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**China Health Group Limited**  
**中國衛生集團有限公司**

*(Carrying on business in Hong Kong as CHG HS Limited)*

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 673)

**PROPOSED ADOPTION OF NEW SHARE OPTION SCHEME**

Reference is made to the circular of the Company dated 31 July 2012 in relation to, among others, the adoption of the 2012 Share Option Scheme.

**LAPSE OF THE 2012 SHARE OPTION SCHEME**

The 2012 Share Option Scheme has expired on 28 August 2022. In view of the expiry of the 2012 Share Option Scheme, the Board proposes to recommend to the Shareholders to approve the adoption of the 2023 Share Option Scheme.

As at the date of this announcement, there were outstanding Options entitling the holders thereof to subscribe for 19,050,000 Shares under the 2012 Share Option Scheme.

Details of the share options outstanding as at the date of this announcement which have been granted under the 2012 Share Option Scheme are as follows:

<b>Name or category of participant</b>	<b>Date of grant of share options</b>	<b>Exercise period of share options (Note 1)</b>	<b>Exercise price of share options (HK\$)</b>	<b>Number of share options outstanding</b>
<i>Directors</i>				
Mr. Zhang Fan	26 April 2019	27 April 2020 to 25 April 2029	1.80	400,000
	20 October 2020	21 October 2020 to 20 October 2030	1.80	400,000
Mr. Chung Ho	26 April 2019	27 April 2020 to 25 April 2029	1.80	3,000,000
Mr. Wang Jingming	26 April 2019	27 April 2020 to 25 April 2029	1.80	300,000
Mr. Xing Yong	26 April 2019	27 April 2020 to 25 April 2029	1.80	400,000
	20 October 2020	21 October 2020 to 20 October 2030	1.80	3,000,000
Mr. Jiang Xuejun	26 April 2019	27 April 2020 to 25 April 2029	1.80	400,000
	20 October 2020	21 October 2020 to 20 October 2030	1.80	400,000
Mr. Huang Lianhai	26 April 2019	27 April 2020 to 25 April 2029	1.80	300,000
	20 October 2020	21 October 2020 to 20 October 2030	1.80	2,000,000
Mr. Du Yanhua	26 April 2019	27 April 2020 to 25 April 2029	1.80	300,000
Mr. Lai Liangquan	26 April 2019	27 April 2020 to 25 April 2029	1.80	300,000
Subtotal				11,200,000

<b>Name or category of participant</b>	<b>Date of grant of share options</b>	<b>Exercise period of share options (Note 1)</b>	<b>Exercise price of share options (HK\$)</b>	<b>Number of share options outstanding</b>
<i>Employees</i>	26 April 2019	27 April 2020 to 25 April 2029	1.80	650,000
	20 October 2020	21 October 2020 to 20 October 2030	1.80	100,000
<i>Others (Note 2)</i>	26 April 2019	27 April 2020 to 25 April 2029	1.80	800,000
	20 October 2020	21 October 2020 to 20 October 2030	1.80	6,300,000
<b>Total</b>				<b>19,050,000</b>

*Note 1:* The applicable vesting periods of all share options outstanding as at the date of this announcement which have been granted under the 2012 Share Option Scheme have expired.

*Note 2:* Share options were granted to 14 business consultants of the Group which comprises of (i) Qiu Peiyuan, Huang Bin and He Lijuan, the former Directors who have become consultants of the Group and have provided advices on business development of the Group; (ii) a former employee of the Company, namely Ding Jiuru, who has subsequently become a consultant of the Group and had provided advices on financial operation of the Group; and (iii) consultants and business partners of the Group, namely Zhong Bin, Liu Yanli, Rao Zhenan, Chan Nam, Hor Heng Siang, Yang Yongbin, Quo Wei, Lu Wenhui, Huang Hui and Wu Guanjie, who have provided business, legal or tax consultancy services or other professional services and introduced investment opportunities to the Group. As at the date of this announcement, Rao Zhenan and Huang Bin hold 3,000,000 and 800,000 Options respectively, representing 0.626% and 0.167% of the issued shares of the Company. Save as disclosed above, none of the existing grantees under the “Others” category hold Options exceeding 0.1% of the issued shares of the Company.

## **THE 2023 SHARE OPTION SCHEME**

The key terms of the 2023 Share Option Scheme are set out below.

