang Zhen
Executive Director

This is an explanatory statement given to all Shareholders relating to a resolution to be proposed at the AGM for approving the Repurchase Mandate. This explanatory statement contains all the information required pursuant to Rule 10.06(1)(b) and other relevant provisions of the Listing Rules which is set out as follows:

1. SHARE CAPITAL

As at the Latest Practicable Date, there was a total of 1,542,025,060 Shares in issue. Subject to the passing of the resolution granting the Repurchase Mandate and on the basis that no further Shares are issued or repurchased during the period from the Latest Practicable Date to the AGM, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 154,202,506 Shares, being 10% of the issued share capital of the Company as at the date of the passing of the relevant resolution at the AGM.

2. REASONS FOR SHARE REPURCHASE

The Directors have no present intention to repurchase any Shares but consider that the ability to do so would give the Company additional flexibility that would be beneficial to the Company and the Shareholders as such repurchase may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets value of the Company and/or its earning per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders as a whole.

3. FUNDING OF REPURCHASE

The Company is empowered by its memorandum and Articles of Association to repurchase its Shares. In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its memorandum and Articles of Association and laws of the Cayman Islands. The laws of the Cayman Islands and the Articles of Association provide that payment for a share repurchase may only be made out of profits or the proceeds of a new issue of shares made for such purpose, the Company's share premium account or subject to the Companies Law, out of capital of the Company. The amount of premium payable on repurchase of shares may only be paid out of either the profits or out of the share premium account of the Company or subject to the Companies Law, out of capital of the Company. In addition, under the laws of the Cayman Islands, payment out of capital by a company for the purchase by a company of its own shares is unlawful unless immediately following the date on which the payment is proposed to be made, the Company shall be able to pay its debts as they fall due in the ordinary course of business. In accordance with the laws of the Cayman Islands, the shares so repurchased may be treated as cancelled or held as treasury shares but, if cancelled, the aggregate amount of authorised share capital will not be reduced. Under the Listing Rules, all repurchased shares are required to be cancelled. As compared with the financial position of the Company as at 31 March 2022 (as disclosed in its latest audited financial statements for the year ended 31 March 2022), the Directors consider that in the event that the proposed repurchase were to be carried out in full during the proposed repurchase period, there might not be material adverse impact on the

working capital and on the gearing ratio of the Company. The Directors have no present intention to exercise the Repurchase Mandate to such an extent as would have a material adverse impact on the working capital or gearing ratio of the Company.

4. DIRECTORS, THEIR CLOSE ASSOCIATES AND CORE CONNECTED PERSONS

None of the Directors nor, to the best of their knowledge and belief having made all reasonable enquiries, any of their close associates, has any present intention to sell any Shares to the Company in the event that the Repurchase Mandate is granted by the Shareholders. No core connected person of the Company (as defined in the Listing Rules) has notified the Company that he/she/it has a present intention to sell Shares to the Company nor has he/she/it undertaken not to sell any of the Shares held by him/her/it to the Company in the event that the Repurchase Mandate is granted by the Shareholders.

5. UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchases pursuant to the Repurchase Mandate and in accordance with the Listing Rules, the Articles of Association and the laws of the Cayman Islands.

6. EFFECT OF TAKEOVERS CODE

If on the exercise of the power to repurchase Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of Rule 32 of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code. As at the Latest Practicable Date, 逢震 and its close associates were substantial shareholders (as defined under the Listing Rules) of the Company, which were interested in approximately 18.48% of the issued share capital of the Company. In the event that the Directors exercise in full the power to repurchase Shares pursuant to the Repurchase Mandate, the aggregate percentage shareholdings of 逢震 and its close associates would increase to approximately 20.53%. The Directors are not aware of any consequences which may arise under the Takeovers Code as a result of any repurchase made under the Repurchase Mandate. The Directors will not exercise the Repurchase Mandate to such an extent that the number of Shares held by the public would fall below 25% of the total number of Shares in issue as a result of such repurchase.

7. SHARE REPURCHASES BY THE COMPANY

The Company had not repurchased any Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

8. SHARE PRICE

The highest and lowest prices at which the Shares were traded on the Stock Exchange in each of the previous twelve months were as follows:

	Per Share	
	Highest	Lowest
	<i>HK\$</i>	<i>HK\$</i>
2021		
September	0.180	0.102
October	0.171	0.129
November	0.154	0.131
December	0.151	0.087
2022		
January	0.128	0.091
February	0.120	0.100
March	0.125	0.050
April	0.194	0.106
May	0.136	0.110
June	0.165	0.112
July	0.145	0.112
August	0.129	0.109
September (up to the Latest Practicable Date)	0.117	0.110

The followings are the particulars of the Directors proposed for re-election at the AGM.

Mr. Yuan Limin (“Mr. Yuan”) has been appointed as the chief executive officer and an executive Director of the Company with effect from 29 July 2022.

