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MedSci Healthcare Holdings Limited

梅斯健康控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2415)

CONNECTED TRANSACTION GRANT OF AWARDED SHARES PURSUANT TO SHARE AWARD SCHEME

GRANT OF THE AWARDED SHARES

On 27 January 2024, the Board (including all independent non-executive Directors), based on the recommendation of the Remuneration Committee and pursuant to the Share Award Scheme, resolved to grant a total of 5,403,820 Awarded Shares to Mr. Fan Jie, an executive Director and the co-chief executive officer of the Group, at HK\$0.278 per Awarded Share, subject to confirmation of his acceptance of the Awarded Shares. The 5,403,820 Awarded Shares to be granted to Mr. Fan Jie represented approximately 0.89% of the issued share capital of the Company as at the date of this announcement.

LISTING RULES IMPLICATION

The grant of the Awarded Shares to Mr. Fan Jie, who is an executive Director and the co-chief executive officer of the Group, constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios in respect of the grant of the Awarded Shares to Mr. Fan Jie is more than 0.1% but all of the applicable percentage ratios are less than 5%, the grant of the Awarded Shares to him is therefore subject to the announcement requirements but exempt from the circular (including independent financial advice) and shareholders' approval requirements under Chapter 14A of the Listing Rules.

GRANT OF AWARDED SHARES PURSUANT TO THE SHARE AWARD SCHEME

On 27 January 2024, the Board (including all independent non-executive Directors), based on the recommendation of the Remuneration Committee and pursuant to the rules of the Share Award Scheme, resolved to grant a total of 5,403,820 Awarded Shares to Mr. Fan Jie, an executive Director and the co-chief executive officer of the Group, at HK\$0.278 per Awarded Share, subject to confirmation of his acceptance of the Awarded Shares.

The 5,403,820 Awarded Shares granted to Mr. Fan Jie represent approximately 0.89% of the issued share capital of the Company as at the date of this announcement. The 5,403,820 Awarded Shares represent the value of approximately HK\$16,913,956.6, taking into account of the closing price of HK\$3.13 per Share as stated in the daily quotation sheet issued by the Stock Exchange on 26 January 2024 (being the last trading day prior to the date of grant of the Awarded Shares).

The grant of the Awarded Shares to Mr. Fan Jie has been approved by the Remuneration Committee for recommendation to the Board and approved by the Board (including but not limited to the independent non-executive Directors). Mr. Fan Jie, who is a Director, has abstained from voting so far as the resolution for the approval of the grant of the Awarded Shares to him was concerned.

Details of the 5,403,820 Awarded Shares granted to Mr. Fan Jie

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|---|---|
| 1. Date of grant: | 27 January 2024 |
| 2. Number of Awarded Shares granted: | 5,403,820 |
| 3. Approximate percentage of the total number of issued Shares as at the date of this announcement (%) (<i>Note 1</i>): | 0.89% |
| 4. Closing price of the Awarded Shares on 26 January 2024 (being the last trading day prior to the date of grant): | HK\$3.13 per Share |
| 5. Market value of the 5,403,820 Awarded Shares on 26 January 2024 (being the last trading day prior to the date of grant): | HK\$16,913,956.6 |
| 6. Performance targets of the Awarded Shares granted: | There is no performance target attached to the Awarded Shares granted (<i>Note 2</i>) |

7. Lock-up period: Mr. Fan Jie shall not sell or dispose of more than 2,702,910 Awarded Shares on or before 31 December 2025.
8. Clawback mechanism: In any of the following circumstances, the Board may, at its sole and absolute discretion, require the Grantee to return the gains from the vested Awarded Shares:
- (a) when the Grantee has committed any act of fraud or dishonesty or serious misconduct in connection with his employment or engagement by any member of the Group;
 - (b) when the Grantee has engaged in any act or omission to perform any of his duties that has had or will have a material adverse effect on the reputation or interests of any member of the Group;
 - (c) when the Grantee has engaged in any act that has had or will have a material adverse effect on the reputation or interests of any member of the Group within the period of two (2) years after the Grantee ceases to be an Eligible Participant.

Notes:

1. The percentage figures are rounded to two decimal places and calculated on the basis that there are 607,170,950 Shares in issue as at the date of this announcement.
2. Considering Mr. Fan Jie's positions, long period of services with the Group, performance and future long-term contribution to the Group, the Remuneration Committee believes the grant of the Awarded Shares to Mr. Fan Jie without performance targets aligns with the purpose of the Share Award Scheme.

The Awarded Shares granted shall vest in Mr. Fan Jie in accordance with the schedule below:

Vesting date	Number of Awarded Shares and percentage of the Awarded Shares
27 January 2024, being the date of grant	5,241,705 Awarded Shares, approximately 97.0% of the total number of the Awarded Shares
30 June 2024	162,115 Awarded Shares, approximately 3.0% of the total number of the Awarded Shares

The Remuneration Committee and the Board are of the view that a vesting period of less than 12 months is appropriate considering that the grant of the Awarded Shares serve as a recognition of Mr. Fan Jie's past contribution to the Group, and to motivate and incentivise Mr. Fan Jie to continuously contribute to the operation, development and long-term growth of the Group. The Remuneration Committee and the Board are of the view that the grant of Awarded Shares to Mr. Fan Jie with a vesting period of less than 12 months aligns with the purpose of the Share Award Scheme.

