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If you have sold or transferred all your shares, you should at once hand this circular, together with the accompanying form of proxy, to the purchaser(s) or transferee(s) or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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CLARITY MEDICAL GROUP HOLDING LIMITED

清晰醫療集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1406)

- (1) PROPOSED GRANT OF REPURCHASE MANDATE AND
GENERAL MANDATE,
(2) PROPOSED RE-ELECTION OF RETIRING DIRECTORS,
(3) PROPOSED APPOINTMENT OF AUDITOR,
(4) PROPOSED GRANT OF AWARDED SHARES,
AND
(5) NOTICE OF ANNUAL GENERAL MEETING**

A letter from the Board is set out on pages 5 to 16 of this circular.

A notice convening the annual general meeting of Clarity Medical Group Holding Limited (the “**Company**”) to be held at L11, The ONE, 100 Nathan Road, Tsim Sha Tsui, Kowloon, Hong Kong on Wednesday, 20 September 2023, at 10:30 a.m. is set forth on pages 27 to 31 of this circular. Whether or not you are able to attend the said meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the annual general meeting (i.e. not later than Monday, 18 September 2023 at 10:30 a.m.) or any adjournment thereof. **Completion and return of the accompanying form of proxy will not preclude you from subsequently attending and voting in person at the annual general meeting of the Company or any adjourned meeting should you so wish.**

31 July 2023

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DEFINITIONS

In this circular, unless the context otherwise requires, the following terms and expressions shall have the following meanings:

“acting in concert”	has the meaning ascribed thereto in the Takeovers Codes;
“Annual General Meeting”	the annual general meeting of the Company to be held at L11, The ONE, 100 Nathan Road, Tsim Sha Tsui, Kowloon, Hong Kong on Wednesday, 20 September 2023, at 10:30 a.m. or any adjournment thereof (as the case may be);
“Articles of Association” or “Articles”	the articles of association of our Company adopted on 26 January 2022, and as amended, supplemented or otherwise to modified from time to time;
“associates”	has the meaning ascribed to it under the Listing Rules;
“Award”	an award of the Awarded Shares made in accordance with the Share Award Plan;
“Awarded Share(s)”	the Share(s) to be awarded to a selected participant of the Share Award Plan pursuant to an Award;
“Board”	the board of Directors;
“close associate(s)”	has the meaning ascribed to it under the Listing Rules;
“Companies Act”	the Companies Act (2021 Revision) of the Cayman Islands, as amended from time to time;
“Company”	Clarity Medical Group Holding Limited (清晰醫療集團控股有限公司), a company incorporated in the Cayman Islands with limited liability on 19 February 2019, and the Shares of which are listed on the Stock Exchange (stock code: 1406);
“Controlling Shareholders”	has the meaning given to it in the Listing Rules and, unless the context otherwise requires, refers to Clear Lead Ventures Limited, 3W Partners Fund I L.P., 3W Partners GP Limited, Mr. Goh Lu Hong and Mr. Chan Hoi Hin William;
“core connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“Director(s)”	the director(s) of the Company;

DEFINITIONS

“General Mandate”	the general mandate proposed to be granted to the Directors to exercise all the powers of the Company to allot, issue and otherwise deal with new Shares or to grant any offers, agreements or options which would or might require Shares to be issued, allotted or disposed of not exceeding 20% of the total number of the Shares in issue as of the date of passing the resolution approving the said mandate;
“Group”	the Company and its subsidiaries;
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China;
“Latest Practicable Date”	24 July 2023, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular;
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange;
“Mr. Hui”	Mr. Hui Yung Chris (executive Director and chief executive officer of the Company);
“Notice”	the notice dated 31 July 2023 convening the Annual General Meeting as set forth on pages 27 to 31 of this circular;
“Ordinary Resolutions”	the proposed ordinary resolutions in respect of the matters referred to in the Notice;
“PRC”	People’s Republic of China;
“Proposed Grant to Mr. Hui”	the proposed grant of 5,000,000 Awarded Shares to Mr. Hui under the Share Award Plan;
“Register of Members”	the register of members of the Company maintained by the Registrar in Hong Kong;
“Registrar”	the branch share registrar of the Company, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong;
“Repurchase Mandate”	the general mandate proposed to be granted to the Directors to exercise the powers of the Company to purchase Shares up to a maximum of 10% of the total number of the Shares in issue as of the date of passing of the resolution approving the said mandate;

DEFINITIONS

“Service Providers”	medical practitioners or specialists in ophthalmology who work for the Group as independent contractors, advisers or consultants;
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share Award Plan”	the share award plan adopted by the Company at the extraordinary general meeting held on 23 November 2022;
“Share(s)”	ordinary share(s), with nominal value of HK\$0.01 each, in the share capital of our Company;
“Shareholder(s)”	the registered holder(s) of the Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Takeovers Codes”	The Codes on Takeovers and Mergers and Share Buy-backs;
“Trustee”	the trustee appointed by the Company for the administration of the Share Award Plan;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“%”	per cent.

EXPECTED TIMETABLE

Dispatch of this circular and notice of the Annual
General Meeting Monday, 31 July 2023

Latest time for lodging transfer forms of Shares to
qualify for entitlements to attend and vote at the
Annual General Meeting 4:30 p.m. on Thursday,
14 September 2023

Closure of Register of Members for the purpose of
determining the voting rights for the
Annual General Meeting (both dates inclusive). from Friday, 15 September 2023
to Wednesday, 20 September 2023

Latest time for lodging forms of proxy for the Annual
General Meeting (in any event not less than 48 hours
before the time appointed for holding the Annual
General Meeting or any adjournment thereof) 10:30 a.m. on Monday,
18 September 2023

Date and time of the Annual General Meeting. 10:30 a.m. on Wednesday,
20 September 2023

Notes:

1. All dates and time set out in this circular refer to Hong Kong dates and time.
2. Dates or deadlines specified in this circular are indicative only and may be varied by the Company. Any consequential changes to the expected timetable will be published or notified to the Shareholders as and when appropriate and in accordance with the Listing Rules.



Clarity
Medical Group
清晰醫療集團

CLARITY MEDICAL GROUP HOLDING LIMITED
清晰醫療集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1406)

Mr. Wu Ting Yuk Anthony (*Chairman of the Board*)[^]
Mr. Hui Yung Chris (*Chief Executive Officer*)^{*}
Professor Lau Wan Yee Joseph[#]
Mr. Li Michael Hankin[#]
Mr. Lo Tsz Hong^{*}
Mr. Ma Wai Hung Vincent[#]
Mr. Ng Roy[^]
Dr. Tse Wai Ip^{*}
Ms. Zhao Wei[^]

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Cayman Islands

*Head office and principal place
of business in Hong Kong:*
Room 1302, 13/F
9 Queen's Road Central
Hong Kong

Notes

- [^] Refers to Non-executive Directors
^{*} Refers to Executive Directors
[#] Refers to Independent non-executive Directors

31 July 2023

To the Shareholders:

Dear Sir or Madam,

- (1) PROPOSED GRANT OF REPURCHASE MANDATE AND
GENERAL MANDATE,
(2) PROPOSED RE-ELECTION OF RETIRING DIRECTORS,
(3) PROPOSED APPOINTMENT OF AUDITOR,
(4) PROPOSED GRANT OF AWARDED SHARES,
AND
(5) NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to give you information on the following resolutions proposed to be tabled at the Annual General Meeting, so as to enable you to make an informed decision on the resolutions at the Annual General Meeting.