Mr. Yuan, aged 62, has more than 30 years’ valuable experience in the capital, investment and financial analysis and handled more than 15 listing and fund raising projects in the PRC and Hong Kong. Mr. Yuan was appointed as executive director of United Strength Power Holdings Limited (stock code: 2337), a main board listed company of the Stock Exchange from November 2018 to July 2022. He was appointed as executive director, deputy chairman of the board and chief executive officer of China Asia Valley Group Limited (formerly known as China Graphene Group Limited) (stock code: 0063), a main board listed company of the Stock Exchange from November 2015 to January 2018. He was also the chairman of the board and non-executive director of Asia Fashion Holdings Limited (SGX:BQI) which is a main board listed company of the Singapore Stock Exchange from December 2013 to November 2015. Mr. Yuan was a senior business analyst with American Etech Securities Inc. from 2009 to 2012. He was also the general manager of the CAD Company of the China Ministry of Aerospace from 1987 to 1998 and an analyst with the Beijing Government’s Finance office from 1982 to 1985.

Mr. Yuan graduated with a Bachelor Degree in Finance at the Beijing Institute of Technology.

Saved as disclosed above, Mr. Yuan does not hold (i) any other position in the Company and other members of the Group; (ii) any directorship in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; and (iii) any other major appointments and professional qualifications.

Mr. Yuan has no relationships with any Directors, senior management, substantial or controlling shareholders of the Company (having the meaning ascribed to it in the Listing Rules) and does not have any interests in the securities of the Company within the meaning of Part XV of the SFO.

Mr. Yuan has not entered into any service contract with the Company. Under the letter of appointment entered into between Mr. Yuan and the Company, Mr. Yuan’s term of service is 3 years. His directorship in the Company is subject to rotation and re-election at annual general meetings of the Company in accordance with the articles of association of the Company. The remuneration of Mr. Yuan is HK\$2,600,000 per annum (inclusive of one-month bonus) which is determined by the Board and the remuneration committee of the Company with reference to his experience, duties and responsibilities within the Company.

Save as disclosed above, there are no other matters relating to the re-election of Mr. Yuan that need to be brought to the attention of the shareholders of the Company and there is no other information that should be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

Mr. Pang Zhen (“Mr. Pang”) has been appointed as an executive Director and an authorised representative of the Company with effect from 6 December 2021.

Mr. Pang, aged 46, graduated from the real estate operation and management major of the Department of Civil Engineering of Anshan Iron and Steel College in July 1998. Mr. Pang has over 20 years work experience in the real estate industry in PRC, mainly engaged in the development, sales and leasing activities of properties in PRC since graduation from college in 1998.

Save as disclosed above, Mr. Pang does not hold (i) any other position of the Company and other member of the Group; (ii) any directorship in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; and (iii) any other major appointments and professional qualifications.

Mr. Pang has no relationships with any Directors, senior management, substantial or controlling shareholders of the Company (having the meaning ascribed to it in the Listing Rules) Mr. Pang is a substantial shareholder of the Company holding approximately 22.18% of the issued share capital of the Company.

Mr. Pang has not entered into any service contract with the Company. Under the letter of appointment entered into between Mr. Pang and the Company, his term of service is 2 years and automatically renewed for another 2 years upon expiry date unless terminate by either party with prior notice. His directorship in the Company is subject to rotation and re-election at annual general meetings of the Company in accordance with the Articles of Association. The remuneration of Mr. Pang is HK\$10,000 per month which is determined with reference to his experience, duties and responsibilities within the Company.

Save as disclosed above, there are no other matters relating to the re-election of Mr. Pang that need to be brought to the attention of the shareholders of the Company and there is no other information that should be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

Mr. Huang Zhifang (“**Mr. Huang**”) has been appointed as an executive Director of the Company with effect from 31 May 2022.

Mr. Huang, aged 46, has 23 years of experience in the trading, marketing and supply chain management in the field of commodity and new material, as well as risk management, investment and financing. Mr. Huang was appointed as general manager of Guangdong GW International Group Company Limited from 2017 to 2021. He acted as deputy general manager of Zhejiang Fuchuen Company Limited from 2009 to 2016. He was also a sales manager of Baosteel Precision Steel Tube Co., Ltd from 2000 to 2008.

Mr. Huang obtained an EMBA degree at City University of Hong Kong, and a bachelor degree in International Economics and Trade at Fudan University.

Saved as disclosed above, Mr. Huang does not hold (i) any other position in the Company and other members of the Group; (ii) any directorship in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; and (iii) any other major appointments and professional qualifications.

Mr. Huang has no relationships with any Directors, senior management, substantial or controlling shareholders of the Company (having the meaning ascribed to it in the Listing Rules) and does not have any interests in the securities of the Company within the meaning of Part XV of the SFO.

Mr. Huang has not entered into any service contract with the Company. Under the letter of appointment entered into between Mr. Huang and the Company, Mr. Huang’s term of service is 2 years. His directorship in the Company is subject to rotation and re-election at annual general meetings of the Company in accordance with the Articles of Association. The remuneration of Mr. Huang is HK\$10,000 per month which is determined with reference to his experience, duties and responsibilities within the Company.

