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Wan Kei Group Holdings Limited

宏基集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1718)

ADOPTION OF SHARE AWARD SCHEME

The Board is pleased to announce that on 30 June 2020, it has resolved (i) to adopt the Scheme to recognise the contributions by Participants and to provide them with incentives in order to retain them for the continual operation and development of the Group; and (ii) to attract suitable personnel for further development of the Group.

The Scheme shall be subject to administration of the Board and the Trustee in accordance with the rules of the Scheme and the Trust Deed.

Given that the Scheme does not constitute a share option scheme or an arrangement analogous to a share option scheme for the purpose of Chapter 17 of the Listing Rules. No Shareholders' approval is required to adopt the Scheme.

THE SHARE AWARD SCHEME

The Board wishes to announce that it has adopted the Scheme on 30 June 2020, being the Adoption Date. The major terms of the Scheme are summarized below.

Purposes and objectives

The purposes of the Scheme are (i) to recognise the contributions by Participants and to provide them with incentives in order to retain them for the continual operation and development of the Group; and (ii) to attract suitable personnel for further development of the Group.

Duration

Subject to any early termination as may be determined by the Board, the Scheme shall be valid and effective for a term of ten (10) years commencing on the Adoption Date.

Administration

The Scheme shall be subject to the administration of the Board and the Trustee in accordance with the rules of the Scheme and the terms of the Trust Deed. The decision of the Board with respect to any matter arising under the Scheme (including the interpretation of any provision of the Scheme) shall be final and binding. The Trustee shall hold the Trust Fund in accordance with the rules of the Scheme and the terms of the Trust Deed.

Issue of Shares and/or transfer of funds to the Trustee

Issue of new Awarded Shares under General Mandate

If the Awarded Shares are to be allotted and issued as new Shares under the General Mandate for the purpose of the Trust, the Board shall cause an amount equal to the nominal value of such new Shares to be allotted and issued be transferred from the Company's resources as soon as practicable but in any event not later than 5 Business Days prior to the allotment and issuance of such Shares as subscription monies for the new Shares and cause to issue and allot such new Shares to the Trustee, which shall be held upon trust for the relevant Selected Participant subject to the terms and conditions set out in the rules of the Scheme and the Trust Deed. The Company shall comply with the relevant Listing Rules when allotting and issuing any new Shares under General Mandate and application shall be made to the Stock Exchange for the granting of the listing of, and permission to deal in the new Shares to be issued at the time of offering the Shares.

Purchase of Awarded Shares by the Trustee

The Board may from time to time cause to be paid the Contributed Amount to the Trustee by way of settlement or otherwise contributed by the Group as directed by the Board which shall constitute part of the Trust Fund, for the purchase or subscription (as the case may be) of Shares and other purposes set out in the rules of the Scheme and the Trust Deed. The Board may from time to time give written instructions to the Trustee to purchase Shares on the Stock Exchange, specifying the maximum amount of funds to be used and the range of prices at which such Shares to be purchased. The Trustee may not incur more than the maximum amount of funds or purchase any Shares at a price falling outside the range of prices so specified unless with the prior written consent of the Board. If, for any reason, the Trustee shall not be able to purchase any or all of the Shares with the maximum amount of funds (where a the range of prices at which such Shares are to be purchased has been specified by the Board) so specified in the notice within 10 Business Days after being instructed by the Board to do so, the Trustee shall notify the Board in writing. The Board shall then decide on whether to instruct the Trustee to continue with such purchase and the conditions thereof.

Grant of Award

The Board may, from time to time, at its absolute discretion select any Participant (other than any Excluded Participant) for participation in the Scheme and determine the number of the Awarded Shares to be granted to the Selected Participants at no consideration.

Where any grant of Awarded Shares is proposed to be made to any Selected Participant who is a Director (including an independent non-executive Director), such grant must first be approved by all the members of the remuneration committee of the Company, or in the case where the grant is proposed to be made to any member of the remuneration committee, by all of the other members of the remuneration committee.

Where any grant of Awarded Shares is proposed to be made to any person who is a connected person of the Company, the Company shall comply with such provisions of the Listing Rules as may be applicable, including any reporting, announcement and/or shareholders' approval requirements, unless otherwise exempted under the Listing Rules.

