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## **UNIVERSAL TECHNOLOGIES HOLDINGS LIMITED**

### **環球實業科技控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1026)**

### **ADOPTION OF SHARE AWARD SCHEME**

The Board is pleased to announce that on 15 January 2021, the Company adopted the Scheme as an incentive scheme to recognize the contributions by Eligible Participants and to retain them and attract suitable personnel for the continuing operation, growth and development of the Group. The Board has delegated its power and authority to administer the Scheme (including without limitation the decision-making on purchases, subscriptions, awards, vesting and transfers of Shares under the Scheme) to the Administration Committee, which comprises staff representatives of the Group who are neither Directors, Insiders nor their respective close associates.

Pursuant to the Scheme Rules, Shares may be purchased and subscribed by the Trustee out of cash contributions made by the Company or its subsidiaries, awarded to Grantees as may be selected by the Administration Committee, with any Awarded Shares to be held on trust until they vest in the Grantee upon the satisfaction of any Vesting Dates and/or vesting conditions as may be decided by the Administration Committee in its absolute discretion.

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, and is a discretionary scheme of the Company established for a wide scope of participants. No Shareholders' approval is required for the adoption or implementation of the Scheme.

### **INTRODUCTION**

The Board is pleased to announce that on 15 January 2021, the Company adopted the Scheme as an incentive scheme to recognize the contributions by Eligible Participants and to retain them and attract suitable personnel for the continuing operation, growth and development of the Group.

The principal terms of the Scheme are as follows:

## **PRINCIPAL TERMS OF THE SCHEME**

### **Objectives**

The purposes of the Scheme are: (i) to recognize the contributions by the Eligible Participants and to give incentives to retain them for the continuing operation, growth and development of the Group; (ii) to attract suitable personnel for further development of the Group; (iii) to provide the Eligible Participants with an opportunity to acquire interest in the Company; and (iv) to align the interests of the Grantees with the long-term performance of the Company through the ownership of Shares.

### **Eligible Participants**

Pursuant to the Scheme Rules, employees (whether full-time or part-time), directors, officers, consultants, agents or advisers of the Group, but excluding the Excluded Participants, as selected by the Administration Committee are eligible for participation in the Scheme. The following categories of persons (the “**Excluded Participants**”) are excluded from the eligibility to participate in the Scheme, namely: (a) persons who are resident in places where the grant, acceptance or vesting of an Award pursuant to the terms of the Scheme is not permitted under the laws and regulations of such place or where, in the view of the Administration Committee or the Trustee (as the case may be), compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such individual; and (b) Directors, Insiders and their respective close associates.

### **Duration**

Unless terminated by the Board earlier, the Scheme shall be valid and effective during the period commencing on the Adoption Date and ending on 31 December 2035. No further Awards shall be granted after 31 January 2032 and no Vesting Date can be fixed beyond 31 December 2035 for Awards.

### **Administration**

The Board has delegated its power and authority to administer the Scheme (including without limitation the decision-making on purchases, subscriptions, awards, vesting and transfers of Shares under the Scheme) to the Administration Committee, which comprises staff representatives of the Group who are neither Directors, Insiders nor their respective close associates. Therefore, the Scheme shall be subject to the administration of the Administration Committee in accordance with the Scheme Rules and the Trust Deed. The decisions of the Administration Committee shall be final and binding on all persons affected by the Scheme.

The Company will enter into the Trust Deed with the Trustee to constitute the Trust in connection with the Scheme. The Trustee shall hold the trust fund in accordance with the terms of the Trust Deed and act upon the instructions given by the Administration Committee regarding purchases, subscriptions, awards, vesting and transfers of Shares under the Scheme.

## Operation

Contributions are made to the Trust by the Company or its subsidiaries, which shall constitute part of the trust fund for the purchases or subscriptions of Shares and for other purposes set out in the Scheme Rules and the Trust Deed.

Pursuant to the Scheme Rules, Shares may be purchased by the Trustee to maintain a pool of Shares for awards to the Grantees. The Trustee may purchase the Shares: (a) in open market at the prevailing market price, subject to any instructions given by the Administration Committee or its duly authorized delegate(s); or (b) off the market, provided that the purchase price for off-market purchases shall not exceed: (i) the closing market price on the date of such purchase; or (ii) the average closing market price for the five preceding trading days, whichever is lower.

