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Acotec Scientific Holdings Limited

先瑞達醫療科技控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6669)

ADOPTION OF SHARE AWARD SCHEME

ADOPTION OF THE SCHEME

The Board is pleased to announce that on December 31, 2021 (after trading hours of the Stock Exchange), the Company has adopted the Scheme to recognize the contributions by the Selected Participants and to provide them with incentives in order to retain them for the continual operation and development of the Group. The Scheme will initially be valid and effective for a period of ten (10) years commencing on the Adoption Date. Pursuant to the Scheme, the Award Shares will be satisfied by existing Shares to be acquired by the Trustee through on-market transactions.

The total number of the Award Shares made pursuant to the Scheme shall not exceed 10% of the total number of issued Shares as at the Adoption Date.

The Scheme does not constitute a share option scheme pursuant to Chapter 17 of the Listing Rules. No Shareholders' approval is required to adopt the Scheme.

APPOINTMENT OF TRUSTEE

TRIDENT TRUST COMPANY (HK) LIMITED has been appointed by the Company as the Trustee.

ADOPTION OF THE SCHEME

The Board is pleased to announce that on December 31, 2021, the Company has adopted the Scheme. Key terms of the Scheme Rules are set out below:

1. Purpose of the Scheme

The purpose of the Scheme is to recognize the contributions by the Selected Participants and to provide them with incentives in order to retain them for the continual operation and development of the Group.

2. Administration of the Scheme

The Scheme shall be subject to the administration of the Board or an Authorized Person (as the case may be) in accordance with the Scheme Rules and, where applicable, the Trust Deed. A decision of the Board or an Authorized Person (as the case may be) shall be final and binding on all persons affected thereby.

The Board has the power to administer the Scheme. The Board or an Authorized Person may from time to time appoint one or more administrators to assist in the administration of the Scheme.

3. Grant of Award

The Board or an Authorized Person (as the case may be) may, from time to time, select any Eligible Person to be a Selected Participant and, subject to the Scheme Rules, grant an Award to such Selected Participant during the Award Period. In determining the Selected Participants, the Board or an Authorized Person (as the case may be) may take into consideration matters including the present and expected contribution of the relevant Selected Participant to the Group.

Where any grant of Award Shares is proposed to be made to any person who is a connected person of the Company within the meaning of the Listing Rules, the Company shall comply with the relevant provisions of the Listing Rules.

No grant of any Award Shares to any Selected Participant may be made:

- (a) in any circumstances where the requisite approval from any applicable regulatory authorities has not been granted;
- (b) in any circumstances that any member of the Group will be required under applicable securities laws, rules or regulations to issue a prospectus or other offer documents in respect of such Award or the Scheme, unless the Board or an Authorized Person (as the case may be) determines otherwise;

- (c) where such Award would result in a breach by any member of the Group or its directors of any applicable securities laws, rules or regulations in any jurisdiction; and
- (d) where such grant of Award would result in a breach of the Scheme Limit.

and any such grant so made shall be null and void to the extent that it falls within the circumstances above.

4. Timing of Awards

No Award shall be made to Selected Participants and no directions or recommendation shall be given to the Trustee with respect to a grant of an Award under the Scheme:

- (a) where any Director is in possession of unpublished inside information (as defined in the SFO) in relation to the Company or where dealings by Directors are prohibited under any code or requirement of the Listing Rules or any applicable laws, rules or regulations;
- (b) 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 of the Company; and
- (c) during the period of 30 days immediately preceding the publication date of the half-year results or, if shorter, the period from the end of the relevant half-year period up to the publication date of the results of the Company.

In respect of the administration of the Scheme, the Company shall comply with all applicable disclosure regulations including those imposed by the Listing Rules.

5. Maximum Number of Shares to be Granted

The total number of Award Shares made pursuant to the Scheme shall not exceed 10% of the total number of issued Shares as at the Adoption Date.

6. Satisfaction of Awards

To satisfy the Award, the Company shall transfer to the Trust the necessary funds and instruct the Trustee to acquire Shares through on-market transactions at the prevailing market price. The Company shall not instruct the Trustee to acquire Shares through on-market transactions at the prevailing market price, where such action (as applicable) is prohibited under the Listing Rules, the SFO or other applicable laws from time to time.

7. Vesting of Award Shares

For the purposes of vesting of the Award, the Board or an Authorized Person (as the case may be) may either:

- (a) direct and procure the Trustee to release from the Trust the Award Shares to the Selected Participants by transferring the number of Award Shares to the Selected Participants in such manner as determined by them from time to time; or
- (b) to the extent that, at the determination of the Board or an Authorized Person (as the case may be), it is not practicable for the Selected Participant to receive the Award in Shares solely due to legal or regulatory restrictions with respect to the Selected Participant's ability to receive the Award in Shares or the Trustee's ability to give effect to any such transfer to the Selected Participant, the Board or an Authorized Person (as the case may be) will direct and procure the Trustee to sell, by on-market transactions at the prevailing market price, the number of Award Shares so vested in respect of the Selected Participant and pay the Selected Participant the Actual Selling Price of such Award Shares in cash arising from such sale based on the number of Award Shares.