NUMBER OF SHARES AVAILABLE FOR FUTURE GRANT

As of the date of this announcement, 5,265,000 Awarded Shares had been acquired from the market by the Trustee by utilising the Company's internal resources provided to the Trustee and a further 138,820 Awarded Shares will be acquired by the Trustee from the market or be transferred to the Trust by persons in accordance with the rules of the Share Award Scheme, and therefore the grant of the 5,403,820 Awarded Shares to Mr. Fan Jie will not result in any issue of new Shares or any dilution effect on the shareholdings of existing Shareholders.

According to the rules of the Share Award Scheme, the Board shall not make any further award of Awarded Shares which will result in the aggregate number of the Shares awarded by the Board under the Share Award Scheme exceeding 10 per cent. of the issued share capital of the Company as at 19 September 2023, being the date on which the Share Award Scheme was adopted by the Board, which is equivalent to a total of 60,717,095 Shares. As a result of the grant of a total of 5,403,820 Awarded Shares to Mr. Fan Jie according to this announcement, the number of Shares available for future grant under the Share Award Scheme is 55,313,275 Shares.

REASONS FOR AND BENEFITS OF THE GRANT OF THE AWARDED SHARES

The purposes of the Share Award Scheme are to recognise the contributions by certain Eligible Participants (including Mr. Fan Jie) and to provide them with incentives in order to retain them for the continual operation and development of the Group; and to attract suitable personnel for further development of the Group. In assessing the fairness and reasonableness of the grant of Awarded Shares to Mr. Fan Jie, the Board (including the independent non-executive Directors) has taken into consideration the roles, past performance and the period of service of Mr. Fan Jie in the Group. The grant of the Awarded Shares to Mr. Fan Jie recognises his past contributions to the Group's business performance and aims to secure his continuous support and commitments to the Group in the coming few years and to motivate him to fulfill his responsibilities diligently, which are crucial to the future development and business expansions of the Group.

Having considered the above, the Board (including the independent non-executive Directors) is of the view that although the grant of a total of 5,403,820 Awarded Shares to Mr. Fan Jie is not in the ordinary and usual course of business of the Group, it is on normal commercial terms, fair and reasonable, and in the interests of the Company and its Shareholders as a whole.

INFORMATION OF THE GROUP

The Group operates online professional physician platforms in China. It mainly provides physician platform solutions, precision omni-channel marketing solutions and RWS solutions to its customers.

LISTING RULES IMPLICATION

The grant of the Awarded Shares to Mr. Fan Jie, who is an executive Director and the co-chief executive officer of the Group, constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios in respect of the grant of the Awarded Shares to him is more than 0.1% but all of the applicable percentage ratios are less than 5%, the grant of the Awarded Shares to him is therefore subject to the announcement requirements but exempt from the circular (including independent financial advice) and shareholders' approval requirements under Chapter 14A of the Listing Rules.

DEFINITIONS

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

“Awarded Shares”	5,403,820 Shares
“Board”	the board of the Directors
“China”	the People's Republic of China

“Company”	MedSci Healthcare Holdings Limited (stock code: 2415), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Eligible Participant(s)”	any individual being an Employee Participant, Related Entity Participant or Service Provider
“Employee Participant(s)”	directors and employees (including full-time employees and part-time employees) of the Company or any of its subsidiaries (including persons who are granted awards under the Share Award Scheme as an inducement to enter into employment contracts with these companies)
“Grantee”	Mr. Fan Jie
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Related Entity Participant”	directors and employees of the holding companies, fellow subsidiaries or associated companies of the Company
“Remuneration Committee”	the remuneration committee of the Board
“RWS”	real-world study, a systematic collection of data generated from drugs and medical devices in real world settings and clinical application scenarios, and research using evidence-based medicine and clinical epidemiology methods

“Service Provider(s)”	persons who provide services to the Company and/or its subsidiaries on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long-term growth of the Company and/or its associated companies. For the avoidance of doubt, Service Provider may not include placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions, as well as professional service providers such as auditors or valuers who provide assurance, or are required to perform their services with impartiality and objectivity
“Share(s)”	ordinary shares in the share capital of the Company with a nominal value of US\$0.0001 each
“Share Award Scheme”	the share award scheme as constituted by the scheme rules in its present form or any amended form as adopted by the Company on 19 September 2023
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Trust”	the trust constituted by the Trust Deed
“Trustee”	Futu Trustee Limited, being the trustee appointed by the Company for the administration of the Share Award Scheme in accordance with the terms of the trust deed (“ Trust Deed ”) entered into between the Company and Futu Trustee Limited in respect of the Share Award Scheme
“US\$”	United States dollars, the lawful currency of the United States
“%”	per cent.

By order of the Board
MedSci Healthcare Holdings Limited
Dr. Zhang Fabao
Chairman and Executive Director

Hong Kong, 27 January 2024

As at the date of this announcement, the board of Directors comprises Dr. Zhang Fabao, Dr. Li Xinmei, Mr. Fan Jie and Mr. Wang Shuai, as executive Directors; Mr. Hu Xubo and Mr. Yan Shengfeng, as non-executive Directors; and Ms. Liu Tao, Mr. Yu Mingyang and Mr. Lau Yiu Kwan Stanley, as independent non-executive Directors.