Pursuant to the Scheme Rules, Awarded Shares may be satisfied by the subscription of new Shares to be issued and allotted by the Company under general mandate or specific mandate. The Company shall comply with the Listing Rules when issuing new Shares to the Trust to meet the Awards under the Scheme, including the making of announcement. Application will be made to the Stock Exchange for the granting of the listing of, and permission to deal in, any new Shares to be issued to the Trust to satisfy the Awards under the Scheme.

## Scheme Limit

Under the Scheme Rules, no further Award may be made which will result in the aggregate number of Shares awarded under the Scheme to exceed 10% of the total number of Shares in issue as at the Adoption Date (the “**Scheme Limit**”). For the avoidance of doubt, Shares which were awarded but cancelled or lapsed will not be counted for the purpose of calculating the Scheme Limit (or any refreshment thereof).

The Scheme Limit may be refreshed from time to time with the prior resolution of the Board (the “**Refreshment Approval**”), but the aggregate number of the Shares awarded under the Scheme following the Refreshment Approval shall not exceed 10% of the total number of Shares in issue as at the date of the Refreshment Approval. For the purpose of determining whether the Scheme Limit so refreshed is exceeded, Shares awarded prior to the Refreshment Approval (including those cancelled, lapsed and/or not yet vested) shall not be counted.

No Shares shall be purchased or subscribed pursuant to the Scheme, nor any amounts paid to the Trustee for the purpose of making such a purchase or subscription, if the number of Shares held and administered under the Scheme as a result of such purchase or subscription shall exceed 10% of the total number of Shares in issue as at the date of such purchase or subscription of Shares.

## **Individual limit**

Unless specifically approved by a prior resolution of the Board, the maximum number of Shares which may be awarded to any Grantee in any twelve months period shall not in aggregate exceed 1% of the total number of Shares in issue as at the Adoption Date or the latest date of the Refreshment Approval, as the case may be (the “**Individual Limit**”).

## **Non-exercise of voting rights**

No voting right will be exercised by the Trustee or any other persons (including Grantee) on any Shares which are held and administered by the Trust. The Trustee will abstain from voting with respect to any Shares held and administered by the Trust at any general meetings of the Company.

## **Exclusion of Directors, Insiders and close associates**

All Directors, Insiders and their respective close associates are excluded from: (a) the decision-making regarding purchases, subscriptions, awards, vesting or other corporate actions of the Shares under the Trust; and (b) the eligibility as a participant or Grantee under the Scheme. If any member of the Administration Committee subsequently becomes a Director, Insider or their close associates, he shall forthwith cease to be a member of the Administration Committee. If any Grantee subsequently becomes a Director, Insider or their close associates, his Awarded Shares shall be deemed to have lapsed or vested at the absolute discretion of the Administration Committee (excluding any Grantee affected by such decision) immediately prior to the change.

## **Limit on awards to connected persons**

Any Awards to connected persons of the Company (who are not Excluded Participants) must be approved by the independent non-executive Directors. No Award may be made to any Directors, Insiders and their close associates. No Award or vesting may be made to any connected persons of the Company or their associates, if the Award or vesting will result in the aggregate interests of the connected persons and their associates in the Scheme to reach 30% or more.

Awards of purchased Shares to connected persons of the Company or their associates (who are not Excluded Participants) shall be exempt from independent Shareholders’ approval requirement under Chapter 14A of the Listing Rules as the Award forms part of the remuneration package of the relevant Grantee. However, any awards of Shares to connected persons of the Company or their associates by the issue of new Shares shall be subject to the approval of independent Shareholders (with the relevant connected Grantees and their associates abstaining from voting) at general meeting and other requirements under Chapter 14A of the Listing Rules.

## **Awards**

The Administration Committee may from time to time select such Eligible Participants to be Grantees at its absolute discretion, based on various factors that it may consider appropriate and relevant, including without limitation the contribution made or expected to be made by the relevant Grantees to the Company. The numbers of Shares to be granted are decided at the discretion of the Administration Committee, with reference to various factors that it may consider appropriate and relevant, including without limitation the business performance of the Group and/or other indicators relating to the Company, the Grantee or the economy in general.

After selecting the Grantees and determining the number of Awarded Shares to each Grantee and other vesting conditions of such Award (if any), the Administration Committee shall notify the Grantees who are required to indicate their acceptances within the prescribed time limit for the Award to become effective. Any Award made under the Scheme shall be personal to the Grantee to whom it is made and shall not be assignable. The Grantee shall not in any way sell, transfer, charge, mortgage, encumber or create any third party right or interest in any Awarded Shares until they vest and are transferred to the Grantee.