LETTER FROM THE BOARD

The resolutions include (i) the grant of the Repurchase Mandate, (ii) the grant of the General Mandate, (iii) the extension of the General Mandate by the aggregate number of Shares repurchased under the Repurchase Mandate, (iv) the re-election of retiring Directors, (v) the appointment of the Auditor and (vi) the grant of the Awarded Shares to a Director.

REPURCHASE MANDATE

On 26 August 2022, an ordinary resolution was passed by the Shareholders to give a general mandate to the Directors to exercise the powers of the Company to repurchase its own Shares. Such general mandate will lapse at the conclusion of the Annual General Meeting.

At the Annual General Meeting, an ordinary resolution will be proposed to grant to the Directors a general and unconditional mandate to exercise all powers of the Company to repurchase Shares subject to the criteria set forth in this circular. In particular, you should note that the maximum number of Shares that may be repurchased pursuant to the Repurchase Mandate will be such number which represents 10% of the total number of the Shares in issue as of the date of passing of the resolution, subject to the requirements of the Listing Rules. The Repurchase Mandate will expire at the earliest of: (a) the conclusion of the next annual general meeting of the Company following the annual General Meeting; or (b) the expiration of the period within which the next annual general meeting of the Company is required by the Articles or any applicable laws to be held; or (c) revocation or variation by an ordinary resolution of the Shareholders at a general meeting prior to the next general meeting of the Company.

In accordance with the Listing Rules, the Company is required to send to the Shareholders an explanatory statement, which is set forth in Appendix I to this circular.

GENERAL MANDATE

On 26 August 2022, an ordinary resolution was passed by the Shareholders to give a general mandate to the Directors to allot, issue and deal with Shares. Such general mandate will lapse at the conclusion of the Annual General Meeting.

At the Annual General Meeting, an ordinary resolution will be proposed to grant to the Directors a general and unconditional mandate to allot, issue and deal with further Shares or to grant any offers, agreements or options which would or might require Shares to be issued, allotted or disposed of, representing up to 20% of the total number of the Shares in issue as of the date of passing of the resolution. The General Mandate will expire at the earliest of: (a) the conclusion of the next annual general meeting of the Company following the Annual General Meeting; or (b) the expiration of the period within which the next annual general meeting of the Company is required by the Articles or any applicable laws to be held; or (c) revocation or variation by an ordinary resolution of the Shareholders at a general meeting prior to the next general meeting of the Company. As of the Latest Practicable Date, the total number of Shares in issue was 528,125,000 and they were all fully paid up or credited as fully paid-up.

LETTER FROM THE BOARD

Assuming that there will be no change in the total number of Shares in issue between the period from the Latest Practicable Date to the date of passing the aforesaid resolution, the maximum number of Shares which may be issued pursuant to the aforesaid general and unconditional mandate on the date of passing the aforesaid resolution will be 105,625,000 Shares.

Subject to the passing of the aforesaid ordinary resolutions to grant the Repurchase Mandate and the General Mandate, a separate ordinary resolution will also be proposed for the Shareholders to consider and, if thought fit, approve the extension of the General Mandate by adding to the aggregate number of Shares which may be allotted or issues or agreed conditionally or unconditionally to be allotted or issues by the Directors pursuant to the General Mandate the number of Shares purchased under the Repurchase Mandate, if granted.

RE-ELECTION OF RETIRING DIRECTORS

According to Article 84 of the Articles, Mr. Lo Tsz Hong (“**Mr. Lo**”), Mr. Wu Ting Yuk Anthony (“**Mr. Wu**”) and Mr. Li Michael Hankin (“**Mr. Li**”) shall retire from office by rotation at the Annual General Meeting. All of them being eligible, will offer themselves for re-election at the Annual General Meeting.

The nomination committee of the Company (the “**Nomination Committee**”) has reviewed the structure and composition of the Board and nominated the aforesaid three retiring Directors to the Board for it to recommend to Shareholders for re-election at the Annual General Meeting. Mr. Wu and Mr. Li, who are members of the Nomination Committee, abstained from voting at the Nomination Committee meeting when their respective nominations were being considered.

The nominations were made in accordance with the nomination policy of the Company and the objective criteria (including without limitation, gender, age, cultural and educational background, professional experience, skills, knowledge and length of service), with due regard for the benefits of diversity, as set out under the Board diversity policy of the Company. The Nomination Committee had also taken into account the working profile, extensive experience, contributions of each of such retiring Directors and their commitment to their role. In proposing Mr. Li to be re-elected as independent non-executive Directors at the Annual General Meeting, the Nomination Committee reviewed the confirmation of independence provided by Mr. Li pursuant to Rule 3.13 of the Listing Rules, and it was satisfied with his independence having regard to the independence criteria as set out in Rule 3.13 of the Listing Rules.

The Nomination Committee considers that each of the retiring Directors will continue to bring valuable business experience, knowledge from different industries and professionalism to the Board for its efficient and effective functioning and diversity. The Board accepted the Nomination Committee’s nomination and recommended the Shareholders to re-elect the retiring Directors as Directors at the Annual General Meeting. Each of the retiring Directors has abstained from voting on the relevant resolution at the Board meeting regarding their own re-election.

LETTER FROM THE BOARD

Particulars of the retiring Directors who are proposed to be re-elected at the Annual General Meeting and further information in relation to the re-election of Directors are set forth in Appendix II to this circular. Re-election of retiring Directors will be individually voted on by the Shareholders.

APPOINTMENT OF AUDITOR

PricewaterhouseCoopers has resigned as the auditor of the Company with effect from 26 October 2022. In accordance with Article 155 of the Articles, the Board, in agreement with the audit committee, has recommended Ernst & Young to fill the vacancy left by PricewaterhouseCoopers, subject to the approval of the Shareholders at the next following Annual General Meeting. Ernst & Young shall then be subject to appointment as the external auditor of the Company for the year ending 31 March 2024 subject to Article 152 of the Articles.

GRANT OF AWARDED SHARES TO A DIRECTOR

On 4 July 2023, the Company proposed to grant Awards of 5,000,000 Awarded Shares, representing approximately 0.95% of the issued share capital of the Company as of the Latest Practicable Date, to Mr. Hui, an executive Director and chief executive officer of the Company, pursuant to the Share Award Plan. Details of the Proposed Grant to Mr. Hui are as follows:

Date of grant: 4 July 2023

Purchase price of Awards granted and arrangement to facilitate the purchase of Awarded Shares: Nil

Closing price of the Shares on the date of grant: HK\$0.90

Grantee:	Number of Awarded Shares granted	% total number of Shares in issue as at the date of grant
Grantee		
Director Mr. Hui (executive Director, chief executive officer)	5,000,000	0.95%

Vesting period: 100% of the Awarded Shares granted to Mr. Hui will vest on the second anniversary of the date of grant.

Performance targets: There are no performance targets attached to the Awards granted to Mr. Hui.