- Purpose** : The purpose of the 2023 Share Option Scheme is to provide incentives and/or rewards to the Eligible Participants for their contribution to the growth of the Group, to enable the Group to attract and retain individuals with experience and ability and/or to reward them for their past contributions, to attract and retain or otherwise maintain on-going relationships with such Eligible Participants who are significant to and/or whose contributions are or will be beneficial to the performance, growth or success of the Group, and continuing efforts to promote the interests of the Group, and to provide the Group with a more flexible means to reward, remunerate, compensate and/or provide benefits to the Eligible Participants.
- Duration** : The 2023 Share Option Scheme shall continue in force for the period commencing from the date of adoption of the 2023 Share Option Scheme and expiring at the close of business on the tenth anniversary thereof, after such period no further Options will be granted but the provisions of the 2023 Share Option Scheme shall remain in full force and effect in respect of any Options granted before its expiry or termination but not yet exercised.

## **Participants**

: Eligible Participants include any person who is (or will be on the date of grant of an Option) an Employee, a Director (excluding independent non-executive Directors) or a Service Provider, as may be determined by the Directors or the Remuneration Committee (as the case may be) from time to time.

Service Provider(s) are independent contractors, which includes advisers, consultants, distributors, contractors (including doctors, nurses, medical staff and hospitals), suppliers, agents, and service providers of any member of the Group who provide services to the Group on a continuing and recurring basis in its ordinary and usual course of business akin to those of employees. For the avoidance of doubt, financial advisors or placing agents providing fundraising or mergers and acquisitions services or consultants providing professional services to the Group, and professional service providers who provide assurance or are required to perform their services with impartiality and objectivity are excluded from the 2023 Share Option Scheme.

## **Subscription Price**

: The exercise price for Shares under the 2023 Share Option Scheme (the “**Subscription Price**”) shall be determined by the Board at its absolute discretion but in any event will not be less than the higher of: (i) the closing price of the Shares as stated in the daily quotations sheet of the Stock Exchange on the date of grant of an Option, which must be a business day; (ii) the average closing price of the Shares as stated in the daily quotations sheets of the Stock Exchange for the five business days immediately preceding the date of grant of an Option; and (iii) the nominal value of the Shares.

- Maximum number of Shares available for issue** : (1) The total number of Shares which may be issued upon exercise of all Options to be granted under the 2023 Share Option Scheme and any other share option schemes of the Company adopted by the Group must not, in aggregate, exceed 10% of the Shares in issue as at the date of the approval of the 2023 Share Option Scheme (the “**Scheme Mandate Limit**”), and in respect of Options that may be granted to Service Providers, a sublimit of 1% of the Shares in issue as at the date of approval of the 2023 Share Option Scheme (the “**Service Provider Sublimit**”), unless Shareholders’ approval has been obtained pursuant to sub-paragraphs (2) and (3) below. Options lapsed in accordance with the terms of the 2023 Share Option Scheme will not be counted for the purpose of calculating the Scheme Mandate Limit and the Service Provider Sublimit.
- (2) The Company may seek separate approval by its Shareholders in general meeting for granting Options beyond the Scheme Mandate Limit (and the Service Provider Sublimit) provided the Options in excess of the Scheme Mandate Limit (and the Service Provider Sublimit) are granted only to Eligible Participants specifically identified by the Company before such approval is sought. The Company must send a circular to the Shareholders containing a general description of the specified Eligible Participant and such other information as required under the Listing Rules.
- (3) The Company may seek approval by its Shareholders in general meeting for “refreshing” the Scheme Mandate Limit (and the Service Provider Sublimit) under the 2023 Share Option Scheme after three years from the date of Shareholders’ approval for the last refreshment (or the adoption of the 2023 Share Option Scheme). However, the total number of Shares which may be issued upon exercise of all Options to be granted under the 2023 Share Option Scheme and any other schemes of the Company under the limit as “refreshed” must not exceed 10% of the Shares in issue as at the date of passing the relevant resolution. The Company must send a circular to the Shareholders containing the information as required under the Listing Rules.

**Maximum entitlement of each Eligible Participant** : The total number of Shares issued and to be issued upon exercise of the options granted to each Eligible Participant or grantee (including exercised and outstanding options) in any twelve (12)-month period up to the date of grant shall not exceed 1% of the Shares in issue at the date of grant (the “**Individual Limit**”). Where it is proposed that any offer is to be made to an Eligible Participant (or where approximate, an existing grantee) which would result in the Shares issued and to be issued upon exercise of all options granted and to be granted to such person (including exercised, cancelled and outstanding options) in the twelve (12)-month period up to and including the relevant date of grant to exceed his, her or its Individual Limit, such offer and any acceptance thereof must be conditional upon Shareholders’ approval in general meeting with such Eligible Participant (or where appropriate, an existing grantee) and his, her or its associates abstaining from voting. The Company must send a circular to the Shareholders disclosing the identity of the Eligible Participant or grantee, the number and terms of options to be granted (and options previously granted) to such Eligible Participant and the information required under the Listing Rules. The number and terms (including the subscription price) of options to be granted to such Eligible Participant must be fixed before the date on which Shareholders’ approval is sought and the date of the Board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the subscription price.

