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Tsui Wah Holdings Limited

翠華控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1314)

ADOPTION OF SHARE AWARD SCHEME

On 9 August 2018, the Company has adopted the Scheme. The purposes of the Scheme are to recognise and motivate the contribution of certain Participants, to provide incentives and help the Company in retaining its existing Participants and recruiting additional Participants and to provide them with a direct economic interest in attaining the long-term business objectives of the Company.

The Scheme not involving the issue of new Shares or other securities of the Company 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 and no Shareholders' approval is required for the adoption of the Scheme. However, where any grant of the 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.

ADOPTION OF SHARE AWARD SCHEME

The Board is pleased to announce that on 9 August 2018, the Company has adopted the Scheme. A summary of the principal terms of the Scheme is set out in this announcement.

SUMMARY OF THE SCHEME RULES

(1) Purposes and Objectives

The purposes of the Scheme are to recognise and motivate the contribution of certain Participants, to provide incentives and help the Company in retaining its existing Participants and recruiting additional Participants and to provide them with a direct economic interest in attaining the long-term business objectives of the Company.

(2) Eligible Persons for the Scheme

Pursuant to the Scheme Rules, the Board or the Administration Committee may, from time to time, at its absolute discretion select any Participant, after taking into account various factors as it deems appropriate for participation in the Scheme, to be a Selected Participant and grant an Award to such Selected Participant during the Award Period.

(3) Administration

The Scheme shall be subject to the administration of the Board in accordance with the Scheme Rules and, where applicable, the Trust Deed. The decision of the Board with respect to any matter arising under the Scheme shall be final and binding.

As at the Adoption Date, the Board has delegated to the Administration Committee the authority to administer the Scheme, including the power to grant an Award under the Scheme.

(4) Scheme Limit

The Company shall not make any further grant of Award which will result in the aggregate number of Shares underlying all grants made pursuant to the Scheme (excluding the Awarded Shares that have been forfeited in accordance with the Scheme) to exceed ten (10)% of the total number of issued Shares as at the Adoption Date, and the total number of non-vested Awarded Shares granted to a Selected Participant under the Scheme shall not exceed one (1)% of the total number of issued Shares from time to time.

(5) Operation

Pursuant to the Scheme Rules, the Company may from time to time, cause to be paid the necessary funds (the “**Reference Amount**”) from the Company’s resources and instruct the Trustee to purchase issued Shares (on-market and/or off-market). The Awarded Shares so purchased shall form part of the capital of the Trust Fund.

Any balance of the Reference Amount shall be returned by the Trustee to the Company forthwith after completion of the purchase.

The Shares so purchased shall be allocated to each Selected Participant at such time and at such amount and with such vesting conditions as the Board may from time to time determine and notify to the Trustee in writing accordingly. Each Selected Participant will be notified of the number of the Awarded Shares by the Trustee in writing as soon as the Trustee completes the purchase and allocation process.

(6) Restrictions

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

- (a) where any Director is in possession of unpublished inside information in relation to the Group or where dealings by the Directors are prohibited under any code or requirement of the Listing Rules or any applicable laws, rules or regulations;
- (b) during the period of sixty (60) days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results of the Group; and
- (c) during the period of thirty (30) days immediately preceding the publication date of the half-year results or, if shorter, the period from the end of the relevant half-year period up to the publication date of the results of the Group.

Any grant of an Award to the directors or senior management of the Group must first be approved by the remuneration committee of the Company and any grant of an Award to any connected person of the Company shall comply with all applicable laws, rules and regulations, including the Listing Rules and any corresponding code or securities dealing restrictions adopted by the Company.