LETTER FROM THE BOARD

Clawback mechanism:

The Awards granted are subject to the clawback mechanism as set out in the terms of the Share Award Plan. In particular, an Award (or, as the case may be, the relevant part of an Award) shall, under the following circumstances and subject to the terms of the Share Award Plan, automatically lapse forthwith:

- (i) the grantee ceases to be an employee of the Group (other than due to his death or retirement);
- (ii) the subsidiary by which the grantee is employed or, in respect of a deceased or retired grantee, was employed immediately prior to his death or retirement, ceases to be a subsidiary of the Company (or of a member of the Group);
- (iii) an order for the winding-up of the Company is made or a resolution is passed for the voluntary winding-up of the Company;
- (iv) the grantee is found to be an excluded participant under the terms of the Share Award Plan; or
- (v) the grantee fails to return the duly executed transfer documents prescribed by the Trustee for the relevant Shares awarded under the Share Award Plan within the stipulated period.

Shareholder rights:

The grantee shall not have any interest or rights (including voting rights and entitlement to dividends) in the Awarded Shares which are referable to him until such Awarded Shares have vested. The Shares to be granted under the Proposed Grant to Mr. Hui will rank *pari passu* with the Shares then in issue in all respects, including voting rights, entitlement to dividends, transfer and other rights (including those arising on liquidation of the Company).

None of the Directors is the Trustee of the Share Award Plan, nor do they have any direct or indirect interest in the Trustee.

Listing Rules implications

The above grant to Mr. Hui have been reviewed and approved by the independent non-executive Directors in accordance with Rule 17.04(1) of the Listing Rules. Mr. Hui had abstained from voting on the Board resolutions relating to the grant to himself.

LETTER FROM THE BOARD

The Proposed Grant to Mr. Hui would result in the Shares issued and to be issued in respect of all Awards granted to Mr. Hui (excluding any awards lapsed in accordance with the terms of the Share Award Plan) in the 12-month period up to and including the date of the above grant representing in aggregate over 0.1% of the total issued Shares. Such grant is conditional upon approval by the Shareholders (with Mr. Hui, his associates and all core connected persons (as defined in the Listing Rules) of the Company abstaining) at the Annual General Meeting in accordance with Rule 17.04(2) of the Listing Rules.

The Proposed Grant to Mr. Hui would not result in the Shares issued and to be issued in respect of all options and awards granted to Mr. Hui (excluding any options and awards lapsed in accordance with the terms of the applicable scheme) in the 12-month period up to and including the date of the above grant representing in aggregate over 1% of the issued Shares.

Reasons for and benefits of the Proposed Grant to Mr. Hui

The grant of the Awards is to align the interests of the grantee with those of the Group through ownership of Shares, dividends and other distributions paid on Shares and/or the increase in value of the Shares, and to recognise the contributions made by the grantee and to provide incentives for the long-term commitment of the grantee, thereby fostering the sustainable development of the Group.

The Board considers that the reasons and basis for the Proposed Grant to Mr. Hui is to (i) serve as a recognition and appreciation of Mr. Hui's dedication, significant efforts and contribution to the Group, who have played a crucial role in leading the Group to achieve corporate goals and development for the year ended 31 March 2023, (ii) motivate Mr. Hui to continue enhancing the value of the Company and the Shares for the benefit of the Company and the Shareholders as a whole by leveraging his expertise and extensive experience in investment and capital markets, and (iii) provide incentive for Mr. Hui to maintain his ongoing commitment and make further contributions to the growth of the Group in the future. The management of and continued contribution to the Group's overall business and development and operations provided by Mr. Hui are of critical importance to the development and growth of the Group.

According to the Company's existing remuneration policies, in determining the amount of remuneration payable (including equity incentives), the Board will take into account different factors such as experience, responsibility, workload, and the time dedicated to the Group on an individual basis. The Board may grant Awarded Shares or other incentives as available to the employees of the Company as part of their remuneration packages. In determining the number of Awarded Shares granted to Mr. Hui, the Board considered different factors such as the total remuneration package (which includes the salary and bonus as well as number of Awarded Shares) received by Mr. Hui for the previous year as the baseline, and adjusted his remuneration package based on his time dedicated to the Group, duties, responsibilities, achievements and contributions.

LETTER FROM THE BOARD

When determining the number of Awarded Shares granted to Mr. Hui, the Board also considered his role as executive Director and chief executive officer of the Company, and his background and experience. Mr. Hui is currently responsible for overseeing overall business and development and operations of the Group. Prior to joining the Group, Mr. Hui has more than 25 years of experience in investment and capital markets. He currently also serves as an external supervisor for China Bohai Bank Co., Ltd., a company listed on the Main Board of the Stock Exchange (stock code: 9668) since December 2019. He served as the secretary of the board of directors of Wanda Commercial Properties Company Limited (“WCP”) (萬達商業地產股份有限公司) from September 2015 to February 2019. He also served as a non-executive director of Wanda Hotel Development Company Limited (萬達酒店發展有限公司), which is a subsidiary of WCP and is listed on the Main Board of the Stock Exchange (stock code: 169), from November 2017 to February 2019. Prior to joining WCP, Mr. Hui served as a founding partner of J&Partners GP Limited from December 2011 to September 2015. From July 2001 to July 2010, he worked at Barclays Investment Bank where he served as a managing director of Investment Banking Division. He also served as a director of New China Trust Co., Ltd. (新華信託股份有限公司) from November 2009 to October 2010, a director of Deutsche Bank in Asia Pacific from March 1996 to July 2001, and a vice president of the Debt Markets of Merrill Lynch (Asia Pacific) Limited from May 1994 to February 1996.

With his extensive experience in investment and capital markets, the Board believed that Mr. Hui can bring valuable insight to the business and development of the Group and the Proposed Grant to Mr. Hui (which forms part of the remuneration package under his employment agreement with the Company) can serve to incentivise Mr. Hui to further contribute to the long-term growth of the Group by further leveraging on his industry expertise and extensive knowledge; and to align his interests with that of the Company and the Shareholders as a whole.

Further, the Board also considered the achievements of the Group led by Mr. Hui for the year ended 31 March 2023. In addition to overseeing the overall business, development and operations of the Group, Mr. Hui has been instrumental to the Group’s strategic development. In particular, Mr. Hui played a vital role in leading the Group’s expansion of its existing medical centre located in Wai Fung Plaza, Mong Kok and the establishment of the new medical centre at The ONE, Tsim Sha Tsui which commenced operations recently in early July 2023.

For the year ended 31 March 2022, the total remuneration received by Mr. Hui (as an independent non-executive Director) was amounted to HK\$27,000. For the year ended 31 March 2023, the total remuneration (including salaries and pension scheme contribution) received by Mr. Hui (as an independent non-executive Director up to 30 June 2022, and as an executive Director and the chief executive officer of the Company from 1 July 2022) was amounted to HK\$2,177,000.