**Time of exercise of Options** : Subject to the terms of the 2023 Share Option Scheme, an Option may be exercised in whole or in part at any time during the period to be determined and identified by the Board to each grantee at the time of making an offer for the grant of an Option, but in any event no later than 10 years from the date of grant but subject to the early termination of the 2023 Share Option Scheme (the “**Option Period**”).

**Vesting period** : Under the 2023 Share Option Scheme, an Option must be held for a minimum vesting period of 12 months before it can be exercised. Options granted to Employees and/or Directors may be subject to a shorter vesting period under the specific circumstances of general offer, winding up, and reconstruction, compromise or arrangement.

Further details of the 2023 Share Option Scheme will be set out in the circular to be despatched to the Shareholders.

## **CONDITIONS PRECEDENT OF THE 2023 SHARE OPTION SCHEME**

The adoption of the 2023 Share Option Scheme is conditional upon:

- (a) the Listing Committee of the Stock Exchange granting approval for the listing of and permission to deal in any Shares which may fall to be allotted and issued by the Company pursuant to the exercise of Options in accordance with the terms and conditions of the 2023 Share Option Scheme; and
- (b) the passing of ordinary resolutions at a general meeting of the Company approving the adoption of the 2023 Share Option Scheme.

## **APPLICATION FOR LISTING**

Application will be made to the Listing Committee of the Stock Exchange for the approval of the listing of, and permission to deal in, the Shares to be issued pursuant to the exercise of the Options granted under the 2023 Share Option Scheme.

## **SGM**

The proposed adoption of the 2023 Share Option Scheme is subject to the approval of the Shareholders by way of an ordinary resolution at the SGM.

A circular containing, among other things, the notice of the SGM and details of the proposed adoption of the 2023 Share Option Scheme, including the principal terms of the 2023 Share Option Scheme, will be despatched to the Shareholders in accordance with the requirements of the Listing Rules in due course.

**As at the date of this announcement, the 2023 Share Option Scheme is subject to the approval of the Shareholders. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.**



## DEFINITIONS

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

“2012 Share Option Scheme”	the share option scheme of the Company adopted by the Company pursuant to an ordinary resolution of the Shareholders passed on 28 August 2012
“2023 Share Option Scheme”	the share option scheme proposed to be approved by the Shareholders at the SGM
“Board”	the board of Directors
“Company”	China Health Group Limited (stock code: 673), a company incorporated in Bermuda 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 Participants”	any person who is (or will be on the date of grant of an Option) an Employee, a director of the Company (excluding independent non-executive Directors) or a Service Provider, as may be determined by the Directors or the Remuneration Committee (as the case may be) from time to time
“Employee”	a person who is in the full-time or part-time employment of the Company or any of its subsidiaries
“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 PRC
“Listing Committee”	the listing committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Option(s)”	any options granted or to be granted under the 2023 Share Option Scheme or the 2012 Share Option Scheme (as the case may be) conferring a right to subscribe for Shares
“PRC”	The People’s Republic of China, excluding (except where the context requires) Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Remuneration Committee”	the remuneration committee of the Board
“Service Providers”	independent contractors, which includes advisers, consultants, distributors, contractors (including doctors, nurses, medical staff and hospitals), suppliers, agents, and service providers of any member of the Group who provide services to the Group on a continuing and recurring basis in its ordinary and usual course of business akin to those of employees. For the avoidance of doubt, financial advisors or placing agents providing fundraising or mergers and acquisitions services or consultants providing professional services to the Group, and professional service providers who provide assurance or are required to perform their services with impartiality and objectivity are excluded from the 2023 Share Option Scheme
“SGM”	the special general meeting of the Company convened to be held for the Shareholders to consider and, if thought fit, approve, the 2023 Share Option Scheme
“Share(s)”	ordinary share(s) of par value of HK\$1.00 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

By order of the Board  
**China Health Group Limited**  
**Zhang Fan**

*Chairman of the Board and Executive Director*

Hong Kong, 31 March 2023

*As at the date of this announcement, the Board comprises two executive Directors, namely, Mr. Zhang Fan (Chairman) and Mr. Chung Ho; three non-executive Directors, namely, Mr. Xing Yong, Mr. Huang Lianhai and Mr. Wang Jingming; and three independent non-executive Directors, namely, Mr. Jiang Xuejun, Mr. Du Yanhua and Mr. Lai Liangquan.*