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Rego Interactive Co., Ltd
(潤歌互動有限公司)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2422)

VOLUNTARY ANNOUNCEMENT
PROPOSED ADOPTION OF SHARE AWARD SCHEME

The Board wishes to announce that it has resolved on 17 January 2023 to approve the proposed adoption of the Share Award Scheme.

The Share Award Scheme will purchase the existing Shares through the Trustee on the secondary market at the market trading price. The Share Award Scheme was contemplated and adopted to be funded solely by the existing Shares. The Share Award 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, it does not constitute a scheme involving the issue of new shares as referred to in Chapter 17 of the Listing Rules. Therefore, the adoption of such scheme will not be subject to Shareholders' approval.

INTRODUCTION

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THE SHARE AWARD SCHEME

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A summary of the principal terms of the Share Award Scheme is set out below. The Board of the Company intends to instruct the Trustee to purchase a certain number of existing Shares on the secondary market at the market trading price as and when appropriate as the Awarded Shares for the Share Award Scheme.

Purposes

The purposes and objectives of the Share Award Scheme are: (i) to recognise the contributions by certain eligible 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.

Eligible Participants

Eligible Participants under the Share Award Scheme include any employee, officer or director of any member of the Group.

Duration and Termination

Unless terminated earlier by the Board pursuant to the rules of the Share Award Scheme, the Share Award Scheme shall be valid and effective for a term of ten (10) years commencing on the date on which the Share Award Scheme is adopted by the Company.

The termination of such scheme shall not affect any subsisting rights of any Selected Participants. Upon termination, (i) no further grant of the Awarded Shares may be made under the Share Award Scheme; (ii) all Awarded Shares and the related income shall become vested in the relevant Selected Participants on such date of termination; and (iii) net sale proceeds (after making appropriate deductions) of the returned Shares and such non-cash income together with the residual cash and such other funds remaining in the Trust shall be remitted to the Company forthwith after the sale.

Operation

Contribution to the Trust

The Board may from time to time cause to be paid a Contributed Amount to the Trust by way of settlement or otherwise contributed by the Company or any subsidiary of the Company as directed by the Board which shall constitute part of the Trust Fund, for the purchase of Shares and other purposes set out in the rules of the Share Award Scheme and the Trust Deed.

The Trustee shall administer the Shares in the same manner in accordance with the Trust Deed and the Share Award Scheme regardless whether they are purchased or otherwise acquired by the Trust or transferred, gifted, assigned, or conveyed to the Trust.

Grant of awards

The Board may, from time to time, subject to the provisions of the Share Award Scheme, select any Eligible Participant (other than any Excluded Participant) for participation in the Share Award Scheme as a Selected Participant, and grant such number of Awarded Shares to any Selected Participant at nil consideration and in such number and on and subject to such terms and conditions as it may in its absolute discretion determine.

Subject to the provisions of the Share Award Scheme, the Board may from time to time instruct the Trustee in writing to purchase Shares on the Stock Exchange.

In determining the number of Awarded Shares to be granted to any Selected Participant (excluding any Excluded Participant), the Board shall take into consideration matters including, but without limitation to (i) the present contribution and expected contribution of the relevant Selected Participant to the profits of the Group; (ii) the general financial condition of the Group; (iii) the Group's overall business objectives and future development plan; and (iv) any other matters which the Board considers relevant.

Vesting of Awarded Shares

Subject to the terms and conditions of the Share Award Scheme and the fulfillment of all vesting conditions to the vesting of the Awarded Shares on such Selected Participant as specified in the Share Award Scheme and the relevant grant instrument, the respective Awarded Shares held by the Trustee on behalf of the Selected Participant shall vest in such Selected Participant in accordance with the applicable vesting schedule, and the Trustee shall cause the Awarded Shares to be transferred to such Selected Participant in accordance with the terms of the Share Award Scheme.

Scheme limit

The maximum number of Shares in respect of all awards to be granted under the Share Award Scheme shall not in aggregate exceed 10% of the number of Shares in issue as at the date on which the Share Award Scheme is adopted by the Company.