LETTER FROM THE BOARD

The remuneration committee of the Company has considered the Proposed Grant to Mr. Hui (including but not limited to the final number of Awarded Shares granted, the vesting schedule and the Awards granted without performance targets), and is of the view that the terms and conditions of such grant will provide a market competitive remuneration package to Mr. Hui, is appropriate and align with the purposes of the Share Award Plan, in order to recognise and reward the contributions made by Mr. Hui, to the growth and development of the Group and can incentivise and retain his talent for the continuous operations, development and long-term growth of the Group. The remuneration committee of the Company is of the view that performance target is not necessary as the Proposed Grant to Mr. Hui (i) aligns the interests of Mr. Hui with those of the Company and the Shareholders; (ii) recognises and rewards Mr. Hui for his past contributions to the Company; (iii) motivates Mr. Hui to commit himself to the continual operation, development and long-term growth of the Group; and (iv) reinforces his commitment to the long-term services within the Group, which is therefore consistent with the purposes of the Share Award Plan (i.e. to recognise and reward the contribution of eligible participants to the growth and development of the Group, to give incentives thereto 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), after taking into account the following factors: (a) the Proposed Grant to Mr. Hui forms part of his remuneration; (b) the value of the Awarded Shares is linked to the future Share price which is in turn linked to the operational and financial performance of the Group; (c) Mr. Hui has direct contributions to and is responsible for the operation, growth and corporate governance of the Group and is in charge of the management of the Group; and (d) the number of Awarded Shares granted to Mr. Hui has been based on his ability and historical contributions and performance, the role within the Group and the future potential contributions to the Group.

Having considered the above, the Board (including all the independent non-executive Directors, and excluding Mr. Hui) are of the view that the Proposed Grant to Mr. Hui is appropriate remuneration and incentive for Mr. Hui's past and future contribution to the Group.

Therefore, the Board (including all the independent non-executive Directors, and excluding Mr. Hui) considers that the Proposed Grant to Mr. Hui and its terms are fair and reasonable and in the interests of the Company and the Shareholders as a whole, and would therefore recommend Shareholders to vote in favour of the resolution to be proposed at the Annual General Meeting.

Effect on the shareholding structure of the Company

As at the Latest Practicable Date, the Company had 528,125,000 Shares in issue. The Company does not have other classes of securities, derivatives, warrants or other securities which are convertible or exchangeable into Shares.

LETTER FROM THE BOARD

Set out below is a table showing the shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) immediately after the allotment and issue of the Awarded Shares, assuming that there is no other change to the share capital and shareholding structure of the Company from the Latest Practicable Date up to the proposed date for allotment and issue of such new Shares:

Name of Shareholders	As at the Latest Practicable Date ⁽¹⁾		Immediately after the allotment, issue and full vesting of the Awarded Shares ⁽¹⁾	
	Number of Shares	Approximate %	Number of Shares	Approximate %
<i>Substantial Shareholders</i>				
Clear Lead Ventures Limited ⁽²⁾	165,775,126	31.39	165,775,126	29.58
WuXi AppTec (HongKong) Limited ⁽³⁾	78,125,196	14.79	78,125,196	13.94
<i>Directors</i>				
Tse Wai Ip ⁽⁴⁾	108,949,630	20.63	108,949,630	19.44
Hui Yung Chris	—	—	5,000,000	0.89
Wu Ting Yuk Anthony	3,749,812	0.71	3,749,812	0.67
Lo Tsz Hong	1,850,000	0.35	1,991,250	0.36
Ng Roy ⁽⁵⁾	4,500,000	0.85	4,500,000	0.80
<i>Other Selected Participants</i>				
Service Providers	—	—	26,088,740	4.65
Other selected employees	—	—	4,226,250	0.75
Trustee ⁽⁶⁾	3,100,000	0.59	—	—
Other public Shareholders	<u>162,075,236</u>	<u>30.69</u>	<u>162,075,236</u>	<u>28.92</u>
Total	<u>528,125,000</u>	<u>100.00</u>	<u>560,481,240</u>	<u>100.00</u>

Notes:

- (1) All interests stated are long positions.
- (2) Clear Lead Ventures Limited is wholly owned by 3W Partners Fund I L.P.; and 3W Partners Fund I L.P. is managed by 3W Partners GP Limited as its general partner and is ultimately controlled by Mr. Goh Lu Hong and Mr. Chan Hoi Hin William, who indirectly hold majority of the equity interests of 3W Partners GP Limited.
- (3) WuXi AppTec (HongKong) Limited is wholly owned by 無錫藥明康德新藥開發股份有限公司 WuXi AppTec Co., Ltd.*. WuXi AppTec Co. Ltd. is a joint stock limited company established in the PRC, the A shares of which are listed on the Shanghai Stock Exchange (stock code: 603259) and the H shares of which are listed on the Main Board of the Hong Kong Stock Exchange (stock code: 2359).
- (4) Including (i) 1,443,750 Shares held directly by Dr. Tse Wai Ip, and (ii) 107,505,880 Shares held by Ultimate Bliss Limited, which is wholly owned by Prime Sage International Limited which is in turn wholly owned by TMF (Cayman) Ltd. under the Awareness Trust. The Awareness Trust is a discretionary trust established by Dr. Tse Wai Ip (as the settlor and protector), the discretionary beneficiaries of which include Dr. Tse Wai Ip and his family members.

* The English translation of entity and Company name in Chinese or another language which are marked with "*" is for identification purpose only. If there is any inconsistency between the Chinese names of entities or enterprises and their English translations, the Chinese names shall prevail.

LETTER FROM THE BOARD

- (5) Mr. Ng Roy is deemed to be interested in the 4,500,000 Shares held by his spouse by virtue of the SFO.
- (6) 3,100,000 Shares have been purchased by the Trustee on the market holding these Shares in trust for the satisfaction of vesting of the Awarded Shares under Share Award Plan. In addition to the Shares purchased by the Trustee, the Awarded Shares granted to the grantees will also be satisfied by the Company allotting and issuing 32,356,240 new Shares to the Trustee to hold on trust until such Awarded Shares are vested with the relevant grantees in accordance with the rules of the Share Award Plan.

ANNUAL GENERAL MEETING

A notice of the Annual General Meeting is set forth on pages 27 to 31 of to this circular. At the Annual General Meeting, resolutions will be proposed to approve, among other things, (i) the grant of the Repurchase Mandate, (ii) the grant of the General Mandate, (iii) the extension of the General Mandate by the aggregate number of shares repurchased under the Repurchase Mandate, (iv) the re-election of retiring Directors and (v) the appointment of auditor, and the grant of the Awarded Shares to a Director.

To the extent that the Company is aware having made all reasonable enquiries, as at the Latest Practicable Date, (i) each of Mr. Hui and his associates is not interested in any Shares or underlying Shares, (ii) the Controlling Shareholders together hold an aggregate of 165,775,126 Shares, representing approximately 31.39% of the total number of issued Shares, (iii) WuXi AppTec (HongKong) Limited holds an aggregate of 78,125,196 Shares, representing approximately 14.79% of the total number of issued Shares, (iv) Dr. Tse Wai Ip (executive Director) and his associates are interested in a total of 108,949,630 Shares for the purposes of the SFO, representing approximately 20.63% of the total number of issued Shares, (v) Mr. Wu Ting Yuk Anthony (non-executive Director and Chairman of the Board) holds 3,749,812 Shares, representing approximately 0.71% of the total number of issued Shares, (vi) Mr. Lo Tsz Hong (executive Director) holds 1,850,000 Shares, representing approximately 0.35% of the total number of issued Shares, and (vii) Mr. Ng Roy (non-executive Director) and his associates are interested in 4,500,000 Shares for the purposes of the SFO, representing approximately 0.85% of the total number of issued Shares.

