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EuroEyes

EuroEyes International Eye Clinic Limited

德視佳國際眼科有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1846)

ADOPTION OF RESTRICTED SHARE AWARD SCHEME

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The Board is pleased to announce that on 19 March 2020, the Company has adopted the Scheme to incentivise skilled and experienced personnel, and to recognise the contributions of the Participants, to the Group. The Scheme will operate in parallel with the Share Option Scheme and such other equity-based incentive schemes which may be adopted by the Company from time to time.

On and subject to the terms of the Scheme and the Listing Rules, the Board may, at any time during the Term, make a Grant to any Participant, as the Board may in its sole and absolute discretion select.

Pursuant to the Scheme, the Awards may be satisfied by the Company:

- (a) allotting and issuing the relevant number of Shares to the Grantee credited as fully paid under the general or specific mandate sought from the Shareholders at the Company's general meeting and issuing to the Grantee (or his custodian agent) share certificates in respect of such Shares;
- (b) directing and procuring the Trustee to transfer to the Grantee or to the Nominee Account the relevant number of Shares (i) which the Company has allotted and issued to the Trustee credited as fully paid or (ii) which the Trustee has acquired through on-market purchases of Shares; or
- (c) paying or procuring the payment of a Cash Payment.

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.

APPOINTMENT OF TRUSTEE

Upon the adoption of the Scheme, the Company will enter into the Trust Deed with BOCI Trustee (Hong Kong) Limited and appoint BOCI Trustee (Hong Kong) Limited as the Trustee to assist with the administration of the Scheme and vesting of Awards to be granted pursuant to the Scheme.

To the best knowledge, information and belief of the Board after making all reasonable enquiries, the Trustee is an independent third party and not connected with the Company or any of its connected persons. The Trustee will administer the Scheme in accordance with the terms of the Scheme and the Trust Deed.

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SUMMARY OF THE SCHEME

1. Purposes of the Scheme

The purpose of the Scheme is to attract skilled and experienced personnel to the Group, to incentivise them to remain with the Group and to motivate them to strive for future development and expansion of the Group by providing them with the opportunity to acquire equity interests in the Company.

2. Duration

Subject to any early termination of the Scheme in accordance with the Scheme, the Scheme shall be valid and effective for the Term.

3. Eligibility

The Board, may at its discretion, invite Participants, who the Board considers, in its sole and absolute discretion, have contributed or will contribute to the Group, to participate in the Scheme.

4. Administration

The Scheme shall be subject to the administration of the Board whose decision as to all matters arising in relation to the Scheme or its interpretation or effect shall (save as otherwise provided in the Scheme) be final and binding on all parties.

5. Grant of Awards

On and subject to the terms of the Scheme and the Listing Rules, the Board may, at any time during the Term, make a Grant to any Participant, as the Board may in its sole and absolute discretion select.

6. Grant of Awards to Connected Persons

Any Grant to any Director, chief executive or substantial Shareholder of the Company, or any of their respective associates, shall be subject to the prior approval of the independent non-executive Directors (excluding any independent non-executive Director who is the proposed Grantee of the Grant in question) and all Grants to connected persons shall be subject to compliance with the requirements of the Listing Rules, including, where necessary, the prior approval of the Shareholders.

7. Restrictions on Grants

A Grant may not be made to any Participant who is in possession of unpublished inside information (as defined under Part XIVA of the SFO). In particular, no Grant may be made during the period commencing one month immediately preceding the earlier of:

- (a) the date of the meeting of the Board (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for approving the Company's results for any year, half-year, quarterly-year period or any other interim period (whether or not required under the Listing Rules); and
- (b) the deadline for the Company to announce its results for any year, half-year or quarter-year period under the Listing Rules, or any other interim period (whether or not required under the Listing Rules),

and ending on the date of the results announcement. The period during which no Grant may be made will cover any period of delay in publishing a results announcement.