## **Corporate actions**

Pursuant to the Scheme Rules, the Administration Committee shall have the absolute discretion to decide: (a) whether any Awarded Shares shall vest or shall lapse upon the occurrence of any change in control event of the Company or any privatization offer (whether by way of takeover, buy-back offer or scheme of arrangement); (b) whether to participate in any open offer, rights issue or any subscriptions through the exercise of bonus warrants; and (c) whether to opt for scrip or cash dividend. For the avoidance of doubt, any Shares subscribed by the Trust under an open offer, rights issue, any subscriptions through the exercise of bonus warrants and any scrip or cash dividend arising from Awarded Shares are treated as income of the Trust rather than the relevant Grantees. In the event of any consolidation or subdivision of Shares, the maximum number of Shares pursuant to the Scheme Limit (or any refreshment thereof) and the Individual Limit shall be adjusted accordingly, such that those limits as percentages of the total number of issued Shares immediately before and after the share consolidation or subdivision (as the case may be) shall remain the same.

## **Vesting and lapse**

Pursuant to the Scheme Rules, Shares may be purchased and subscribed by the Trustee out of cash contributions made by the Company or its subsidiaries, awarded to Grantees as may be selected by the Administration Committee, with any Awarded Shares to be held on trust until they vest in the Grantee upon the satisfaction of any Vesting Dates and/or vesting conditions as may be decided by the Administration Committee in its absolute discretion.

The Grantee only has a contingent interest in the Award subject to the vesting of such Award in accordance with the Scheme Rules. Prior to vesting, a Grantee is not entitled to receive any income or distribution (such as dividend whether in scrip or cash) derived from the Awarded Shares allocated to him, nor is he entitled to give any instructions to the Trustee in respect of the Awarded Shares or any other properties of the Trust. When a Grantee has satisfied all the vesting conditions, the Administration Committee shall cause the Trustee to transfer the vested Awarded Shares to such Grantee (or his wholly owned company) on the relevant Vesting Date. Where the Administration Committee decides to offer the Grantees with the choice of receiving the vested interest in the Scheme by cash instead of Shares, the Grantees may elect to receive a cash settlement sum by reference to the average market value of the vested Shares during the month ending on the Vesting Date.

Unless otherwise determined by the Administration Committee, any Awarded Shares not yet vested shall lapse in full or in part at the absolute discretion of the Administration Committee when (among other things): (a) any Grantee being an employee ceases to be an employee (except for death, permanent disability or normal retirement); or (b) the Grantee's employing company ceases to be a member of the Group; or (c) an order for the winding-up of the Company is made or a resolution is passed for the voluntary winding-up of the Company (otherwise than for the purposes of, and followed by, an amalgamation or reconstruction in such circumstances that substantially the whole of the undertaking, assets and liabilities of the Company pass to a successor company); or (d) a Grantee is found to be or becomes an Excluded Participant; or (e) the Grantee fails to satisfy the vesting conditions or periods regarding the Award; or (f) the Grantee fails to return duly executed transfer documents within the stipulated period.

### **Alteration**

The Scheme may be altered by a resolution of the Board provided that no such alteration shall operate to affect adversely any subsisting rights of any Grantee under the Scheme except with the consent in writing of Grantees amounting to three-fourths in nominal value of all Awarded Shares so held by the Trustee on that date.

### **Termination**

The Scheme shall terminate on the earlier of (a) 31 December 2035; or (b) such earlier date of termination as determined by the Board provided that such termination shall not affect any subsisting rights of Grantees. Upon termination, all Awarded Shares shall become vested on the Grantees so referable on such date of termination, subject to the receipt by the Trustee of the transfer documents duly executed by the Grantees within the stipulated period. Unless the Administration Committee instructs otherwise, any unawarded Shares and other non-cash income held on Trust will be sold and the net sale proceeds (after making appropriate deductions) together with the residual cash and such other funds remaining in the Trust shall be remitted to the Company upon termination.

## REASONS FOR THE ADOPTION OF THE SCHEME

The Directors consider that the continued success of the Group is closely tied with the commitment and efforts of the employees of the Group. The Scheme can serve as an incentive to motivate the employees to further contribute to the Group and to attract suitable personnel for further development of the Group. In addition, the Scheme can provide the Eligible Participants with an opportunity to acquire interest in the Company, and to align their interests with the long-term performance of the Company through the ownership of Shares.