Save for the aforementioned core connected persons (as defined in the Listing Rules) of the Company, who are required to abstain from voting (to the extent applicable) in favour on the resolution in respect of the Proposed Grant to Mr. Hui at the Annual General Meeting, to the extent that the Company is aware having made all reasonable enquiries as at the Latest Practicable Date, no other Shareholder has any material interest in the Proposed Grant to Mr. Hui and is required to abstain from voting in favour of the said resolution at the Annual General Meeting. As at the Latest Practicable Date, none of the Shareholders who are required to abstain from voting in favour of the resolution approving the Proposed Grant to Mr. Hui have given the Company notice of their intention to vote against the said resolution at the Annual General Meeting.

To the best of the Directors' knowledge, information and belief, none of the Shareholders is required to abstain from voting on any other resolutions to be proposed at the Annual General Meeting.

LETTER FROM THE BOARD

The Annual General Meeting will be held at L11, The ONE, 100 Nathan Road, Tsim Sha Tsui, Kowloon, Hong Kong on Wednesday, 20 September 2023, at 10:30 a.m..

PROXY ARRANGEMENT

A form of proxy for the Annual General Meeting is enclosed with this circular. To be valid, the form of proxy must be completed in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power of attorney or authority, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, as soon as possible and in any event not later than 48 hours before the time appointed for holding the Annual General Meeting (i.e. not later than Monday, 18 September 2023 at 10:30 a.m.) or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Annual General Meeting or any adjournment thereof (as the case may be) should you so wish and in such event, the form of proxy shall be deemed to be revoked.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members will be closed from Friday, 15 September 2023 to Wednesday, 20 September 2023 (both days inclusive), during which period no transfer of Shares will be effected in order to determine the entitlement to attend and vote at the Annual General Meeting. All share transfers accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Thursday, 14 September 2023 for such purpose.

VOTING BY WAY OF A POLL

According to Rule 13.39(4) of the Listing Rules and the Articles, any vote of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Therefore, poll voting for all proposed resolutions of the Company will be adopted with at the Annual General Meeting.

The poll results will be published on the websites of the Stock Exchange and the Company after conclusion of the Annual General Meeting.

RECOMMENDATION

The Board is of the opinion that the grant of the Repurchase Mandate and the General Mandate, the extension of the General Mandate by the aggregate number of shares repurchased under the Repurchase Mandate, the proposed re-election of retiring Directors, the appointment of the auditor and the grant of Awarded Shares to a Director are in the best interests of the Company and the Shareholders as a whole and accordingly recommend all the Shareholders to vote in favour of the relevant Ordinary Resolutions to be proposed at the Annual General Meeting.

LETTER FROM THE BOARD

RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief:

- (a) the information contained in this circular is accurate and complete in all material respects and not misleading;
- (b) there are no other matters the omission of which would make any statement in this circular misleading; and
- (c) all opinion expressed in this circular have been arrived at after due and careful consideration and are found on bases and assumptions that are fair and reasonable.

By order of the Board
Clarity Medical Group Holding Limited
WU Ting Yuk Anthony
Non-executive Director and Chairman

This appendix contains particulars that are required by the Listing Rules to be included in an explanatory statement to enable the Shareholders to make an informed decision on whether to vote for or against the resolutions to be proposed at the Annual General Meeting in relation to the Repurchase Mandate.

PROPOSED REPURCHASE MANDATE

It is proposed that the Directors be granted the Repurchase Mandate such that they may exercise the powers of the Company to repurchase up to 10% of the total number of the Shares in issue as of the date of passing of the relevant resolution. As of the Latest Practicable Date, the total number of the Shares in issue was 528,125,000 and they were all fully paid up or credited as fully paid-up. Accordingly, the exercise of the Repurchase Mandate in full (being the repurchase of 10% of the total number of the Shares in issue as of the date of the passing of the resolution to approve the Repurchase Mandate) would enable the Company to repurchase a maximum of 52,812,500 Shares (assuming no Share is issued or repurchased after the Latest Practicable Date and up to the date of passing of the relevant resolution).

REASONS FOR REPURCHASES

The Directors believe that the Repurchase Mandate is in the best interests of the Company and its Shareholders. Whilst it is not possible to anticipate in advance any specific circumstance in which the Directors might think it appropriate to repurchase Shares, the Directors believe that an ability to do so would give the Company additional flexibility that would be beneficial to the Company and the Shareholders as such repurchases may, depending on market conditions and funding arrangements at that time, lead to an enhancement of the net asset value for each Share and/or earnings for each Share. Shareholders can be assured that the Directors would only make such purchases in circumstances where they consider them to be in the best interests of the Company.

FUNDING OF REPURCHASES

In making repurchases, the Company proposes to apply funds legally available for such purpose in accordance with its memorandum of association, the Articles, the Listing Rules and the Companies Act. Under the Companies Act, Shares repurchased by the Company may only be paid out of profits or out of the proceeds of a fresh issue of Shares made for the purpose, or, if so authorised by its memorandum of association, the Articles and subject to the Companies Act, out of capital. Any premium payable on share repurchases may only be paid out of profits of the Company or out of the Company's Share premium account, or, if so authorised by the Articles and subject to the Companies Act, out of capital. In accordance with the Companies Act, the Shares so repurchased would remain part of the authorised but unissued share capital of the Company.

IMPACT OF REPURCHASE

As compared with the financial position of the Company as of 31 March 2023 (being the date of its latest audited financial statements), the Directors consider that there may be a material adverse impact on the working capital or gearing position of the Company if the Repurchase Mandate is exercised in full during the proposed repurchase period. However, the Directors do not intend to exercise the Repurchase Mandate to such extent as it would, in the circumstances, have a material adverse effect on the working capital or the gearing level of the Company (as compared with the position disclosed in its most recent published audited financial statements) which in the opinion of the Directors are from time to time appropriate for the Company.

PRICE OF SHARES

During each of the previous twelve months up to the Latest Practicable Date, the highest and lowest prices at which the Shares have been traded on the Stock Exchange were as follows:

	Share price	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2022		
June	1.23	1.05
July	1.16	0.95
August	1.61	1.00
September	1.56	1.00
October	1.27	0.98
November	1.30	0.97
December	1.08	0.93
2023		
January	1.27	0.96
February	1.23	1.00
March	1.16	0.85
April	1.30	0.87
May	1.20	0.91
June	0.95	0.80
July (up to the Latest Practicable Date)	0.92	0.83

UNDERTAKING

None of the Directors nor, to the best of their knowledge and belief having made all reasonable enquiries, any of their close associates has any present intention to sell any Shares to the Company in the event that the Repurchase Mandate is approved by the Shareholders.