Where a Grant is proposed to be made to a Director or to any Participant who, because of his office or employment in the Company or any of its subsidiaries, is likely to be in possession of unpublished inside information in relation to the Shares, no Grant may be made which is contrary to Appendix 10 to the Listing Rules or any corresponding code or securities dealing restrictions adopted by the Company. Such restricted periods or times are:

- (a) 60 days immediately preceding the publication date of the Company's annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and
- (b) 30 days immediately preceding the publication date of the Company's 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.

8. Vesting

Subject to the terms of the Scheme, the Board may determine from time to time such vesting conditions or vesting periods for an Award to be vested. Subject to the terms of the Scheme and the specific terms applicable to each Award, an Award shall vest on the Vesting Date in respect of all or a proportion of the Shares underlying the Award. For the purpose of satisfying a vested Award, the Company shall, at its sole and absolute discretion, either:

- (a) allot and issue the relevant number of Shares to the Grantee credited as fully paid under the general or specific mandate sought from the Shareholders at the Company's general meeting and issue to the Grantee (or his custodian agent) share certificates in respect of such Shares;
- (b) direct and procure the Trustee to transfer to the Grantee or to the Nominee Account the relevant number of Shares (i) which the Company has allotted and issued to the Trustee credited as fully paid or (ii) which the Trustee has acquired through on-market purchases of Shares; or
- (c) pay or procure the payment of a Cash Payment.

9. Rights attached to Awards

Unless otherwise approved and authorised by the Board, a Grantee shall not be entitled to any dividends or distributions and shall not exercise any of the voting rights in respect of any Shares underlying the Awards granted until such Shares have been allotted and issued or transferred (as the case may be) to the Grantee or to the Nominee Account.

10. Maximum Number of Underlying Shares

The total number of Shares that may underlie the Awards granted pursuant to the Scheme shall not exceed 10% of the aggregate number of Shares in issue as at the Adoption Date.

The Scheme Mandate Limit may be renewed subject to prior Board approval, but in any event, the total number of Shares that may underlie the Awards granted following the New Approval Date under the limit as renewed must not exceed 10% of the aggregate number of Shares in issue as at the New Approval Date. Shares underlying the Awards granted pursuant to the Scheme (including those outstanding, cancelled or vested Awards) prior to the New Approval Date will not be counted for the purpose of determining the maximum aggregate number of Shares that may underlie the Awards granted following the New Approval Date under the limit as renewed. For the avoidance of doubt, Shares issued prior to the New Approval Date pursuant to the vesting of the Awards granted pursuant to the Scheme will be counted for the purpose of determining the aggregate number of number of Shares in issue as at the New Approval Date.

11. Transferability

An Award shall be personal to the Grantee and shall not be assignable or transferable by the Grantee, provided that Awards may be transferred by any order of a competent court or by operation of any applicable laws. A Grantee shall not in any way sell, transfer, charge, mortgage, encumber, pledge or create any interests in favour of any third party over or in relation to any Award.

12. Cancellation

The Board shall be entitled for the following causes to cancel an unvested Award in whole or in part by giving notice in writing to the Grantee stating that such unvested Award is thereby cancelled with effect from the date specified in such notice:

- (a) the termination of the Grantee's employment or service by the Company or any of its subsidiaries for Cause;
- (b) the Grantee committing, permitting or attempting to commit or permit a breach of any terms or conditions attached to the Grant;
- (c) the Grantee making a written request to the Board for, or agreeing to, the Award to be cancelled;
- (d) the Grantee ceasing to be a Participant;
- (e) the Grantee failing to or no longer satisfies or complies with such criteria or terms and conditions that may be attached to the Award or which were the basis on which the Award was granted;

- (f) the Grantee:
 - (i) becoming an officer, director, employee, consultant, adviser, partner of, or a shareholder or other proprietor owning more than a 5 per cent. interest in, any Competitor; or
 - (ii) knowingly performing any act that may confer any competitive benefit or advantage upon any Competitor; or
- (g) the Grantee (whether intentionally or otherwise) committing a breach of transferability provisions of the Scheme.