(7) Vesting and Lapse

The Board or the Administration Committee may from time to time, while the Scheme is in force and subject to all applicable laws, rules and regulations, determine such vesting criteria and conditions or periods for the Award to be vested. For the purposes of vesting of the Award, the Board or the Administration Committee may direct and procure the Trustee to release from the Trust the Awarded Shares to the Selected Participants by transferring the number of the Awarded Shares to the Selected Participants in such manner as determined by it from time to time. The Board shall send to the relevant Selected Participant a Vesting Notice and shall forward a copy of the Vesting Notice to the Trustee and instruct the Trustee the extent to which the Awarded Shares held in the Trust shall be transferred and released from the Trust to the Selected Participant in the manner as determined by the Board. The Trustee shall, subject to the receipt of the transfer documents prescribed by the Trustee and duly executed by the Selected Participant within the period stipulated by the Trustee, transfer and release the relevant Awarded Shares to the relevant Selected Participant in the manner as determined by the Board within ten (10) Business Days from the day on which all the foregoing documents are received by the Trustee in good order in satisfaction of the Award.

In the event of a Total Lapse, the unvested Award shall automatically lapse forthwith and all the unvested Awarded Shares and the Related Income of such Award shall not vest on the relevant vesting date but shall become the Returned Shares.

In the event of a Partial Lapse, the relevant part of an Award made to such Selected Participant shall automatically lapse forthwith and the relevant unvested Awarded Shares and the Related Income of such Award shall not vest on the relevant vesting date but shall become the Returned Shares.

If there is an event of change in control of the Company by way of a merger, a privatisation of the Company by way of a scheme or by way of an offer, all the unvested Awarded Shares and the Related Income shall immediately vest on the date when such change of control event becomes or is declared unconditional and such date shall be deemed the Vesting Date and the procedures as set out under the Scheme Rules shall apply with the Vesting Notice being sent to such Selected Participant based on such Vesting Date as soon as practicable. Subject to the receipt by the Trustee of duly executed prescribed transfer documents on or before such time as the Trustee may determine, the Trustee shall transfer the Awarded Shares and the Related Income to the relevant Selected Participant in accordance with the Vesting Notice.

Unless the Board determines otherwise in its absolute discretion:

- (a) if a Selected Participant ceases to be a Participant by reason of (i) death or (ii) retirement of the Selected Participant at his normal retirement date or earlier by agreement with the Company or the Subsidiary, any outstanding Awarded Shares not yet vested shall continue to vest (in his/her personal representative in the case of the deceased) in accordance with the Vesting Dates set out in the Award Letter;
- (b) if a Selected Participant ceases to be a Participant by reason of (i) termination of the Selected Participant's employment or contractual engagement with the Group by reason of his/her permanent physical or mental disablement, or (ii) termination of the Selected Participant's employment or contractual engagement with the Group by reason of redundancy, any outstanding Awarded Shares not yet vested shall be immediately forfeited;
- (c) if a Selected Participant is an Employee whose employment is terminated by the Group by reason of the employer terminating the contract of employment without notice or payment in lieu of notice, or the Selected Participant having been convicted of any criminal offence involving his or her integrity or honesty, any outstanding Awarded Shares not yet vested shall be immediately forfeited;
- (d) if a Selected Participant is declared bankrupt or becomes insolvent or makes any arrangements or composition with his or her creditors generally, any outstanding Awarded Shares not yet vested shall be immediately forfeited; and
- (e) if a Selected Participant ceases to be a Participant for reasons other than those set out above, any outstanding Awarded Shares not yet vested shall be immediately forfeited.

(8) Voting Rights

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

(9) Duration and Termination

The Scheme shall be effective from the Adoption Date and shall continue in full force and shall terminate on the earlier of:

- (a) the end of the Award Period, except in respect of any non-vested Awarded Shares granted prior to the expiration of the Scheme, for the purpose of giving effect to the vesting of such Awarded Shares or otherwise as may be required in accordance with the provisions of the Scheme; and
- (b) such date of early termination as determined by the Board provided that such termination shall not affect any subsisting rights of any Selected Participant.

(10) Alteration

The Scheme may be altered in any respect by a resolution of the Board provided that no such amendment shall operate to affect adversely any subsisting rights of any Selected Participant.

OTHER INFORMATION

The Scheme not involving the issue of new Shares or other securities of the Company 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 and no Shareholders' approval is required for the adoption of the Scheme. However, where any grant of the 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.