As of the Latest Practicable Date, none of the core connected persons of the Company has notified the Company that he/she/it has a present intention to sell his/her/its Shares to the Company, nor has he/she/it undertaken not to do so, in the event that the Repurchase Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange that they will exercise the Repurchase Mandate in accordance with the Listing Rules, the memorandum of association of the Company, the Articles and the Companies Act.

TAKEOVERS CODES

If on the exercise of the power to repurchase Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of rule 32 of the Takeovers Codes. As a result, a Shareholder, or group of Shareholders acting in concert depending on the level of increase of the Shareholders' interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with rule 26 of the Takeovers Codes.

As of the Latest Practicable Date, the Controlling Shareholders together held an aggregate of 165,775,126 Shares, representing approximately 31.39% of the total number of the Shares in issue.

In the event that the Directors exercise in full the power to repurchase Shares which is proposed to be granted, then (if the present shareholdings otherwise remained the same) the equity interests in the Company held by the Controlling Shareholders would increase to approximately to 34.88% of the total number of Shares in issue.

The Directors are not aware of any consequence under the Takeovers Codes as a result of a repurchase of Shares made under the Repurchase Mandate and have no present intention to exercise the power to repurchase Shares pursuant to the Repurchase Mandate to such an extent as to result in takeover obligations.

The Directors have no intention to make share repurchase on the Stock Exchange to such extent as may result in the public shareholding becoming less than the prescribed minimum percentage under the Listing Rules.

SHARE REPURCHASES MADE BY THE COMPANY

There was no repurchase by the Company, or any of its subsidiaries, of any listed securities of the Company during the six months immediately preceding the Latest Practicable Date.

**RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED AT THE ANNUAL
GENERAL MEETING**

Set forth below is a summary of the biographical information on the retiring Directors proposed to be re-elected at the Annual General Meeting.

Mr. Lo Tsz Hong, Mr. Wu Ting Yuk Anthony, and Mr. Li Michael Hankin shall retire from office by rotation and, being eligible, will offer themselves for re-election at the Annual General Meeting in accordance with Article 84 of the Articles.

Executive Director

Mr. Lo Tsz Hong (盧子康), aged 45, was appointed as an executive Director on 20 March 2019 and he is also our general manager responsible for the overall business administration and coordination of our Group. Mr. Lo completed a diploma programme in Business Studies at the Caritas Institute for Further and Adult Education in July 1997 and subsequently attended three business and accounting-related part time courses in the Hong Kong College of Technology from March 2002 to March 2004 and passed several accounting professional examinations. He has over 17 years' experience in the accounting and administrative area and has been working with our Group since November 2005. Prior to joining our Group, he worked as an accountant in Danica Limited, a company principally engaged in catering business and operating under the brand name of Uncle Russ Coffee, from September 2001 to July 2005. Mr. Lo is also a director of various subsidiaries of the Company.

Save as disclosed above, Mr. Lo has no relationship with any Directors, senior management or substantial shareholders (as defined in the Listing Rules) or Controlling Shareholders of the Company.

Save as disclosed above, Mr. Lo does not hold any other positions with the Company or other members of the Group.

Mr. Lo has not held any directorship in other listed public companies in the last three years.

Non-Executive Directors

Mr. Wu Ting Yuk Anthony GBS, JP (胡定旭), aged 68, was appointed as a non-executive Director on 20 March 2019, and he is also the chairman of our Company and the chairman of Nomination Committee. He is responsible for providing strategic guidance for the overall development of our Group. Mr. Wu joined the Hospital Authority in December 1999 and was formerly its chairman from October 2004 to November 2013. He led the team of the Hospital Authority to manage all public hospitals and public clinics in Hong Kong and implement the public health policy of the Hong Kong SAR Government. Mr. Wu was a partner of Ernst & Young (“EY”) from July 1985 to December 2005, and served as the chairman of EY Far East and China Practice from January 2000 to December 2005. Mr. Wu is currently also the principal advisor to the State Administration of Traditional Chinese Medicine of the People’s Republic of China and a member of the Chinese Medicine Reform and Development Advisory Committee.

Mr. Wu also served as a member of the 12th and 13th Standing Committee of the Chinese People’s Political Consultative Conference National Committee and the Task Force on Land Supply of Hong Kong SAR from September 2017 to February 2019, and has been awarded the Gold Bauhinia Star and Justice of the Peace by the Government of Hong Kong. Mr. Wu was a member of the Chief Executive’s Council of Advisers on Innovation and Strategic Development. Mr. Wu is a non-practising fellow member of Hong Kong Institute of Certified Public Accountants and the Institute of Chartered Accountants in England and Wales, and the honorary chairman of the Institute of Certified Management Accountants (Australia) Hong Kong Branch. Between 2010 and 2012, he was the chairman of the General Committee of the Hong Kong General Chamber of Commerce.

He is also the chief advisor to MUFG Bank, Ltd., the chairman of the board of Trustees of China Oxford Scholarship Fund, an honorary professor of the Faculty of Medicine of the Chinese University of Hong Kong and the Peking Union Medical College Hospital, and an honorary fellow of the Hong Kong College of Community Medicine.

Mr. Wu has directorships in certain Hong Kong listed companies. He was chairman of China Resources Medical Holdings Company Limited (華潤醫療控股有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 1515) from August 2018 to April 2021 and he served as an independent non-executive director of Guangdong Investment Limited (粵海投資有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 0270) from August 2012 to June 2022, and he is an independent non-executive director of China Resources Medical Holdings Company Limited (華潤醫療控股有限公司), Ocumension Therapeutics (歐康維視生物), a company listed on the Main Board of the Stock Exchange (stock code: 1477), Power Assets Holdings Limited (電能實業有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 0006), China Taiping Insurance Holdings Company (中國太平保險控股有限公司) Limited, a company listed on the Main Board of the Stock Exchange (stock code: 0966), CStone Pharmaceuticals (基石藥業), a company listed on the Main Board of the Stock Exchange (stock code: 2616), Venus Medtech (Hangzhou) Inc. (杭州啟明醫療器械股份有限

公司), a company listed on the Main Board of the Stock Exchange (stock code: 2500) and Sing Tao News Corporation Limited (星島新聞集團有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 1105). Mr. Wu was also appointed as an independent non-executive director of Hui Xian Real Estate Investment Trust (匯賢產業信託) (stock code: 87001) since November 2022.

Notwithstanding Mr. Wu holds nine listed company directorships, Mr. Wu confirmed that he would devote sufficient time to act as a non-executive Director and chairman of the Board based on the following:

- Mr. Wu is neither a full-time member of the abovementioned companies nor involved in the day-to-day operations or management of such companies. As such, he has no executive and management responsibility therein;
- he is not a chief executive officer or full-time executive director of any listed company; and
- with his background and experience, Mr. Wu is full aware of the responsibilities and expected time involvement for a non-executive Director and chairman of the Board. He has sufficient understanding of his role as directorships in different listed companies and of estimating the time required for attending to the affairs of each listed company. He has not found difficulties in devoting to and managing his time with numerous companies and he is confident that with his experience in being responsible for several roles, he will be able to discharge his duties to the Company.

Based on the foregoing, the Directors are of the view that the various positions currently held by Mr. Wu will not result in Mr. Wu not having sufficient time to act as a non-executive Director and chairman of the Board or not properly discharging his fiduciary duties as a Director.

