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恒安國際集團有限公司
HENGAN INTERNATIONAL GROUP CO., LTD

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1044)

Websites: <http://www.hengan.com>

<http://www.irasia.com/listcolhklhengan>

VOLUNTARY ANNOUNCEMENT ADOPTION OF SHARE AWARD SCHEME

The Board is pleased to announce that on 11 September 2023, the Board approved the adoption of the Scheme. The Scheme is a share award scheme pursuant to which existing Shares will be purchased by the Trustee from the secondary market out of cash contributed by the Company and be held on trust for the Selected Employees until such Shares are vested with the Selected Employees in accordance with the Scheme Rules. No share options can be granted under the Scheme.

The Scheme constitutes a share scheme under Chapter 17 of the Listing Rules and shall be subject to the applicable disclosure requirements under Rule 17.12 of the Listing Rules. However, the Scheme does not involve granting awards that are to be satisfied by issue of new shares. Therefore, the Scheme does not constitute a scheme involving issue of new shares as referred to in Chapter 17 of the Listing Rules and the adoption of the Scheme will not be subject to Shareholders' approval and this announcement is made on a voluntary basis.

A summary of the principal terms of the Scheme Rules is set out below.

ADOPTION OF THE SCHEME

Purposes and Objectives

The purpose of this Scheme is to (i) encourage Employees to, through their opportunity in ownership of the equity interests in the Company and sharing of the results of the Group's strategic development, contribute to the Group and increase the value of the Company and its shares, thereby benefiting the Company and its shareholders as a whole; and (ii) retain talents and attract suitable personnel for further development of the Group. For the avoidance of doubt, this Scheme does not preclude the Group from

providing incentives to any Employee by way of other benefits. For the avoidance of doubt, this Scheme does not preclude the Group from providing incentives to any Employee by way of other benefits.

Administration

The Scheme shall be subject to the administration of the Share Incentive Committee in accordance with the Scheme Rules. The Share Incentive Committee shall operate in accordance with its terms of reference. The Trustee will hold and if applicable apply the Scheme Shares and the income derived therefrom in accordance with the terms of the Trust Deed.

Scheme Limit

The Share Incentive Committee shall not make any further purchase which will result in the aggregate number of Shares purchased under the Scheme in excess of 5% of the issued share capital of the Company as at the Adoption Date. For the avoidance of doubt, the aforesaid limit does not include scheme shares under any other share schemes adopted by the Company prior to the Adoption Date.

The maximum aggregate number of Shares held by the Trustee under the Trust at any time under the Scheme shall not exceed 2% of the issued share capital of the Company from time to time.

The maximum number of Awarded Shares that may be awarded to any Selected Employee under the Scheme shall not exceed 1% of the issued share capital of the Company as at the Adoption Date.

Operation

Source of Funds

The Share Incentive Committee may at any time it considers appropriate, pay to the Trustee from the Company's resources a sum of money to purchase Shares. The amount will be capped at an amount equal to (i) the Core Net Profit with certain percentage to be determined each financial year based on overall performance of the Group in the relevant financial year (the "**Maximum Annual Contribution**"); (ii) the accumulated aggregate amount of the Maximum Annual Contribution not being paid to the Trustee since the Adoption Date; and (iii) the Related Income.

Purchase of Scheme Shares

The Share Incentive Committee may, at such time as it considers appropriate, instruct the Trustee to apply the fund described in the paragraph headed “Source of Funds” above and/or all or part of the cash income and deemed cash income in respect of Scheme Shares towards (i) the purchase of maximum number of board lots of Shares at the a price which falls within a range to be set by the Share Incentive Committee; and/or (ii) the settlement of other costs and expenses in connection with the Scheme.

Granting and Vesting

The Share Incentive Committee or its delegate may, from time to time, at its absolute discretion select the Employees to participate in the Scheme, and determine the number of Scheme Shares to be awarded to the Selected Employees, the vesting dates of Awarded Shares (the “**Vesting Date(s)**”) and the vesting conditions in respect of Awarded Shares.

Unless otherwise determined by the Share Incentive Committee, the Trustee shall hold the Awarded Shares until they are vested with the Selected Employees in accordance with the Scheme Rules.

Lapse

Unless otherwise determined by the Share Incentive Committee at its discretion, upon the occurrence of, including but not limited to, any of the following events, Awarded Shares held by the Trustee shall not vest in the Selected Employee:

- the Selected Employee fails to remain as an Employee on the relevant Vesting Date;
- the Selected Employee fails to fulfil the vesting conditions (if any) in respect of the Awarded Shares; and
- the Selected Employee’s employment is terminated by reason of, *inter alia*, serious misconduct, incompetence or negligence in performing his/her duties causing material losses to the Group, being charged, convicted for any offence under applicable laws or regulations, and/or breaches of the Group’s employee behavior codes.

Upon occurrence of certain events including the above, the relevant Awarded Shares shall become Returned Shares.

Voting Rights

The Trustee, the Share Incentive Committee and/or the Board shall not exercise the voting rights in respect of any Scheme Shares held under the Trust (including but not limited to the Awarded Shares, the Returned Shares, any bonus Shares and scrip Shares) in all circumstances.

Duration

The Scheme shall be effective from the Adoption Date and shall continue in full force and effect until the aggregate number of Shares purchased under the Scheme reaches the Scheme Limit or the Scheme is terminated by a resolution of the Board.