8. Lapse and Forfeiture of Award

In the event that a Selected Participant does not satisfy the conditions/criteria set out in the award letter issued to such Selected Participant, and the Award does not vest, the Award shall lapse and the Award Shares shall be deemed to be Returned Shares.

If a Selected Participant ceases to be an Eligible Person by reason of retirement of the Selected Participant, any outstanding Award Shares not yet vested shall continue to vest in accordance with the Vesting Date set out in the award letter, unless the Board or an Authorized Person (as the case may be) determines otherwise at its absolute discretion.

If a Selected Participant ceases to be an Eligible Person by reason of (i) death of the Selected Participant, (ii) termination of the Selected Participant's employment or contractual engagement with the relevant member of the Group by reason of his/her permanent physical or mental disablement, (iii) termination of the Selected Participant's employment or contractual engagement with the relevant member of the Group by reason of redundancy, any outstanding Award Shares not yet vested shall be immediately forfeited, unless the Board or an Authorized Person (as the case may be) determines otherwise at its absolute discretion.

If a Selected Participant, being an Employee whose employment is terminated by the relevant member of the Group by reason of the employer terminating the contract of employment without notice or payment in lieu of notice, or the Selected Participant having been convicted of any criminal offence involving his or her integrity or honesty, any outstanding Award Shares not yet vested shall be immediately forfeited, unless the Board or an Authorized Person (as the case may be) determines otherwise at its absolute discretion.

If a Selected Participant is declared bankrupt or becomes insolvent or makes any arrangements or composition with his or her creditors generally, any outstanding Award Shares not yet vested shall be immediately forfeited, unless the Board or an Authorized Person (as the case may be) determines otherwise at its absolute discretion.

If a Selected Participant ceases to be an Eligible Person for reasons other than those set out above, any outstanding Award Shares not yet vested shall be immediately forfeited, unless the Board or an Authorized Person (as the case may be) determines otherwise at its absolute discretion.

9. Assignment of Award

Any Award granted under the Scheme but not yet vested shall be personal to the Selected Participant and cannot be assigned or transferred and no Selected Participant shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any other person over or in relation to any such Award, or enter into any agreement to do so.

10. Voting Rights

Neither the Selected Participant nor the Trustee may exercise any of the voting rights in respect of any Award Shares that have not yet vested.

11. Dividend

A Selected Participant shall have no right to any dividend of the Shares subject to the Award that is granted to him or her and that has not vested or any of the Returned Shares or any dividend of the Returned Shares, all of which shall be retained by the Trustee for the benefit of the Scheme.

12. Alteration of the Scheme

Subject to compliance with the articles of association of the Company, all applicable laws, rules and regulations, the Scheme may be altered in any respect by a resolution of the Board provided that no such alteration shall operate to affect adversely any subsisting rights of any Selected Participant unless otherwise provided for in the Scheme Rules.

13. Termination

Unless terminated earlier as determined by the Board, the Scheme shall be valid and effective for the Award Period (after which no further Awards will be granted), and thereafter for so long as there are any non-vested Award Shares granted hereunder prior to the expiration of the Scheme, in order to give effect to the vesting of such Award Shares or otherwise as may be required in accordance with the provisions of the Scheme Rules.

Following the settlement, lapse, forfeiture or cancellation (as the case may be) of the last outstanding Award made or can be made under the Scheme, the Trustee shall sell all the Shares remaining in the Trust within a reasonable time period as agreed between the Trustee and the Company upon receiving notice of the settlement, lapse, forfeiture or cancellation (as the case may be) of such last outstanding Award (or such longer period as the Company may otherwise determine), and remit all cash and net proceeds of such sale and other funds remaining in the Trust (after making appropriate deductions in respect of all disposal costs, expenses and other existing and future liabilities in accordance with the Trust Deed) to the Company.

LISTING RULES IMPLICATION

The Scheme does not constitute a share option scheme pursuant to Chapter 17 of the Listing Rules and is a discretionary scheme of the Company. No Shareholders' approval is required for the adoption of the Scheme.

Pursuant to the Scheme, Selected Participant covers any Director and other employees of the Company and of its Subsidiaries. As such, if the Board selects a Director as the Selected Participant, the grant of the Award Shares to such Director may constitute a connected transaction of the Company. However, since the grant of Award Shares to a Director forms part of the remuneration of the relevant Director under his/her service contract, such grant of Award Shares will be exempted from all the reporting, announcement and independent Shareholders' approval requirements under Rule 14A.95 of the Listing Rules.

APPOINTMENT OF TRUSTEE

TRIDENT TRUST COMPANY (HK) LIMITED has been appointed by the Company as the Trustee. To the best knowledge, information and belief of the Directors after making all reasonable enquiries, the Trustee and its ultimate beneficial owners were third parties independent of the Company and its connected persons prior to its appointment.