Mr. Wu has no relationship with any Directors, senior management or substantial shareholders (as defined in the Listing Rules) or Controlling Shareholders of the Company.

Save as disclosed above, Mr. Wu does not hold any other positions with the Company or other members of the Group.

Save as disclosed above, Mr. Wu has not held any directorship in other listed public companies in the last three years.

Independent Non-executive Director

Mr. Li Michael Hankin (李恆健), aged 59, was appointed as an independent non-executive Director on 20 March 2019 and he is also the chairman of the Audit Committee, a member of the Remuneration Committee and the Nomination Committee. He is responsible for supervising and providing independent advice to our Board. Mr. Li

obtained a bachelor's degree in accountancy from California State University at Los Angeles in June 1985, and a master's degree in business administration degree from Columbia University, New York in May 1992. Mr. Li is a member of the American Institute of Certified Public Accountants. He has more than 28 years' experience in financial and accounting matters, which include *inter alia*, fundraising, mergers and acquisitions and business development.

During the period from January 1986 to August 1990, Mr. Li worked at Deloitte Haskins & Sells (now known as Deloitte Touche Tohmatsu) in the U.S. From March 1994 to June 2004, Mr. Li was the executive director (corporate finance) at BNP Paribas Capital (Asia Pacific) Limited. Mr. Li was a managing director at GoldBond Capital (Asia) Limited, a non-bank financial service provider from July 2004 to September 2005; a managing director (investment banking) of Rothschild (Hong Kong) Limited, a financial services company from March 2007 to May 2011; the general manager of investor relations and mergers and acquisitions of Newton Resources Limited, a trading company of iron ores and other construction materials listed on the Main Board of the Stock Exchange (stock code: 1231) in 2013; the head of corporate finance of GCL-Poly Energy Holdings Limited, a green energy supplying company listed on the Main Board of the Stock Exchange (stock code: 3800) from January 2014 to June 2015; and the deputy general manager of Shougang Concord Grand (Group) Limited, a financial services company listed on the Main Board of the Stock Exchange (stock code: 730) from November 2017 to August 2019. He served as an independent non-executive director of Huiyin Smart Community Co., Ltd. (now known as Qidian International Co., Ltd.), a company listed on the Main Board of the Stock Exchange (stock code: 1280) from August 2017 to June 2018.

He has been an independent non-executive director of COFCO Meat Holdings Limited (now known as COFCO Joycome Foods Limited), a company listed on the Main Board of the Stock Exchange (stock code: 1610) since May 2016. He has been an independent non-executive director, the chairman of the audit committee, and a member of each of the nomination committee, the remuneration committee and the sustainability committee of China Mengniu Dairy Company Limited, a company listed on the Main Board of the Stock Exchange (stock code: 2319) since December 2021.

Mr. Li meets the independence guidelines set out in Rule 3.13 of the Listing Rules and the Company has received his written independence confirmation. The Board considers him to be independent.

Mr. Li has no relationship with any Directors, senior management or substantial shareholders (as defined in the Listing Rules) or Controlling Shareholders of the Company.

Save as disclosed above, Mr. Li does not hold any other positions with the Company or other members of the Group.

Save as disclosed above, Mr. Li has not held any directorship in other listed public companies in the last three years.

Disclosure of interests

As of the Latest Practicable Date, the interests and short positions of the retiring Directors in the Shares, underlying Shares and debentures of the Company which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions), or would be required, pursuant to section 352 of the SFO, to be entered in the register required to be kept therein, or would be required pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers set forth in the Listing Rules to be notified to the Company and the Stock Exchange, were as follows:

Long and short positions in the Shares and underlying Shares of the Company

Name of Directors	Nature of Interests	Interest in issued Shares <i>(Note 1)</i>	Approximately percentage of shareholding in our Company (%)
Wu Ting Yuk Anthony	Beneficial owner	3,749,812 (L)	0.71%
Lo Tsz Hong	Beneficial owner	1,850,000 (L)	0.35%

Notes:

1. The letter “L” represents the individual’s long positions in Shares.
2. As of the Latest Practicable Date the number of issued ordinary Shares of the Company was 528,125,000, which has been used for the calculation of the approximately percentage of shareholding in our Company.

Save as disclosed above, so far as the Directors are aware as of the Latest Practicable Date, the retiring Directors did not have any other interests in Shares or underlying Shares within the meaning of Part XV of the SFO.

Particulars of letters of service agreements and/or letters of appointment of Directors

Mr. Lo Tsz Hong entered into a service agreement with the Company. Particulars of the agreement are summarized below:

- (i) service agreement is of a term of three years commencing on 18 February 2022 and shall continue thereafter until terminated in accordance with the terms of the agreement. Under the agreement, either party may terminate the agreement at any time by giving to the other not less than 3 months' prior written notice; and
- (ii) Mr. Lo Tsz Hong is entitled to an annual remuneration of HK\$663,000 for his appointment as general manager of the Group. Mr. Lo shall not be entitled to any further remuneration in his capacity as an executive Director, except for the remuneration payable to him as general manager of the Group.

Mr. Wu Ting Yuk Anthony entered into a letter of appointment with the Company. Particulars of the letter of appointment are summarised below:

- (i) appointment is of a term of three years commencing on 18 February 2022 and shall continue thereafter until terminated in accordance with the terms of the letter of appointment. Under the letter of appointment, either party may terminate the letter of appointment at any time by giving the other not less than 3 months' prior written notice. He is subject to retirement by rotation and re-election at the Annual General Meeting in accordance with the Articles.
- (ii) Mr. Wu is entitled to receive an annual remuneration of HK\$480,000.

Mr. Li Michael Hankin entered into a letter of appointment with the Company. Particulars of the letter of appointment are summarised below:

- (i) appointment is of a term of three years commencing on 18 February 2022 and shall continue thereafter until terminated in accordance with the terms of the letter of appointment. Under the letter of appointment, either party may terminate the letter of appointment at any time by giving the other not less than 3 months' prior written notice. He is subject to retirement by rotation and re-election at the Annual General Meeting in accordance with the Articles.
- (ii) Mr. Li is entitled to receive an annual remuneration of HK\$240,000 as an independent non-executive Director.

Policy on Directors' emolument

Emoluments of the executive Directors are determined with reference to the basis of the relevant executive Director's experience, responsibility, workload, and time devoted to the Group.

Emoluments of the non-executive Directors and independent non-executive Directors are determined with reference to their duties and responsibilities, and their mutual agreement with the Company.

Other information

Save as disclosed above, there are no other matters concerning the retiring Directors that need to be brought to the attention of the Shareholders and there is no other information which is required to be disclosed pursuant to the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules.