Save as disclosed above, there are no other matters relating to the re-election of Mr. Huang that need to be brought to the attention of the shareholders of the Company and there is no other information that should be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

Mr. Liu Xinghua (“**Mr. Liu**”), aged 65, holds a bachelor degree in Chinese language and literature from Beijing Normal University in the PRC, and was appointed as an independent non-executive Director with effect from 12 September 2016. Mr. Liu is also the chairman of the Remuneration Committee and a member of the Audit Committee. Mr. Liu is currently a senior management of a fund company. Mr. Liu was with Industrial Bank Co., Ltd. since August 2001 to August 2016, where he held the position of president of Beijing Dongdan sub-branch, Shijingshan Science & Technology Park sub-branch and Fengtai sub-branch. Mr. Liu has approximately 32 years’ experience in the financial services industry.

Save as disclosed above, Mr. Liu does not hold (i) any other position of the Company and other member of the Group; (ii) any directorship in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; and (iii) any other major appointments and professional qualifications.

Mr. Liu has no relationships with any Directors, senior management, substantial or controlling shareholders of the Company (having the meaning ascribed to it in the Listing Rules) and does not have any interest in the securities of the Company within the meaning of Part XV of the SFO.

Mr. Liu has not entered into any service contract with the Company. His directorship in the Company is subject to rotation and re-election at annual general meetings of the Company in accordance with the Articles of Association. The remuneration of Mr. Liu is HK\$10,000 per month which is determined with reference to his experience, duties and responsibilities within the Company.

Save as disclosed above, there are no other matters relating to the re-election of Mr. Liu that need to be brought to the attention of the shareholders of the Company and there is no other information that should be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

Mr. Wang Yang (“**Mr. Wang**”) has been appointed as an independent non-executive Director, chairman and a member of the audit committee of the Company (“**Audit Committee**”), chairman and a member of the nomination committee of the Company (“**Nomination Committee**”) and a member of the remuneration committee of the Company (“**Remuneration Committee**”) with effect from 6 December 2021.

Mr. Wang, aged 37, graduated from Miyun Campus of Capital University of Economics and Business major in Business Management in 2006. Mr. Wang has approximately 14 years work experience in the film industry in PRC mainly engaged in finance and production of films. At present, Mr. Wang is working as a self-employed marketing executive in a securities firm in Beijing.

Save as disclosed above, Mr. Wang does not hold (i) any other position of the Company and other member of the Group; (ii) any directorship in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; and (iii) any other major appointments and professional qualifications.

Mr. Wang has no relationships with any Directors, senior management, substantial or controlling shareholders of the Company (having the meaning ascribed to it in the Listing Rules) and does not have any interest in the securities of the Company within the meaning of Part XV of the SFO.

Mr. Wang has not entered into any service contract with the Company. Under the letter of appointment entered into between Mr. Wang and the Company, his term of service is 2 years. His directorship in the Company is subject to rotation and re-election at annual general meetings of the Company in accordance with the Articles of Association. The remuneration of Mr. Wang is HK\$10,000 per month which is determined with reference to his experience, duties and responsibilities within the Company.

Save as disclosed above, there are no other matters relating to the re-election of Mr. Wang that need to be brought to the attention of the shareholders of the Company and there is no other information that should be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

Mr. Chan Man Kiu (“Mr. Chan”) has been appointed as an independent non-executive Director, a member of the Audit Committee, a member of the Nomination Committee and a member of the Remuneration Committee with effect from 25 April 2022.

Mr. Chan, aged 60, is the chief financial officer and the company secretary of Jiangnan Group Limited, a company listed on the main board of the Stock Exchange of Hong Kong Limited (Stock code: 1366). Mr. Chan has over 30 years of experience in the field of finance and operations. Previously Mr. Chan worked for Jardine Fleming Holdings Limited, Xinhua Financial Network Limited and Xinhua Sports and Entertainment Limited. Mr. Chan is a member of the Hong Kong Institute of Certified Public Accountants. Mr. Chan obtained his Professional Diploma in Accountancy from The Hong Kong Polytechnic (currently the Hong Kong Polytechnic University) in November 1984 and EMBA from the City University of Hong Kong in November 2003.

Save as disclosed above, Mr. Chan does not hold (i) any other position of the Company and other member of the Group; (ii) any directorship in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; and (iii) any other major appointments and professional qualifications.

Mr. Chan has no relationships with any Directors, senior management, substantial or controlling shareholders of the Company (having the meaning ascribed to it in the Listing Rules) and does not have any interest in the securities of the Company within the meaning of Part XV of the SFO.

Mr. Chan has not entered into any service contract with the Company. Under the letter of appointment entered into between Mr. Chan and the Company, his term of service is 2 years. His directorship in the Company is subject to rotation and re-election at annual general meetings of the Company in accordance with the Articles of Association. The remuneration of Mr. Chan is HK\$10,000 per month which is determined with reference to his experience, duties and responsibilities within the Company.