DEFINITIONS

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

- “Administration Committee” a committee of the Board established in accordance with the articles of association of the Company to which the Board delegates the authority to administer the Scheme, including the power to grant an Award under the Scheme. As at the date of this announcement, the members of the Administration Committee are Mr. Lee Yuen Hong (*Chairman*) and Mr. Lee Tsz Kin Kenji, both executive Directors; Mr. Cheng Chung Fan and Mr. Wong Chi Kin, both non-executive Directors and Mr. Yim Kwok Man, an independent non-executive Director
- “Adoption Date” 9 August 2018, being the date on which the Board adopted the Scheme Rules for the establishment of the Scheme

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| “Award” | an award granted by the Board to a Selected Participant which may vest in the form of Reference Awarded Sum or Awarded Shares, as the Board may determine in accordance with the terms of the Scheme Rules |
| “Award Letter” | the letter to each Selected Participant in such form as the Board or the Administration Committee may from time to time determine, specifying the Grant Date, the amount of the Reference Awarded Sum or the number of the Awarded Shares (as the case may be) underlying the Award, the vesting criteria and conditions, and the Vesting Date and such other details as it may consider necessary |
| “Award Period” | the period commencing on the Adoption Date and ending on the Business Day immediately prior to the 10th anniversary of the Adoption Date |
| “Awarded Share(s)” | the Shares granted to a Selected Participant in an Award |
| “Board” | the board of Directors |
| “Business Day” | a day (other than a Saturday or Sunday) on which the Stock Exchange is open for the business of dealing in securities in Hong Kong and on which licensed banks are open for business in Hong Kong notwithstanding that the Stock Exchange closes during its normal business hours as a result of the hoisting of a typhoon signal no. 8 or above or the issue of a black rainstorm warning signal |
| “Company” | Tsui Wah Holdings Limited 翠華控股有限公司, an exempted company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed and traded on the Main Board of the Stock Exchange (Stock code: 1314) |
| “connected person” | has the meaning ascribed to it under the Listing Rules |
| “Director(s)” | the director(s) of the Company |
| “Employee(s)” | any employee (whether full-time or part-time employee) of any members of the Group provided that the Employee shall not cease to be an Employee in the case of (a) any leave of absence approved by the Company; or (b) transfer amongst the Company and any members of the Group or any successor, and provided further that an Employee shall, for the avoidance of doubt, cease to be an Employee with effect from (and including) the date of termination of his or her employment |

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| “Excluded Participant” | any Participant who is resident in a place where the settlement of the Reference Amount and the award of the Awarded Shares and/or the award of the Returned Shares and/or the vesting or transfer of Shares pursuant to the terms of the Scheme is/are not permitted under the applicable laws, rules 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, rules or regulations in such place makes it necessary or expedient to exclude such Participant |
| “Grant Date” | the date on which the grant of an Award is made to a Selected Participant, being the date of an Award Letter |
| “Group” | the Company and its Subsidiaries |
| “Hong Kong” | the Hong Kong Special Administrative Region of the People’s Republic of China |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “off-market” | in relation to any purchase of Shares, the purchase of Shares through one or more transactions in accordance with the Listing Rules and any other applicable laws, rules and regulations, other than through on-market transaction |
| “on-market” | in relation to any purchase of Shares, the purchase of Shares through one or more transactions through the facilities of the Stock Exchange in accordance with the Listing Rules and any other applicable laws, rules and regulations |
| “Partial Lapse” | the lapse of a part of an Award as a result of the occurrence of one of the following events: (i) a Selected Participant is found to be an Excluded Participant or (ii) a Selected Participant fails to return duly executed transfer documents prescribed by the Trustee for the relevant Awarded Shares and the Related Income within the stipulated period |
| “Participant(s)” | any Employee, director (including executive and non-executive director), officer, agent, advisor, consultant or business partner of the Company or any of its Subsidiaries or other person or corporate entity who/which in the opinion of the Board has contributed or will contribute to the growth and development of the Group |
| “Reference Awarded Sum” | in respect of a Selected Participant, such amount, as determined by the Board from time to time pursuant to the Scheme, for the purchase of the Awarded Shares |