The Award shall be deemed to have been cancelled with effect from the Cancellation Date in respect of any part of the Award which has not been exercised as at the Cancellation Date. No compensation shall be payable upon any such cancellation, provided that the Board shall be entitled in its discretion to pay such compensation to the Grantee in such manner as it may consider appropriate in any particular case. Where the Company cancels unvested Awards and makes a Grant of new Awards to the same Grantee, such Grant may only be made with available underlying Shares to the extent not yet granted (excluding the cancelled Awards) within the limits prescribed above.

13. Alteration

The Board may alter and vary any of the terms of the Scheme at any time, provided that any alterations or variation to the terms and conditions of the Scheme or the Awards granted which will materially and adversely affect the subsisting rights of the Participants must be approved by an ordinary resolution of the Shareholders at a general meeting of the Company, except where the alterations or changes take effect automatically under the existing terms of the Scheme.

14. Termination

The Board may at any time terminate the Scheme and in such event, no further Awards may be granted but in all other respects the terms of the Scheme shall remain in full force and effect in respect of Awards which are granted during the Term and which remain unvested immediately prior to the termination of the Scheme.

APPOINTMENT OF TRUSTEE

Upon the adoption of the Scheme, the Company will enter into the Trust Deed with BOCI Trustee (Hong Kong) Limited and appoint BOCI Trustee (Hong Kong) Limited as the Trustee to assist with the administration of the Scheme and vesting of Awards to be granted pursuant to the Scheme.

To the best knowledge, information and belief of the Board after making all reasonable enquiries, the Trustee is an independent third party and not connected with the Company or any of its connected persons. The Trustee will administer the Scheme in accordance with the terms of the Scheme and the Trust Deed.

LISTING RULES IMPLICATIONS

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.

DEFINITIONS

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

- “Adoption Date”** 19 March 2020, being the date on which the Scheme is approved and adopted by a resolution of the Board
- “Award”** a contingent right by the Grantee to receive either Shares or a Cash Payment, in either case which is awarded pursuant to the Scheme
- “Board”** the board of Directors from time to time or a duly authorised committee of the Board or such other committee as the Board may authorise
- “Business Day”** any day on which the Stock Exchange is open for the business of dealing in securities
- “Cancellation Date”** the date specified in a notice given to a Grantee from which an unvested Award is cancelled
- “Cash Payment”** an amount in cash to be paid to a Grantee in satisfaction of an Award upon its vesting, the amount of which shall either be:

- (a) the cash value of the Award if such value is indicated in the Notice of Grant; or
- (b) determined by the Company in accordance with the formula set out below:

$$\text{Cash Payment} = A \times B$$

where:

A = the number of Shares in respect of which the Award has vested;
and

B = the Market Value of a Share on the Vesting Date or, if the Vesting Date is not a Business Day, the Market Value of a Share on the last Business Day immediately preceding the Vesting Date,

and the Company’s determination of the amount of the Cash Payment shall, in the absence of fraud or manifest error, be binding on the Company and the relevant Grantee

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| “Cause” | the termination of the employment or service of the Grantee on the grounds that: <ul style="list-style-type: none"> (a) he has, in the opinion of the Board, conducted himself in any manner whatsoever to the detriment of or prejudicial to the interests of the Company or a subsidiary; or (b) he has been guilty of serious misconduct; or (c) there exist grounds allowing his summary dismissal under his employment contract or under common law; or (d) he is unable or has no reasonable prospects of being able to pay his debts within the meaning of the Bankruptcy Ordinance (Chapter 6 of the Laws of Hong Kong) or any other applicable laws, regulations or rules; or (e) he has become otherwise insolvent or has made any arrangements or compositions with his creditors generally; or (f) he has been convicted of any criminal offence involving his integrity or honesty |
| “close associate” | has the meaning ascribed to it in the Listing Rules |
| “Company” | EuroEyes International Eye Clinic Limited, an exempted company incorporated in the Cayman Islands on 13 August 2018 with limited liability, whose shares are listed on the Main Board of the Stock Exchange under stock code 1846 |
| “Competitor” | any corporation, partnership, joint venture, trust, individual proprietorship, firm, governmental unit or other enterprise (including any of their respective affiliates) that carries on activities for profit or is engaged in or is about to become engaged in any activity of any nature that competes (directly or indirectly) with a service of the Company or any of its subsidiaries |
| “connected person” | has the meaning ascribed to it in the Listing Rules |
| “Director” | a director of the Company |
| “Employee” | any director of, manager of, or other employee holding an executive, managerial, supervisory or similar position in, any member of the Group |
| “Grant” | the grant of an Award made in accordance with the rules of the Scheme |
| “Grantee” | any Participant who accepts a Grant in accordance with the terms of the Scheme or, where the context so permits, any person entitled to any such Award in consequence of the death of the original Grantee or the legal personal representative of such person |
| “Group” | the Company and its subsidiaries |
| “Listing Rules” | the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited |

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| “Market Value” | in relation to a Share, the average closing market price for the five (5) preceding Business Days on which the Shares were traded on the Stock Exchange |
| “New Approval Date” | the date on which the renewal of the Scheme Mandate Limit is approved by the Shareholders in accordance with the Scheme |
| “Nominee Account” | an account operated by the plan administrator of the Scheme from time to time in which the Shares underlying the vested Awards are held on behalf of individual Grantees |
| “Notice of Grant” | a written notice given to a Participant requiring the Participant to undertake to hold the Award on the terms on which it is to be granted and to be bound by the terms of the Scheme and any other terms and conditions as contained in such notice |
| “Participant” | any of the following persons: <ul style="list-style-type: none"> (a) any Employee, any proposed Employee, any full-time or part-time Employee, or a person for the time being seconded to work full-time or part-time for any member of the Group; (b) a director or proposed director (including an independent non-executive director) of any member of the Group; (c) a general staff of any member of the Group; or (d) a person or entity that provides advisory, consultancy, professional or other services to any member of the Group |
| “Scheme” | the restricted share award scheme adopted by the Board on the Adoption Date (as amended, supplemented or otherwise modified from time to time) |
| “Scheme Mandate Limit” | the total number of Shares that may underlie the Awards granted pursuant to the Scheme, being: <ul style="list-style-type: none"> (a) 10% of the aggregate number of Shares in issue as at the Adoption Date; or (b) 10% of the aggregate number of Shares in issue as at the New Approval Date |
| “SFO” | Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) |
| “Share” | fully paid ordinary share with a nominal value of US\$0.01 each in the share capital of the Company or, if there has been a sub-division, reduction, consolidation, reclassification or reconstruction of the share capital of the Company, the share forming part of the ordinary share capital of the Company of such nominal amount as shall result from any such sub-division, reduction, consolidation, reclassification or reconstruction |
| “Shareholder” | holder of the Share(s) in issue |

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| “Share Option Scheme” | the share option scheme approved and adopted by the Company on 23 September 2019 |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Term” | a term of ten (10) years commencing from the Adoption Date |
| “Trust Deed” | the trust deed entered into between the Company and the Trustee (as amended, supplemented or otherwise modified from time to time) for the administration of the Scheme |
| “Trustee” | the professional trustee from time to time of the Scheme appointed by the Company for the administration of the Scheme which will be an independent third party and not connected with the Company or the Company’s connected persons |
| “vest” | with respect to a Grantee, the time when the Grantee becomes entitled to receive all or such proportion of the Shares underlying the Award granted to him in accordance with the terms of the relevant Award and of the Scheme |
| “Vesting Date” | with respect to an Award granted to a Grantee, the date on which the Award vests |
| “%” | per cent. |

By order of the Board
EuroEyes International Eye Clinic Limited
Dr. Jørn Slot Jørgensen
Chairman and Executive Director

Hong Kong, 19 March 2020

As at the date of this announcement, the Board comprises (i) Dr. Jørn Slot Jørgensen, Dr. Markus Braun, Dr. Ralf-Christian Lerche, Prof. Dr. Thomas Friedrich Wilhelm Neuhann, Mr. Jannik Jonas Slot Jørgensen as executive Directors; (ii) Mr. Marcus Huascar Bracklo as non-executive Director; and (iii) Mr. Hans Helmuth Hennig, Mr. Zhengzheng Hu and Mr. Philip Duncan Wright as independent non-executive Directors.