Save as disclosed above, there are no other matters relating to the re-election of Mr. Chan that need to be brought to the attention of the shareholders of the Company and there is no other information that should be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

(A) PURPOSE

The purpose of the New Share Option Scheme is to provide Eligible Participants with the opportunity to acquire proprietary interests in the Company and to encourage Eligible Participants to work towards enhancing the value of the Company and its Shares for the benefit of the Company and the Shareholders as a whole.

(B) WHO MAY JOIN

The Board may, at its discretion, offer to grant an Option to subscribe for such number of new Shares as the Board may determine at a Subscription Price determined in accordance with paragraph (E) below to:

- (i) any employees (whether full-time or part-time), directors (including executive directors, non-executive directors and independent non-executive directors) of the Group; and
- (ii) any advisers (professional or otherwise), consultants, distributors, suppliers, agents, customers, partners, joint venture partners, promoters or service providers to the Group (“**Non-employee Persons**”) who the Board considers, in its sole discretion, have contributed or will contribute to the growth and development of the Group.

Eligible Non-employees Persons are likely to be able to contribute their knowledge, experience and expertise to the Group, for example, the market trend/new products/new technology in genetic testing industry. In doing so, they would be able to contribute to enhance the business performance and value of the Company for the benefit of the Company and the Shareholders as a whole.

The Board will assess the eligibility of eligible Non-employees Persons including but not limited to the actual and/or potential contribution to the business affairs of the Group, their work experience, professional qualifications, knowledge in the industry and other relevant factors such as business connections.

Upon acceptance of the Option, the grantee shall pay HK\$1.00 (or an equivalent amount in RMB) to the Company by way of consideration for the grant. Any offer to grant an Option to subscribe for Shares may be accepted in respect of less than the number of Shares for which it is offered provided that it is accepted in respect of a board lot of dealing in Shares on the Stock Exchange or an integral multiple thereof and such number is clearly stated in the duplicate offer document constituting the acceptance of the Option. To the extent that the offer to grant an Option is not accepted by any prescribed acceptance date, it shall be deemed to have been irrevocably declined.

Unless the Board otherwise determined and stated in the offer of the grant of Options to an Eligible Participant, there is no minimum period for which an Option granted under the New Share Option Scheme must be held before it can be exercised.

(C) MAXIMUM NUMBER OF SHARES

- (i) The maximum number of Shares to be issued upon exercise of all outstanding Options granted and yet to be exercised under the New Share Option Scheme and any other share option schemes of the Company must not in aggregate exceed 30 percent of the issued share capital of the Company from time to time. No Option may be granted under the New Share Option Scheme if this will result in the limit being exceeded.
- (ii) The total number of Shares which may be issued upon exercise of all Options (excluding, for this purpose, Options which have lapsed in accordance with the terms of the New Share Option Scheme and any other share option schemes of the Company) to be granted under the New Share Option Scheme and any other share option schemes of the Company must not in aggregate exceed 10 percent of the Shares in issue as at the date of the passing of the ordinary resolution (the “**General Scheme Limit**”).
- (iii) Subject to (i) above and without prejudice to (iv) below, the Company may seek approval of the Shareholders in general meeting of the Company to refresh the General Scheme Limit provided that the total number of Shares which may be issued upon exercise of all Options to be granted under the New Share Option Scheme and any other share option schemes of the Company under the limit as “refreshed” must not exceed 10 percent of the Shares in issue as at the date of approval of the limit and for the purpose of calculating the limit as “refreshed”, Options (including those outstanding, cancelled, lapsed or exercised in accordance with the New Share Option Scheme and any other share option schemes of the Company) previously granted under the New Share Option Scheme and any other share option schemes of the Company will not be counted.
- (iv) Subject to (i) above and without prejudice to (iii) above, the Company may issue a circular to the Shareholders and seek separate Shareholders’ approval in general meeting of the Company to grant Options beyond the General Scheme Limit or, if applicable, the limit referred to in (iii) above to Eligible Participants specifically identified by the Company before such approval is sought.

(D) MAXIMUM NUMBER OF OPTIONS TO ANY ONE INDIVIDUAL

The total number of Shares issued and which may fall to be issued upon exercise of the Options granted under the New Share Option Scheme and any other share option schemes of the Company (including both exercised and outstanding options) to each Eligible Participant in any 12-month period up to the Date of Grant shall not exceed 1% of the Shares in issue as of the Date of Grant. Any further grant of Options in excess of this 1% limit shall be subject to:

- (i) the issue of a circular by the Company which shall comply with Rules 17.03(4) and 17.06 of the Listing Rules containing the identity of the Eligible Participant, the numbers of and terms of the Options to be granted (and Options previously granted to such participant), the information as required under Rule 17.02(2)(d) and the disclaimer required under Rule 17.02(4) of the Listing Rules; and
- (ii) the approval of the Shareholders in general meeting and/or other requirements prescribed under the Listing Rules from time to time with such Eligible Participant and his associates abstaining from voting. The numbers and terms (including the Subscription Price) of Options to be granted to such participant must be fixed before the Shareholders' approval and the date of the Board meeting at which the Board proposes to grant the Options to such Eligible Participant shall be taken as the Date of Grant for the purpose of calculating the Subscription Price. The Board shall forward to such Eligible Participant an offer document in such form as the Board may from time to time determine.