The Trustee is not an associate of a connected person under Rule 14A.12(1)(b) because the Scheme is a share award scheme established for a wide scope of participants being Eligible Participants under the Scheme and the connected persons' aggregate interests in the Scheme are less than 30%.

The Trustee will become a core connected person of the Company as defined under Rule 1.01 of the Listing Rule if the number of the Award Shares held by the Trustee for the benefit of the connected persons of the Company equals to or exceeds 30% of the aggregate number of the Award Shares held by the Trustee, and those Award Shares will not be counted in the public float of the Company in such circumstances. The Company will take appropriate measures to ensure at least 25% of the Company's total issued Shares are held by the public Shareholders from time to time. The total number of non-vested Award Shares granted to a Selected Participant under the Scheme shall not exceed one (1) per cent of the total number of issued Shares from time to time. There is no other restriction in the Scheme on the aggregate interests of the Company's connected persons held by the Trustee. The Company will comply with the relevant provisions under Chapter 14A of the Listing Rules where appropriate.

DEFINITIONS

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

Term	Definition
“Actual Selling Price”	the actual price at which the Award Shares are sold (net of brokerage, trading fee of the Stock Exchange, transaction levy of the Securities and Futures Commission of Hong Kong and any other applicable costs) on vesting of an Award pursuant to the Scheme or in the case of a vesting when there is an event of change in control or privatisation of the Company pursuant to the Scheme Rules, the consideration receivable under the related scheme or offer
“Adoption Date”	December 31, 2021, being the date on which the Board approved the adoption of the Scheme
“Authorized Person”	any person authorized by the Board for the administration of the Scheme
“Award”	an award granted by the Board to a Selected Participant, which may vest in the form of Award Shares or the Actual Selling Price of the Award Shares in cash, as the Board may determine in accordance with the terms of the Scheme Rules
“Award Period”	the period commencing on the Adoption Date, and ending on the business day immediately prior to the 10th anniversary of the Adoption Date
“Award Share(s)”	the Shares granted to a Selected Participant in an Award
“Board”	the board of the Company
“Company”	Acotec Scientific Holdings Limited (先瑞達醫療科技控股有限公司), a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 6669)
“connected person(s)”	has the meanings ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company

Term	Definition
“Eligible Person”	any individual, being an Employee or director of any member of the Group who the Board or an Authorized Person (as the case may be) considers, in its sole discretion, to have contributed or will contribute to the Group; however, no individual who is resident in a place where the grant, acceptance or vesting of an Award pursuant to the Scheme is not permitted under the laws and regulations of such place or where, in the view of the Board or an Authorized Person, compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such individual, shall be entitled to participate in the Scheme and such individual shall therefore be excluded from the term Eligible Person
“Employee”	any employee (whether full-time or part-time employee) of any member of the Group provided that the individual shall not cease to be an Employee in the case of (a) any leave of absence approved by the relevant member of the Group; or (b) transfer amongst any member of the Group or any successor, and provided further that an Employee shall, for the avoidance of doubt, cease to be an Employee with effect from (and including) the date of termination of his employment
“Group”	the Company and its Subsidiaries
“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
“on-market transactions”	the acquisition or disposal of Shares through one or more transactions through the facilities of the Stock Exchange in accordance with the Listing Rules and any other applicable laws and regulations
“Returned Share(s)”	such Award Shares that are forfeited in accordance with the terms of the Scheme, or deemed to be Returned Shares under the Scheme Rules

Term	Definition
“Scheme”	the share award scheme adopted by the Company on the Adoption Date
“Scheme Limit”	10% of the total number of issued Shares as at the Adoption Date
“Scheme Rules”	the rules of the Scheme as amended from time to time
“Selected Participant(s)”	any Eligible Person who has been granted any Award pursuant to the terms of the Scheme
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
“Shares”	ordinary shares of the Company
“Shareholder(s)”	holder(s) of the Share(s) from time to time
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary(ies)”	subsidiary(ies) of the Company from time to time within the meaning of the Companies Ordinance (Cap. 622 of the Laws of Hong Kong)
“Trust”	the trust constituted by the Trust Deed to service the Scheme
“Trust Deed”	the trust deed to be entered into between the Company and the Trustee (as may be restated, supplemented and amended from time to time) in relation to the Scheme
“Trustee”	TRIDENT TRUST COMPANY (HK) LIMITED, the trustee appointed by the Company for the administration of the Scheme

Term	Definition
“Vesting Date”	with respect to a Selected Participant, the date or dates on which the Award (or part thereof) is to vest in the relevant Selected Participant
“%”	per cent.

By Order of the Board
Acotec Scientific Holdings Limited
Jing LI
*Chairman of the Board, Executive Director and
Chief Executive Officer*

Hong Kong, January 3, 2022

As at the date of this announcement, the executive Directors are Ms. Jing LI and Mr. Silvio Rudolf SCHAFFNER, the non-executive Directors are Mr. Ke TANG and Mr. Chen CHEN, and the independent non-executive Directors are Dr. Yuqi WANG, Ms. Hong NI and Ms. Kin Yee POON.