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, and is a discretionary scheme of the Company established for a wide scope of participants. No Shareholders' approval is required for the adoption or implementation of the Scheme.

## DEFINITIONS

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

|                                   |   |
|-----------------------------------|---|
| <b>“Administration Committee”</b> | a committee established by the Board to administer this Scheme, comprising staff representatives of the Group who are neither Directors, Insiders nor their respective close associates               |
| <b>“Adoption Date”</b>            | 15 January 2021, being the date of adoption of the Scheme by the Board  |
| <b>“associates”</b>               | having the meaning ascribed thereto under the Listing Rules   |
| <b>“Award”</b>                    | an award of Shares granted by the Administration Committee under the Scheme to a Grantee, subject to acceptances  |
| <b>“Awarded Shares”</b>           | Shares awarded under the Scheme, held under the Trust and referable to specific Grantees  |
| <b>“Board”</b>                    | the board of Directors  |
| <b>“close associates”</b>         | having the meaning ascribed thereto under the Listing Rules   |
| <b>“Company”</b>                  | Universal Technologies Holdings Limited, a company incorporated in the Cayman Islands with limited liability and whose shares are listed on the Main Board of the Stock Exchange with stock code 1026 |
| <b>“connected persons”</b>        | having the meaning ascribed thereto under the Listing Rules   |



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|--------------------------------|---|
| <b>“Directors”</b>             | the directors of the Company  |
| <b>“Eligible Participants”</b> | employees (whether full-time or part-time), directors, officers, consultants, agents or advisers of the Group, but excluding the Excluded Participants, who are selected by the Administration Committee to be eligible for participation in the Scheme |
| <b>“Excluded Participants”</b> | having the meaning as defined in the paragraph headed “Principal terms of the Scheme – Eligible Participants” of this announcement  |
| <b>“Grantees”</b>              | the grantees selected by the Administration Committee for the Awards  |
| <b>“Group”</b>                 | the Company and its subsidiaries  |
| <b>“HK\$”</b>                  | Hong Kong Dollars, the lawful currency of Hong Kong   |
| <b>“Insiders”</b>              | directors and employees of the Group who are in possession (or is likely to come into possession due to their office or employment) of Inside Information (as defined in Part XIVA of the SFO) of the Company   |
| <b>“Listing Rules”</b>         | the Rules Governing the Listing of Securities on the Stock Exchange   |
| <b>“Scheme”</b>                | the share award scheme adopted by the Company on 15 January 2021  |
| <b>“Scheme Limit”</b>          | having the meaning as defined in the paragraph headed “Principal terms of the Scheme – Scheme Limit” of this announcement   |
| <b>“Scheme Rules”</b>          | the rules of the Scheme, as may be restated, supplemented and amended from time to time   |
| <b>“SFO”</b>                   | the Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong  |
| <b>“Shareholders”</b>          | holders of the Shares   |
| <b>“Shares”</b>                | shares of HK\$0.01 each in the share capital of the Company   |
| <b>“Stock Exchange”</b>        | The Stock Exchange of Hong Kong Limited   |
| <b>“Trust”</b>                 | the trust to be constituted by the Trust Deed   |
| <b>“Trust Deed”</b>            | the trust deed to be executed by the Company and the Trustee in relation to the appointment of the Trustee and the administration of the Scheme   |



- “Trustee”** the trustee to be appointed by the Company to hold the Shares and manage the Trust in accordance with the terms and conditions of the Trust Deed, which, to the best knowledge, information and belief of the Directors, is a third party independent of and not connected with the Company and its connected persons or associates
- “Vesting Date(s)”** the date(s) on which the Awarded Shares which are referable to a particular Grantee are to vest to that Grantee in accordance with the vesting schedule as determined by the Administration Committee

By Order of the Board  
**UNIVERSAL TECHNOLOGIES HOLDINGS LIMITED**  
**Chen Jinyang**  
*Chairman & Chief Executive Officer*

Hong Kong, 15 January 2021

*As at the date of this announcement, the Board of Directors of the Company comprises three executive Directors namely Mr. Chen Jinyang (Chairman and Chief Executive Officer), Ms. Zhu Fenglian and Ms. Zhang Haimei; one non-executive Director namely Mr. Xuan Zhensheng; and three independent non-executive Directors namely Dr. Cheung Wai Bun, Charles, J.P., Mr. David Tsoi and Mr. Chao Pao Shu George.*