(E) SUBSCRIPTION PRICE

The Subscription Price in respect of any particular Option granted under the New Share Option Scheme shall be such price as the Board in its absolute discretion shall determine, save that such price will not be less than the highest of:

- (i) the official closing price of the Shares as stated in the Stock Exchange's daily quotation sheets on the Date of Grant, which must be a Business Day;
- (ii) the average of the official closing prices of the Shares as stated in the Stock Exchange's daily quotation sheets for the five Business Days immediately preceding the Date of Grant; or
- (iii) the nominal value of a Share.

(F) GRANTING OPTIONS TO CONNECTED PERSONS

Any grant of Options to a Director, chief executive or substantial shareholder of the Company or any of their respective associates is required to be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the grantee of the Options). If the Board proposes to grant Options to a substantial shareholder or any independent non-executive Director or their respective associates which will result in the number of Shares issued and to be issued upon exercise of Options granted and to be granted (including Options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:

- (i) representing in aggregate over 0.1% or such other percentage as may be from time to time provided under the Listing Rules of the Shares in issue; and
- (ii) having an aggregate value in excess of HK\$5 million or such other sum as may be from time to time provided under the Listing Rules, based on the official closing price of the Shares at the date of each grant, such further grant of Options will be subject to the issue of a circular by the Company and the approval of the Shareholders in general meeting by way of a poll at which all connected persons of the Company shall abstain from voting in favor of the resolution concerning the grant of such Options at the general meeting, and/or such other requirements prescribed under the Listing Rules from time to time. Any vote taken at the meeting to approve the grant of such Options shall be taken as a poll.

The circular to be issued by the Company to the Shareholders pursuant to the above paragraph shall contain the following information:

- (i) the details of the number and terms (including the Subscription Price) of the Options to be granted to each selected Eligible Participant which must be fixed before the shareholders' meeting and the date of Board meeting for proposing such further grant shall be taken as the Date of Grant for the purpose of calculating the Subscription Price of such Options;
- (ii) a recommendation from the independent non-executive Directors (excluding any independent non-executive Director who is the grantee of the Options) to the independent Shareholders as to voting;
- (iii) the information required under Rule 17.02(2)(c) and (d) and the disclaimer required under Rule 17.02(4) of the Listing Rules; and
- (iv) the information required under Rule 2.17 of the Listing Rules.

(G) RESTRICTIONS ON THE TIMES OF GRANT OF OPTIONS

A grant of Options may not be made after a price sensitive event has occurred or a price sensitive matter has been the subject of a decision until such price sensitive information has been published pursuant to the requirements of the Listing Rules. In particular, no Options may be granted during the period commencing one month immediately preceding the earlier of:

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

and ending on the date of actual publication of the results for such year, half year, quarterly or interim period (as the case may be), and where the grant of Options is to a Director;

- (iii) no Options shall be granted 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
- (iv) no Options shall be granted 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.

(H) RIGHTS ARE PERSONAL TO GRANTEE

An Option is personal to the grantee and may be exercised or treated as exercised, as the case may be, in whole or in part. No grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest (legal or beneficial) in favor of any third party over or in relation to any Option or attempt to do so.

(I) TIME OF EXERCISE OF OPTION AND DURATION OF THE NEW SHARE OPTION SCHEME

An Option may be exercised in accordance with the terms of the New Share Option Scheme at any time after the date upon which the Option is deemed to be granted and accepted and prior to the expiry of 10 years from that date. The period during which an Option may be exercised will be determined by the Board in its absolute discretion, save that no Option may be exercised more than 10 years after it has been granted. No Option may be granted more than 10 years after the date of approval of the New Share Option Scheme. Subject to earlier termination by the Company in general meeting or by the Board, the New Share Option Scheme shall be valid and effective for a period of 10 years from the Adoption Date.

(J) PERFORMANCE TARGET

The new Share Option Scheme does not specify a performance target which must be achieved before the Options can be granted. However, a Grantee may be required to achieve any performance targets as the Board may then specify in the grant before any Options granted under the New Share Option Scheme can be exercised. The Board may impose performance targets on employees and directors to achieve increase in turnover and/or profit by a certain percentage. For eligible Non-employees Persons, the Board may require them to refer business to the Group.