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| “Related Income” | all income derived from a Share held upon the Trust in the form of Shares (including but not limited to any bonus Shares and scrip Shares received in respect of the Shares) and for the avoidance of doubt, excluding any nil-paid right, bonus warrant, non-cash and non-scrip distribution or proceeds of sale of the same or the Residual Cash |
| “Residual Cash” | being cash remaining in the Trust Fund in respect of an Awarded Share (including interest income derived from deposits maintained with licensed banks in Hong Kong, cash income and sale proceeds which have not been applied in accordance with the Scheme Rules) |
| “Returned Shares” | such Awarded Shares and Related Income of the relevant Awarded Shares, which are referable to a Selected Participant and which are not vested in accordance with the terms of the Scheme (whether as a result of a Total Lapse or a Partial Lapse or otherwise), or forfeited in accordance with the terms of the Scheme, or such Shares being deemed to be the Returned Shares under the Scheme Rules or the Trust Deed |
| “Scheme” | the share award scheme of the Company adopted by the Board in accordance with the Scheme Rules on the Adoption Date |
| “Scheme Rules” | the rules relating to the Scheme adopted by the Board |
| “Selected Participant(s)” | any Participant(s) approved for participation in the Scheme and who has/have been granted any Award pursuant to the Scheme Rules |
| “Share(s)” | the ordinary share(s) in the share capital of the Company with par value of HK\$0.01 each |
| “Shareholder(s)” | the holder(s) of Share(s) |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Subsidiary” | a company which is for the time being and from time to time a subsidiary (within the meaning given under section 15 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)) of the Company, whether incorporated in Hong Kong or elsewhere |

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| “Total Lapse” | the lapse of an Award as a result of (i) a Selected Participant ceasing to be a Participant (excluding cessation caused by the death of a Selected Participant or the retirement of a Selected Participant at his normal retirement date or earlier by agreement with the Company or the Subsidiary) or (ii) the Subsidiary by which a Selected Participant is employed or engaged ceasing to be a subsidiary of the Company or (iii) an order for the winding-up of the Company being made or a resolution being passed for the voluntary winding-up of the Company (otherwise than for the purposes of, and followed by, a solvent amalgamation or reconstruction in such circumstances that substantially the whole of the undertaking, assets and liabilities of the Company shall pass to a successor company) |
| “Trust” | the trust constituted by the Trust Deed |
| “Trust Deed” | the trust deed entered into between the Company as settlor and the Trustee as 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” | all the property (including Shares, cash and non-cash income) for the time being and from time to time held or deemed to be held upon the Trust, whether contributed by the Company or any other person |
| “Trustee” | the trustee appointed by the Company for the purpose of the Trust, the initial Trustee being Bank of East Asia (Trustees) Limited |
| “Vesting Date(s)” | the date or dates, as determined from time to time by the Board, on which the Award (or part thereof) is to vest in the relevant Selected Participant as set out in the relevant Award Letter, unless a different Vesting Date is deemed to occur in accordance with the Scheme Rules |
| “Vesting Notice” | the vesting notice sent by the Board to the relevant Selected Participant prior to any Vesting Date |

“HK\$” Hong Kong dollars, the lawful currency of Hong Kong

“%” per cent

By order of the Board
Tsui Wah Holdings Limited
Kwok Siu Man
Company Secretary

Hong Kong, 9 August 2018

As at the date of this announcement, the Board comprises the following members: (a) Mr. LEE Yuen Hong and Mr. LEE Tsz Kin Kenji as executive Directors; (b) Mr. CHENG Chung Fan and Mr. WONG Chi Kin as non-executive Directors; and (c) Mr. GOH Choo Hwee, Mr. TANG Man Tsz and Mr. YIM Kwok Man as independent non-executive Directors.