CLARITY MEDICAL GROUP HOLDING LIMITED

清晰醫療集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1406)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that an annual general meeting (the “**Annual General Meeting**”) of Clarity Medical Group Holding Limited (the “**Company**”) will be held at L11, The ONE, 100 Nathan Road, Tsim Sha Tsui, Kowloon, Hong Kong on Wednesday, 20 September 2023, at 10:30 a.m. for the following purposes:

ORDINARY BUSINESS

1. To receive and consider the audited consolidated financial statements and the reports of the directors (the “**Director(s)**”) and the auditor (the “**Auditor**”) of the Company, Ernst & Young, for the financial year ended 31 March 2023;
2. (A) (i) To re-elect Mr. Lo Tsz Hong as an executive Director;
(ii) To re-elect Mr. Wu Ting Yuk Anthony *GBS, JP* as a non-executive Director;
(iii) To re-elect Mr. Li Michael Hankin as an independent non-executive Director;
(B) to authorise the board of Directors (the “**Board**”) to determine the remuneration of the Directors;
3. To appoint Ernst & Young as the Auditor and to authorise the Board to fix its remuneration;
4. To consider and, if thought fit, pass with or without amendments the following resolution as an ordinary resolution of the Company:

“**THAT** the proposed grant of 5,000,000 Awarded Shares to Mr. Hui Yung Chris (“**Mr. Hui**”) in accordance with the terms of the share award plan of the Company adopted on 23 November 2022, subject to all applicable laws, rules, regulations and the applicable grant letter, be and is hereby approved and confirmed and **THAT** any Director, with the exception of Mr. Hui, be and is hereby authorised to

NOTICE OF ANNUAL GENERAL MEETING

do all such further acts on behalf of the Company as he/she may consider necessary, desirable or expedient for the purpose of, or in connection with the implementation and completion of the transactions contemplated pursuant to the proposed share award grant to Mr. Hui.”

SPECIAL BUSINESS

5. To consider and, if thought fit, pass with or without amendments the following resolutions as ordinary resolutions of the Company:

5A. **“THAT:**

- (a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as defined in paragraph (d) below) of all the powers of the Company to repurchase issued ordinary shares of the Company of HK\$0.01 each (the **“Shares”**) on The Stock Exchange of Hong Kong Limited (the **“Stock Exchange”**) or on any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws, the memorandum and articles of association of the Company (the **“Articles”**) and requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the **“Listing Rules”**), as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) shall be in addition to any other authorisations given to the Directors and shall authorise the Directors on behalf of the Company during the Relevant Period to procure the Company to repurchase its Shares at a price determined by the Directors;
- (c) the number of Shares to be repurchased by the Directors pursuant to the approval in paragraph (a) above shall not exceed 10% of the total number of the Shares in issue as of the date of passing of this resolution, and the said approval shall be limited accordingly; and
- (d) for the purpose of this resolution:

“Relevant Period” means the period from the date of passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
or
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by any applicable laws or the Articles to be held; or

NOTICE OF ANNUAL GENERAL MEETING

(iii) the date upon which the authority set forth in this resolution is revoked or varied by way of an ordinary resolution of the shareholders of the Company in general meeting.”

5B. “**THAT:**

- (a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as defined in paragraph (d) below) of all the powers of the Company to allot, issue and otherwise deal with additional Shares or securities convertible into Shares and to make or grant offers, agreements, options and rights of exchange or conversion which might require the exercise of such powers, subject to and in accordance with all applicable laws, the Articles and the Listing Rules, be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above, shall be in addition to any other authorisations given to the Directors and shall authorise the Directors during the Relevant Period to make or grant offers, agreements, options (including bonds, warrants, debentures and other securities convertible into Shares) and rights of exchange or conversion which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate number of the Shares allotted, issued or otherwise dealt with or agreed conditionally or unconditionally to be allotted, issued or otherwise dealt with (whether pursuant to an option or otherwise) by the Directors pursuant to the approval granted in paragraph (a) above, otherwise than pursuant to (i) a rights issue (as defined in paragraph (d) below), or (ii) the exercise of any options granted under the share option schemes or similar arrangement for the time being adopted or to be adopted for the grant or issue to officers and/or employees of the Company and/or its subsidiaries, of options to subscribe for, or rights to acquire Shares of the Company approved by the Stock Exchange, or (iii) any scrip dividend or similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on Shares of the Company in accordance with the Articles, shall not exceed 20% of the total number of the Shares in issue as of the date of passing of this resolution, and the said approval shall be limited accordingly; and
- (d) for the purpose of this resolution:

“**Relevant Period**” shall have the same meaning as ascribed to it under the resolution set forth in resolution No. 5A(d) above; and

“**Rights issue**” means the allotment, issue or grant of Shares open for a period fixed by the Directors to holders of the Shares or any class of Shares thereof on the register of members on a fixed record date in proportion to their then holdings of such Shares or of such class thereof (subject to such exclusions or other arrangements as the Directors may

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deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction, or the requirements of any recognised regulatory body or any stock exchange in, any territory applicable to the Company).”

5C. “**THAT:**

conditional upon the passing of resolutions Nos. 5A and 5B, the general mandate granted to the Directors pursuant to resolution No. 5B be and is hereby extended by the addition thereto an amount representing the aggregate number of Shares repurchased by the Company under the authority granted pursuant to the resolution No. 5A, PROVIDED THAT such amount shall not exceed 10% of the total number of the Shares in issue as of the date of passing of this resolution.”

By order of the Board
Clarity Medical Group Holding Limited
WU Ting Yuk Anthony
Non-executive Director and Chairman

Hong Kong, 31 July 2023

Notes:

1. Any member entitled to attend and vote at the Annual General Meeting is entitled to appoint another person as his or her or its proxy to attend and vote instead of him or her or it. A member may appoint a proxy in respect of only part of his or her or its holding of Shares. A proxy need not be a shareholder of the Company.
2. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his or her attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer or attorney duly authorised to sign the same. In the case of an instrument of proxy purporting to be signed on behalf of a corporation by an officer thereof it shall be assumed, unless the contrary appears, that such officer was duly authorised to sign such instrument of proxy on behalf of the corporation without further evidence of the facts.
3. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed, or a certified copy of such power of attorney or authority, must be deposited at Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding the annual general meeting (i.e. not later than Monday, 18 September 2023 at 10:30 a.m.) or any adjournment thereof.
4. Delivery of an instrument appointing a proxy shall not preclude a shareholder of the Company from attending and voting in person at the Annual General Meeting and in such event, the instrument appointing a proxy shall be deemed to be revoked.

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5. Where there are joint holders of any Share any one of such joint holders may vote, either in person or by proxy, in respect of such Share as if he were solely entitled thereto, but if more than one of such joint holders be present at the Annual General Meeting the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint shareholding.
6. The register of members of the Company will be closed from Friday, 15 September 2023 to Wednesday, 20 September 2023 (both days inclusive), during which period no transfer of Shares will be effected in order to determine the entitlement to attend and vote at the Annual General Meeting. All share transfers accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Thursday, 14 September 2023 for such purpose.
7. As at the date of this notice, the Board comprises Mr. HUI Yung Chris, Dr. TSE Wai Ip and Mr. LO Tsz Hong as executive Directors, Mr. WU Ting Yuk Anthony as Chairman and non-executive Director, Mr. NG Roy and Ms. ZHAO Wei as non-executive Directors and Mr. LI Michael Hankin, Mr. MA Wai Hung Vincent and Professor LAU Wan Yee Joseph as independent non-executive Directors.
8. Unless the context otherwise requires, capitalized terms used herein shall have the same meaning as those defined in the circular of the Company dated 31 July 2023.