(K) RIGHTS ON CEASING EMPLOYMENT OR DEATH

If the grantee of an Option, being an employee of the Group at the Date of Grant, ceases to be an employee of the Group after the Date of Grant:

- (i) by any reason other than death, ill-health, injury, disability or termination of his employment on the grounds specified in paragraph (R)(v) below, the grantee may exercise the Option up to the entitlement of the grantee as of the date of cessation (to the extent not already exercised) within a period of three months from such cessation; or
- (ii) by reason of death, ill-health, injury or disability, his personal representative(s) may exercise the Option within a period of 12 months from such cessation or death of such grantee, which date of cessation shall be the last actual working day with the Company or the relevant subsidiary whether salary is paid in lieu of notice or not, failing which it will lapse.

(L) RIGHTS ON DISMISSAL

If the grantee of an Option, being an employee of the Group at the Date of Grant, ceases to be an employee of the Group after the Date of Grant on the grounds that he has been guilty of serious misconduct, or on any other ground on which an employee would be entitled to terminate his employment at common law or pursuant to any applicable laws or under the grantee's service contract with the Group, or has been convicted of any criminal offense involving his integrity or honesty, his Option will lapse and not be exercisable after the date of termination of his employment.

(M) RIGHTS ON TAKEOVER

If a general or partial offer is made to all the Shareholders (or all such Shareholders other than the offeror and any person acting in concert with the offeror (as defined in the Takeovers Code)) and such offer becomes or is declared unconditional or such scheme of arrangement is formally proposed to Shareholders during the Option Period of the relevant Option, the grantee of an Option notwithstanding any other terms on which the Options were granted, shall be entitled to exercise the Options (to the extent not already exercised) to its full extent or to the extent specified in the grantee's notice to the Company at any time within such period as shall be notified by the Company.

(N) RIGHTS ON WINDING-UP

In the event a notice is given by the Company to its members 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 forthwith give notice thereof to all grantees and thereupon, each grantee (or his legal personal representative(s)) shall be entitled to exercise all or any of his Options (to the extent not already exercised) at any time not later than two Business Days prior to the proposed general meeting of the Company referred to above by giving notice in writing to the Company, accompanied by a remittance for the full amount of the aggregate Subscription 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, allot the relevant Shares to the grantee credited as fully paid.

**(O) RIGHTS ON COMPROMISE OR ARRANGEMENT BETWEEN THE COMPANY
AND ITS MEMBERS OR CREDITORS**

If a compromise or arrangement between the Company and its members or creditors is proposed for the purposes of a scheme for the reconstruction of the Company or its amalgamation with any other companies pursuant to the laws of jurisdictions in which the Company was incorporated, the Company shall give notice to all the grantees of the Options on the same day as it gives notice of the meeting to its members or creditors summoning the meeting to consider such a scheme of arrangement and any grantee may by notice in writing to the Company accompanied by a remittance for the full amount of the aggregate subscription price for the Shares in respect of which the notice is given (such notice to be received by the Company not later than two Business Days prior to the proposed meeting), exercise the Option to its full extent or to the extent specified in the notice and 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 meeting, allot and issue such number of Shares to the grantee which falls to be issued on such exercise of the Option credited as fully paid and register the grantee as holder thereof.

With effect from the date of such meeting, the rights of all grantees to exercise their respective Options shall forthwith be suspended. Upon such compromise or arrangement becoming effective, all Options shall, to the extent that they have not been exercised, lapse and determine. If for any reason such compromise or arrangement does not become effective and is terminated or lapses, the rights of grantees to exercise their respective Options shall with effect from such termination be restored in full but only upon the extent not already exercised and shall become exercisable.

(P) RANKING OF SHARES

No dividends shall be payable in relation to Shares that are the subject of Options that have not been exercised. The Shares to be allotted upon the exercise of an Option will not carry voting rights until completion of the registration of the grantee (or any other person) as the holder thereof. Subject to the aforesaid, Shares allotted and issued on the exercise of Options will rank *pari passu* in all respects and shall have the same voting, dividend, transfer and other rights, including those arising on liquidation as attached to the other fully-paid Shares in issue on the date of exercise. Shares issued on the exercise of an Option shall not be entitled to any rights attaching to shares by reference to a record date preceding the date of allotment.

(Q) EFFECT OF ALTERATIONS TO CAPITAL

In the event of capitalization issue, rights issue, open offer, subdivision, consolidation of Shares or reduction of capital of the Company, such corresponding alterations (if any) shall be made in the number of Shares subject to any Options so far as unexercised and/or the Subscription Price as the auditors of the Company or an independent financial adviser shall certify in writing to the Board to be in their/his opinion fair and reasonable in compliance with Rule 17.03(13) of the Listing Rules and the note thereto and the supplementary guidance attached to the letter from the Stock Exchange dated 5 September 2005 to all issuers relating to share option schemes (the “**Supplemental Guidance**”). Any such alterations will be made on the basis that a grantee shall have the same proportion of the issued share capital of the Company (as interpreted in accordance with the Supplementary Guidance) for which any grantee of an Option is entitled to subscribe pursuant to the Options held by him before such alteration and the aggregate subscription price payable on the full exercise of any Option is to remain as nearly as possible the same (and in any event not greater than) as it was before such event. No such alteration will be made the effect of which would be to enable a Share to be issued at less than its nominal value. The issue of securities as consideration in a transaction is not to be regarded as a circumstance requiring any such alterations. Any adjustment to be made will comply with the Listing Rules, the Supplemental Guidance and any future guidance/ interpretation of the Listing Rules issued by the Stock Exchange from time to time.