Restriction

The Board shall not make any grant of Award or give instructions to the Trustee to acquire Shares for the purpose of the Trust when (a) dealings in the Shares are prohibited under any code or requirement of the Listing Rules; or (b) where such grant or instruction would breach any applicable laws from time to time. Without limiting the generality of the foregoing, no such instruction is to be given and no such grant is to be made:

- (i) after an event involving inside information in relation to affairs or securities of the Company has occurred or a matter involving inside information in relation to the securities of the Company has been the subject of a decision, until such inside information has been publicly announced in accordance with the applicable laws and the Listing Rules;
- (ii) during the period of 60 days immediately preceding the publication date of the annual results for any financial period of the Company (including the date of publication) or, if shorter, the period from the end of the relevant financial period up to the publication date of the results;

- (iii) during the period of 30 days immediately preceding the publication date of the interim results for any financial period of the Company (including the date of publication) or, if shorter, the period from the end of the relevant half-year period of the financial period up to the publication date of the results; or
- (iv) in any circumstance which is prohibited under the Listing Rules, the SFO or any other law or regulation or where any requisite approval from any governmental or regulatory authority has not been granted.

Vesting

Subject to the terms and conditions of the Scheme and the fulfilment of all vesting conditions (if any) on such Selected Participant as specified in the Scheme and the relevant grant notice, the respective Awarded Shares and the Related Income held by the Trustee on behalf of the Selected Participant shall vest in such Selected Participant in accordance with the vesting schedule as set out in the grant notice, provided that the Selected Participant remains at all times after the Award and on the relevant Vesting Date(s) an Participant of the Group.

Lapse of Award

In the event that prior to or on the Vesting Date, a Selected Participant (a) is found to be an Excluded Participant, or (b) is deemed to cease to be an Participant under the following circumstances:

- (i) where such person is an Employee and has committed any act of fraud or dishonesty or serious misconduct; or
- (ii) where such person is not an Employee and such person has breached any term of any contract entered into between such person and the Group; or
- (iii) where such person has been declared or adjudged to be bankrupt by a competent court; or
- (iv) where such person has been convicted of any criminal offence or any offence under the SFO,

the relevant Award made to such Selected Participant shall automatically lapse forthwith and the relevant Awarded Shares (including any Related Income) shall not vest on the relevant Vesting Date but shall remain part of the Trust Fund.

In respect of a Selected Participant who died or retired on or before the Vesting Date, all the Awarded Shares (and any Related Income) of the relevant Selected Participant shall be deemed to be vested on the day immediately prior to his death or to his retirement.

If there occurs an event of change in control of the Company prior to the Vesting Date, the Board shall determine at its discretion whether such Awarded Shares (and any Related Income) shall be vested in the Selected Participant and the time at which such Awarded Shares shall be vested.

Other provisions

Prior to the Vesting Date, any Award made hereunder shall be personal to the Selected Participant to whom it is made and shall not be assignable and no Selected Participant shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any other person over or in relation to the Awarded Shares (including any Related Income) referable to him pursuant to such Award.

A Selected Participant shall not have any interest or rights (including the right to receive dividends) in the Awarded Shares prior to the Vesting Date. A Selected Participant shall have no rights in the Residual Cash or Shares or such other Trust Fund or property held by the Trust.

The Trustee shall not exercise the voting rights in respect of any Shares held by it under the Trust (including but not limited to the Awarded Shares, any bonus Shares and scrip Shares).

Scheme limit

The Board shall not make any further award of Awarded Shares which will result in the nominal value of the Shares awarded by the Board under the Scheme exceeding ten per cent (10%) of the issued share capital of the Company from time to time.

The maximum number of shares which may be awarded to a Selected Participant under the Scheme shall not exceed one per cent (1%) of the issued share capital of the Company from time to time.

Alteration of the Scheme

The Scheme may be amended in any respect by a resolution of the Board provided that no such amendment shall operate to affect materially and adversely any subsisting rights of any Selected Participant in respect of his Awarded Shares which remain unvested except with the consent in writing of the majority of the Selected Participants whose Awarded Shares remained unvested on that date.

Termination

The Scheme shall terminate on the earlier of: (i) the expiry of ten years from the Adoption Date; and (ii) such date of early termination as determined by the Board by a resolution of the Board, provided that such termination shall not affect any subsisting rights of any Selected Participant.

