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Yunkang Group Limited

云康集团有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2325)

VOLUNTARY ANNOUNCEMENT ADOPTION OF 2022 RSU SCHEME

ADOPTION OF 2022 RSU SCHEME

The Board is pleased to announce that on November 23, 2022, the Company has adopted the 2022 RSU Scheme to attract, retain and incentivize the key personnel and partners of the Company, and to promote the value of the Company by offering these individuals an opportunity to acquire Shares and a proprietary interest in the success of the Company, thereby linking their interests with the Company's performance.

The Board may in its sole and absolute discretion select any of (i) any full-time or part-time employee of the Group; (ii) customers, suppliers, agents, partners, or consultants of the Group; and (iii) other persons identified by the Board as a Selected Participant and determine the RSUs for each of them.

The Board may determine the number of Shares to be purchased as the Underlying Shares, and cause to be paid the purchase price for the Underlying Shares and the related expenses to the Trustee who will purchase the Underlying Shares. The Trustee shall apply the entire amount without deduction (except for transaction levy, stamp duty and other statutory fees) towards the purchase of Shares at the prevailing market price or at a price within a specific price range determined in the sole discretion of the Board. Once purchased, the Underlying Shares are to be held by the Trustee for the Awards under the 2022 RSU Scheme.

Pursuant to the 2022 RSU Scheme, the Underlying Shares will be satisfied by the existing Shares to be acquired by the Trustee on the market. As no new Shares will be issued under the 2022 RSU Scheme, the operation of the 2022 RSU Scheme is not expected to have a dilutive impact to the Shareholders.

The number of Shares awarded under the 2022 RSU Scheme shall not exceed 3% of the issued shares of the Company as at the Adoption Date, being 18,637,515 Shares.

ADOPTION OF 2022 RSU SCHEME

The Board is pleased to announce that on November 23, 2022, the Board has approved the adoption of the 2022 RSU Scheme. A summary of the principal terms of the 2022 RSU Scheme is set out below.

Purposes

The purpose of the 2022 RSU Scheme is to attract, retain and incentivize the key personnel and partners of the Company, and to promote the value of the Company by offering these individuals an opportunity to acquire Shares and a proprietary interest in the success of the Company, thereby linking their interests with the Company's performance.

Operation

The Board may in its sole and absolute discretion select any of (i) any full-time or part-time employee of the Group; (ii) customers, suppliers, agents, partners, or consultants of the Group; and (iii) other persons identified by the Board as a Selected Participant and determine the RSUs for each of them.

The Board may determine the number of Shares to be purchased as the Underlying Shares, and cause to be paid the purchase price for the Underlying Shares and the related expenses to the Trustee who will purchase the Underlying Shares. The Trustee shall apply the entire amount without deduction (except for transaction levy, stamp duty and other statutory fees) towards the purchase of Shares at the prevailing market price or at a price within a specific price range determined in the sole discretion of the Board. Once purchased, the Underlying Shares are to be held by the Trustee for the Awards under the 2022 RSU Scheme.

Pursuant to the 2022 RSU Scheme, the Underlying Shares will be satisfied by the existing Shares to be acquired by the Trustee on the market. As no new Shares will be issued under the 2022 RSU Scheme, the operation of the 2022 RSU Scheme is not expected to have a dilutive impact to the Shareholders.

Vesting

The Board will set vesting criteria in its discretion, which, depending on the extent to which the criteria are met, will determine the number of RSUs that will be paid-out to the Selected Participant(s). The Board may set vesting criteria based upon the Company's achievements and individual goals, or any other basis determined by the Board in its discretion. The vesting schedules are stipulated in the respective Award Agreement(s) between the Company and the Selected Participant(s).

Unvested RSUs will automatically expire if the RSUs are not fully vested according to the vesting schedules due to Selected Participants failing to meet the vesting criteria or for other reasons.

Voting rights

For so long as the Trustee shall hold any unvested Underlying Shares for the purpose of the 2022 RSU Scheme, the Trustee shall abstain from voting on matters that require Shareholders' approval.