(R) LAPSE OF OPTION

An Option shall lapse automatically and not be exercisable (to the extent not already exercised) on the earliest of:

- (i) the date of expiry of the Option as may be determined by the Board;
- (ii) the expiry of any of the periods referred to in paragraphs (K), (L), (M), (N) or (O);
- (iii) the date on which the scheme of arrangement of the Company referred to in paragraph (O) becomes effective;
- (iv) subject to paragraph (N), the date of commencement of the winding-up of the Company;
- (v) the date on which the grantee ceases to be an Eligible Participant by reason of the termination of his relationship with the Group on any one or more of the following grounds:
 - (1) that he has been guilty of serious misconduct;

- (2) that he has been convicted of any criminal offense involving his integrity or honesty or in relation to an employee of the Group;
 - (3) that he has become insolvent, bankrupt or has made arrangements or compositions with his creditors generally; or
 - (4) on any other ground on which an employee would be entitled to terminate his employment at common law or pursuant to any applicable laws or under the grantee's service contract with the Group. A resolution of the Board to the effect that the employment of a grantee has or has not been terminated on one or more of the grounds specified in this paragraph shall be conclusive; and
- (vi) the date on which the Board shall exercise the Company's right to cancel the Option at any time after the grantee commits a breach of paragraph (H) above or the Options are cancelled in accordance with paragraph (T) below.

(S) ALTERATION OF THE NEW SHARE OPTION SCHEME

The New Share Option Scheme may be altered in any respect by resolution of the Board except that:

- (i) any alteration to the advantage of the grantees or the Eligible Participants (as the case may be) in respect of the matters contained in Rule 17.03 of the Listing Rules; and
- (ii) any material alteration to the terms and conditions of the New Share Option Scheme or any change to the terms of Options granted, shall first be approved by the Shareholders in general meeting provided that if the proposed alteration shall adversely affect any Option granted or agreed to be granted prior to the date of alteration, such alteration shall be further subject to the grantees' approval in accordance with the terms of the New Share Option Scheme. The amended terms of the New Share Option Scheme shall remain in compliance with Chapter 17 of the Listing Rules and any change to the authority of the Board in relation to any alteration to the terms of the New Share Option Scheme must be approved by Shareholders in general meeting.

(T) CANCELLATION OF OPTIONS

Subject to paragraph (H) above, any cancellation of Options granted but not exercised must be approved by the grantees of the relevant Options in writing.

(U) TERMINATION OF THE NEW SHARE OPTION SCHEME

The Company may by resolution in general meeting or the Board at any time terminate the New Share Option Scheme and in such event no further Option shall be offered 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 Option granted prior thereto or otherwise as may be required in accordance with the provisions of the New Share Option Scheme. 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.

(V) ADMINISTRATION OF THE BOARD

The New Share Option Scheme shall be subject to the administration of 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.

(W) CONDITION OF THE NEW SHARE OPTION SCHEME

The New Share Option Scheme is conditional on:

- (i) the passing of the ordinary resolution at the AGM approving the adoption of the New Share Option Scheme; and
- (ii) the listing committee of the Stock Exchange granting the listing of, and permission to deal in any new Shares to be issued upon the exercise of any Options that may be granted under the New Share Option Scheme.

If all of the above conditions are not satisfied on or before the date following 30 days after the Adoption Date, the New Share Option Scheme will determine immediately, and no person shall be entitled to any rights or benefits or be under any obligations under or in respect of the New Share Option Scheme.

NOTICE OF ANNUAL GENERAL MEETING



LIFE HEALTHCARE GROUP LIMITED

蓮和醫療健康集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 928)

NOTICE IS HEREBY GIVEN that the annual general meeting of Life Healthcare Group Limited (the “**Company**”) will be held at Portion 2, 12/F, The Center, 99 Queen’s Road Central, Central, Hong Kong on 12 October 2022 at 10 a.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the audited financial statements of the Company together with reports of the directors (the “**Directors**”) of the Company and the auditors of the Company for the year ended 31 March 2022.
2. To re-elect Mr. Yuan Limin as an executive Director.
3. To re-elect Mr. Pang Zhen as an executive Director.
4. To re-elect Mr. Huang Zhifang as an executive Director.
5. To re-elect Mr. Liu Xinghua as an independent non-executive Director.
6. To re-elect Mr. Wang Yang as an independent non-executive Director.
7. To re-elect Mr. Chan Man Kiu as an independent non-executive Director.
8. To authorise the board of the Directors (the “**Board**”) to fix the remuneration of the Directors.
9. To re-appoint ZHONGHUI ANDA CPA Limited as the auditors of the Company and to authorise the Board to fix their remuneration.