IMPLICATIONS UNDER THE LISTING RULES

Given that the Scheme does not constitute a share option scheme or an arrangement analogous to a share option scheme for the purpose of Chapter 17 of the Listing Rules. No Shareholders' approval is required to adopt the Scheme.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the meanings ascribed to them below:

“Adoption Date”	30 June 2020, being the date on which the Scheme is adopted by the Board
“Award”	an award of Awarded Shares (together with any Related Income) by the Board to a Selected Participant pursuant to the Scheme
“Awarded Share(s)”	in respect of a Selected Participant, such number of Shares determined by the Board to be awarded to Selected Participants
“Board”	the board of directors of the Company and if the context so permits, it shall include such committee or subcommittee or person(s) as from time to time delegated with the power and authority by the board of directors of the Company to administer the Scheme
“Business Day”	a day (other than Saturday, Sunday or public holiday) on which the Stock Exchange is open for trading and on which banks are open for business in Hong Kong
“Company”	Wan Kei Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the Stock Exchange (stock code: 1718)
“Contributed Amount”	cash paid or made available to the Trust by way of settlement or otherwise contributed by the Company and/or its Subsidiaries as permitted under the Scheme to the Trust as determined by the Board from time to time
“Director(s)”	the directors of the Company
“Employee”	any employee (including without limitation any executive director) of any member of the Group

“Excluded Participant”	any Participant who is resident in a place where the award of the Awarded Shares and/or the vesting and transfer of the Awarded Shares pursuant to the terms of the Scheme is not permitted under the laws or regulations of such place or where in the view of the Board or the Trustee (as the case may be), compliance with applicable laws or regulations in such place makes it necessary or expedient to exclude such Participant
“General Mandate”	the general mandate granted or to be granted by the Shareholders at general meetings from time to time
“Group”	the Company and its subsidiaries from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Invested Entity”	any entity in which any member of the Group holds any equity interest
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Participant”	<ul style="list-style-type: none"> (a) any Employee; (b) any non-executive director or proposed non-executive director (including independent non-executive director) of any member of the Group or any Invested Entity; (c) any supplier of goods or services to any member of the Group or any Invested Entity; (d) any customer of the Group or any Invested Entity; (e) any person or entity that provides or will provide research, development, consultancy, advisory services or other technological support to the Group or any Invested Entity; (f) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued or proposed to be issued by any member of the Group or any Invested Entity;

- (g) any other group or class of participants from time to time determined by the Directors as having contributed or may contribute by way of joint venture, business alliances, consultancy, advisory services or other business arrangements to the development and growth of the Group; and
- (h) any person or entity, who, at the sole determination of the Directors, has contributed to the Group

“Related Income”	all income derived from a Share held upon the Trust, net of expenses incurred in relation to handling such income (including but not limited to, any cash dividend and any bonus Shares and scrip Shares received in respect of the Share)
“Residual Cash”	cash in the Trust Fund (including without limitation (i) any Contributed Amount or any remaining amount thereof; (ii) any cash income or dividends derived from Shares held under the Trust; (iii) other cash income or net proceeds of sale of non-cash and non-scrip distribution derived from or in respect of the Shares held under the Trust; and (iv) all interest or income derived from deposits maintained with licensed banks in Hong Kong) which has not been applied in the acquisition of any Shares
“Scheme”	the share award scheme adopted by the Board on the Adoption Date, as amended from time to time
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
“Selected Participant(s)”	Participant(s) selected by the Board for participation in the Scheme
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	Holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Trust”	the trust constituted by the Trust Deed

“Trust Deed”	the trust deed made and entered into between the Company and the Trustee (as restated, supplemented and amended from time to time) in respect of the appointment of the Trustee for the administration of the Scheme
“Trust Fund”	the funds and properties held under the Trust and managed by the Trustee for the benefit of the Participants (other than the Excluded Participants)
“Trustee”	DL Securities (HK) Limited, and any additional or replacement trustees, being the trustee or trustees for the time being of the trusts declared in the Trust Deed
“Vesting Date”	in respect of a Selected Participant, the date on which his entitlement to the Awarded Shares (and any Related Income) is vested in such Selected Participant in accordance with the terms of the Scheme
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong

By order of the Board
Wan Kei Group Holdings Limited
Yan Shuai
Chairman

Hong Kong, 30 June 2020

As at the date of this announcement, the executive Directors are Mr. Yan Shuai, Mr. Chan Kwan and Mr. Zhu Jiayu; the non-executive Director is Mr. Zhang Zhenyi and the independent non-executive Directors are Mr. Lo Wa Kei Roy, Mr. Leung Ka Fai Nelson and Mr. Qin Fen.