If the Scheme Limit is reached or the Scheme is terminated, the Trustee shall not purchase any Shares pursuant to the Scheme Rules, but the Scheme Rules shall remain in full force and effect in all other respects for existing Scheme Shares.

LISTING RULES IMPLICATION

Under the Scheme, existing Shares will be purchased by the Trustee secondary market out of cash contributed by the Company and be held on trust for the Selected Employees until such Shares are vested with the Selected Employees in accordance with the Scheme Rules. The Scheme constitutes a share scheme under Chapter 17 of the Listing Rules and shall be subject to the applicable disclosure requirements under Rule 17.12 of the Listing Rules. However, the Scheme does not involve granting awards that are to be satisfied by issue of new shares. Therefore, the Scheme does not constitute a scheme involving issue of new shares as referred to in Chapter 17 of the Listing Rules and the adoption of the Scheme will not be subject to Shareholders' approval and this announcement is made on a voluntary basis.

DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

“Adoption Date”	11 September 2023, being the date on which the Board adopted the Scheme Rules for the establishment of the Scheme;
“Audited Accounts”	in relation to any financial year, the audited consolidated balance sheet of the Group as at the last day of the relevant financial year and the audited consolidated profit and loss account of the Group for the relevant financial year together, in each case, with any notes, reports, statements, or documents included in or annexed or attached to them;
“Award”	an award of Awarded Shares to a Selected Employee pursuant to the Scheme;
“Awarded Shares”	Scheme Shares granted to the Selected Employees by the Board pursuant to the Scheme;
“Board”	the board of directors of the Company;

“Company”	Hengan International Group Company Limited 恒安國際集團有限公司, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange (Stock Code: 1044);
“Concert Party Group”	the controlling shareholders (as defined in the Listing Rules) of the Company and all of their parties presumed “acting in concert” (as defined in the Takeovers Code) and the relatives of the controlling shareholders (as defined in the Listing Rules) of the Company;
“Core Net Profit”	an amount equal to the consolidated net profit after interest, tax and minority interest of the Group as shown in the latest published Audited Accounts excluding any change in fair value of investment properties and other derivative financial instrument held by the Group;
“Director(s)”	director(s) of the Company;
“Employee”	any employee of any Group Company employed under a contract of employment and shall include any person who has been an employee of any Group Company so employed (including without limitation any executive director of any member of the Group and non-executive director of any member of the Group);
“Group” and “Group Company”	the Company and its subsidiaries, and “Group Company” shall mean any of the company within the Group;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Listing Rules”	the Rules Governing the Listing of the Securities on The Stock Exchange of Hong Kong Limited;
“Maximum Annual Contribution”	shall have the meaning as defined under the paragraph titled “Source of Funds” in this announcement;
“Related Income”	all income, sale proceeds or distribution derived from a Share held upon the Trust in the form of cash or Shares (including but not limited to, and any bonus Shares and warrants, scrip Shares and nil paid right, etc. received in respect of the Share);

“Returned Shares”	(a) any Shares acquired by the Trustee which are not the subject of any Awards granted to a Selected Employee; or (b) Awarded Shares held by the Trustee which (i) have failed to vest in any Selected Employees (whether as a result of a lapse or otherwise); or (ii) are otherwise forfeited under the Scheme Rules;
“Scheme”	the Share Award Scheme constituted by the rules described hereof, in its present form or as amended from time to time in accordance with the provisions thereof;
“Scheme Limit”	shall have the meaning as defined under the paragraph titled “Scheme Limit” in this announcement;
“Scheme Rules”	the rules governing the Scheme (as further restated, supplemented and amended from time to time) which has been adopted by the Company;
“Scheme Shares”	all Shares held by the Trustee pursuant to the Scheme Rules including shares not yet granted to the Employees, Awarded Shares and Returned Shares;
“Selected Employee(s)”	Employee(s) selected by the Share Incentive Committee pursuant to the Scheme Rules for participation in the Scheme;
“Share Incentive Committee”	the committee of the Company set up specifically for the purpose of the administration of this Scheme, and the committee shall comprise all of the independent non-executive Directors and/or one executive Director (who shall be independent of the members of the Concert Party Group and shall not be accustomed to act in accordance with the instructions of any members of the Concert Party Group and other Directors) from time to time;
“Shares”	ordinary shares in the capital of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subsidiary(ies)”	has the meaning ascribed to such term in the Listing Rules;
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs of Hong Kong;
“Trust”	the trust constituted by the Trust Deed;

“Trust Deed”	a trust deed to be entered into between the Company and the Trustee (as restated, supplemented and amended from time to time);
“Trustee”	BOCI Trustee (Hong Kong) Limited, or such other professional trustee to be appointed by the Company of the trusts to be declared in the Trust Deed, who are independent third party to the Company;
“Vesting Date(s)”	shall have the meaning as defined under the paragraph titled “Granting and Vesting” in this announcement;
“%”	per cent.

By order of the Board
Hengan International Group Company Limited
Sze Man Bok
Chairman

Hong Kong, 11 September 2023

As at the date of this announcement, the Board comprises Mr. Sze Man Bok, Mr. Hui Lin Chit, Mr. Hui Ching Lau, Mr. Xu Da Zuo, Mr. Sze Wong Kim, Mr. Hui Ching Chi, Mr. Li Wai Leung and Mr. Xu Wenmo as executive directors, and Ms. Ada Ying Kay Wong, Mr. Ho Kwai Ching Mark, Mr. Theil Paul Marin and Mr. Chen Chuang as independent non-executive directors.