NOTICE OF ANNUAL GENERAL MEETING

AS SPECIAL BUSINESS

To consider and, if thought fit, passing the following resolutions as ordinary resolutions:

10. **“THAT:**

- (i) subject to paragraph (iii) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with new shares in the capital of the Company and to make or grant offers, agreements and options, including warrants to subscribe for shares, which might require the exercise of such powers after the end of the Relevant Period, be and is hereby generally and unconditionally approved;
- (ii) the approval in paragraph (i) above shall be in addition to any other authorisation given to the Directors and shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options, including warrants to subscribe for shares, which might require the exercise of such powers after the end of the Relevant Period;
- (iii) the total number of shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (i) above, otherwise than pursuant to a Rights Issue (as hereinafter defined) or on the exercise of any options granted under the share option scheme of the Company or on the exercise of the conversion rights attaching to any convertible notes of the Company, shall not exceed 20 per cent. of the total number of shares of the Company in issue as at the date of passing this resolution, and the said approval shall be limited accordingly; and
- (iv) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the expiration of the period within which the next annual general meeting of the Company is required by the applicable law or the Articles of Association of the Company to be held; and
- (c) the revocation or variation of the authority given under the resolution by an ordinary resolution of the shareholders of the Company in general meeting.

NOTICE OF ANNUAL GENERAL MEETING

“**Rights Issue**” means an offer of shares open for a period fixed by the Directors to holders of shares whose names appear on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory applicable to the Company).”

11. “**THAT:**

- (i) subject to paragraph (iii) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all powers of the Company to repurchase issued shares of the Company on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or on any other stock exchange on which the securities of the Company may be listed and which is recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and/or the requirements of the Stock Exchange or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (ii) the approval in paragraph (i) above shall be in addition to any other authorisation given to the Directors and shall authorise the Directors on behalf of the Company during the Relevant Period to procure the Company to repurchase its shares at a price determined by the Directors;
- (iii) the total number of shares of the Company which are authorised to be repurchased by the Directors pursuant to the approval in paragraph (i) above during the Relevant Period shall not exceed 10 per cent. of the total number of shares of the Company in issue as at the date of passing this resolution and the said approval shall be limited accordingly; and
- (iv) for the purposes of this resolution:

“**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the expiration of the period within which the next annual general meeting of the Company is required by the applicable law or the Articles of Association of the Company to be held; and

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- (c) the revocation or variation of the authority given under the resolution by an ordinary resolution of the shareholders of the Company in general meeting.”
12. “**THAT** conditional on the passing of the resolutions numbered 10 and 11 set out in this notice of the annual general meeting at which this resolution is considered, the general mandate granted to the Directors and for the time being in force to exercise the powers of the Company to allot, issue and deal with new shares pursuant to the resolution numbered 10 set out in this notice be and is hereby extended by the addition to the total number of shares of the Company, which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to such general mandate of the total number of shares of the Company repurchased by the Company under the authority granted pursuant to the resolution numbered 11 set out in this notice.”
13. “**THAT** conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of and permission to deal in the shares (the “**Shares**”) of HK\$0.05 each in the capital of the Company falling to be issued pursuant to the share option scheme (the “**New Share Option Scheme**”), the terms of which are set out in the document marked “A” which has been produced to this meeting and signed by the chairman of this meeting for the purpose of identification, the rules of the New Share Option Scheme be and are hereby approved and adopted, and the directors of the Company be and are hereby authorised to grant options and to allot, issue and deal with Shares pursuant to the exercise of any option granted thereunder and to take all such steps as they may consider necessary or expedient to implement the New Share Option Scheme.”

By order of the Board
Life Healthcare Group Limited
Pang Zhen
Executive Director

Hong Kong, 9 September 2022

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Notes:

1. To be valid, the instrument appointing a proxy must be in writing under the hand of the appointor or of his attorney authorised in writing or if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised.
2. Any member of the Company entitled to attend and vote at the meeting shall be entitled to appoint another person as his proxy to attend and vote instead of him. On a poll, votes may be given either personally or by proxy. A proxy need not be a member of the Company. A member may appoint more than one proxy to attend on the same occasion.
3. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority must be deposited at the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours before the time for holding the meeting or the adjourned meeting or poll (as the case may be) at which the person named in such instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.
4. Where there are joint registered holders of any share, any one of such persons may vote at the meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at the meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members in respect of such share shall alone be entitled to vote in respect thereof.
5. A form of proxy for use at the annual general meeting is enclosed herewith.

As at the date of this notice, the Board comprises the following Directors:

Executive Directors:

Mr. Yuan Limin (*Chief Executive Officer*)
Mr. Pang Zhen
Mr. Man Wai Lun
Mr. Huang Zhifang

Independent non-executive Directors:

Mr. Liu Xinghua
Mr. Wang Yang
Mr. Chan Man Kiu