Administration

The 2022 RSU Scheme is subject to the administration of the Board and the Trustee in accordance with the terms stated in the Scheme Rules and the terms of the Trust Deed.

Scheme Limit

The number of Shares awarded under the 2022 RSU Scheme shall not exceed 3% of the issued shares of the Company as at the Adoption Date, being 18,637,515 Shares.

Duration and termination

Unless terminated earlier by the Company in accordance with the Scheme Rules, the 2022 RSU Scheme is valid and effective for a term of 10 years commencing from the Adoption Date. The 2022 RSU Scheme may be terminated by ordinary resolution of the general meeting or by resolution of the Board. Upon termination, (i) no further grant of RSUs may be made under the 2022 RSU Scheme; and (ii) the Awards granted prior to such termination shall continue to be valid.

Restrictions

In respect of the administration of the 2022 RSU Scheme, the Company shall comply with all applicable disclosure regulations including, without limitation, those imposed by the Listing Rules and all applicable laws from time to time.

No Award shall be made by the Board and no instructions to acquire the Shares shall be given to the Trustee under the 2022 RSU Scheme where the Company is in possession of unpublished inside information (as defined under Part XIVA of the Securities and Futures Ordinance (as may be amended from time to time)) in relation to the Group.

LISTING RULES IMPLICATION

Pursuant to the 2022 RSU Scheme, the Underlying Shares will be satisfied by the existing Shares to be acquired by the Trustee on the market. No Shareholder's approval is required for the adoption of the 2022 RSU Scheme.

DEFINITIONS

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

“2022 RSU Scheme”	the 2022 restricted share unit scheme adopted by the Company in accordance with the Scheme Rules on the Adoption Date
“Adoption Date”	November 23, 2022, being the date on which the 2022 RSU Scheme was adopted by the Company
“Award(s)”	the award(s) granted by the Board to a Selected Participant in accordance with the terms of the Scheme Rules
“Award Agreement”	the written or electronic agreement setting forth the terms and provisions applicable to each Award granted under the 2022 RSU Scheme
“Board”	the board of Directors
“Company”	Yunkang Group Limited 云康集团有限公司, an exempted company with limited liability incorporated in the Cayman Islands, the Shares of which were listed on the main board of the Stock Exchange (stock code: 2325)
“Director(s)”	the director(s) of the Company
“Group”	the Company, its subsidiaries and consolidated affiliated entities
“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
“RSU(s)”	the restricted share unit(s) award granted to a Selected Participant under the 2022 RSU Scheme
“Scheme Rules”	the rules of the 2022 RSU Scheme as amended from time to time
“Selected Participant(s)”	eligible participant(s) selected by the Board to participate in the 2022 RSU Scheme

“Share(s)”	ordinary share(s) of nominal or par value of US\$0.000002 each in the issued share capital of the Company or if there has been a subsequent sub-division, consolidation, reclassification or reconstruction of the share capital of the Company, shares forming part of the ordinary equity share capital of the Company
“Shareholders”	the shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Trust”	the trust constituted by the Trust Deed to service the 2022 RSU Scheme
“Trust Deed”	the trust deed entered into between the Company and the Trustee (as may be restated, supplemented and amended from time to time)
“Trustee”	KASTLE LIMITED (嘉士圖有限公司), a company incorporated in Hong Kong, the trustee (which is independent of and not a connected person of the Company) appointed by the Company for the administration of the 2022 RSU Scheme or any additional or replacement trustee(s)
“Underlying Share(s)”	the Share(s) to be purchased by the Trustee from the market and to be transferred or paid-out in settlement of all RSUs to be granted to any Selected Participant under the 2022 RSU Scheme
“%”	per cent

By order of the Board
Yunkang Group Limited
Zhang Yong
Chairman

Guangzhou, the PRC
November 23, 2022

As at the date of this announcement, the Board comprises Mr. Zhang Yong as chairman and executive Director; Ms. Huang Luo, Dr. Guo Yunzhao and Dr. Wang Ruihua as non-executive Directors; and Mr. Yu Shiyong, Mr. Yang Hongwei and Mr. Xie Shaohua as independent non-executive Directors.