Black-out Period

No Award shall be made by the Board pursuant to the Share Award Scheme where dealings in the Shares are prohibited under any code or requirement of the Listing Rules, including but not limited to the Model Code for Securities Transactions by Directors of Listed Issuers prescribed by the Listing Rules, and all 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 by the Board:

- (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 commencing one month immediately preceding the earlier of:
 - (a) the date of the board meeting (as such date is first notified to the Stock Exchange under the Listing Rules) for the approval of the Company's results for any year, half-year, quarter or any other interim period (whether or not required under the Listing Rules); and
 - (b) the last date on which the Company must publish an announcement of its results for any year, half-year, quarter or any other interim period (whether or not required under the Listing Rules),

and ending on the date of the results announcement; and for the avoidance of doubt, no Award may be made during any period of delay in publishing a results announcement; or

- (iii) in any circumstance which is prohibited under the Listing Rules, the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) or any other law or regulation or where any requisite approval from any governmental or regulatory authority has not been granted.

Lapse of Awards

In the event that prior to or on the Vesting Date, a Selected Participant is found to be an Excluded Participant or is deemed to cease to be an Eligible Participant pursuant to the Share Award Scheme, the relevant Award made to such Selected Participant shall automatically lapse forthwith and the relevant Awarded Shares shall not vest on the relevant Vesting Date but shall remain part of the Trust Fund. Such Eligible Participant shall have no right or claim against the Company, any other member of the Group, the Board, the Trust or the Trustee with respect to those or any other Shares or any right thereto or interest therein in any way.

Furthermore, unless otherwise waived by the Board, in the event that the vesting conditions specified in the relevant grant instrument are not fully satisfied prior to or on the relevant Vesting Date, the award of the Awarded Shares in respect of the relevant Vesting Date shall lapse, and such Awarded Shares shall not vest on the relevant Vesting Date and the Selected Participant shall have no claims against the Company, the Board, the Trust or the Trustee.

Rights attaching to the Awards and the Awarded Shares

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 also have no rights in the residual cash of the Trust or Shares or such other Trust Fund or property held by the Trust.

Voting rights

No instructions shall be given by a Selected Participant (including, without limitation, voting rights) to the Trustee in respect of the Awarded Shares that have not been vested, and such other properties of the Trust Fund managed by the Trustee. Notwithstanding that the Trustee is the legal registered holder of the Shares held upon trust pursuant to the Trust Deed, the Trustee shall not exercise the voting rights attached to such Shares, and shall abstain from exercising the voting rights in respect of any Shares held directly or indirectly by it under the Trust (if any) (including but not limited to the Awarded Shares, any bonus Shares and scrip Shares derived therefrom).

Alteration of the Share Award Scheme

Subject to the provisions of the Share Award Scheme, the Share Award Scheme may be altered in any respect by resolution of the Board except that certain terms of the Share Award Scheme shall not be altered to the advantage of the Eligible Participants except with the sanction by a resolution of the Shareholders in general meeting, provided that no such alteration shall operate to adversely affect the terms of any Award granted or agreed to be granted prior to such alteration except with the consent or sanction of such majority of the Selected Participants (the holders of the Shares, if necessary) as would be required under the Articles of Association for the time being of the Company for a variation of the rights attached to the Shares.

DEFINITIONS

“Articles of Association”	the articles of association of the Company as adopted or amended from time to time
“associate(s)”	shall bear the meaning as defined in the Listing Rules
“Award(s)”	an award of the Awarded Shares (and/or Shares and/or cash representing any income, proceeds or distributions derived from or in respect of the Awarded Shares, where applicable) by the Board to a Selected Participant in accordance with the Share Award Scheme
“Awarded Share(s)”	in respect of a Selected Participant, such number of Shares as awarded by the Board

“Board”	the board of Directors
“close associates”	shall bear the meaning as defined in the Listing Rules
“Company”	Rego Interactive Co., Ltd, a limited liability company incorporated in the Cayman Islands, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 2422)
“connected person(s)”	shall bear the meaning as defined in the Listing Rules
“Contributed Amount”	cash paid or made available to the Trust by way of settlement or otherwise contributed by the Company or any subsidiary of the Company as permitted under the Share Award Scheme as determined by the Board from time to time
“Director(s)”	director(s) of the Company
“Eligible Participant(s)”	in the context of the Share Award Scheme, means any employee, officer or director of any member of the Group
“Excluded Participant”	any Eligible Participant who is resident in a place where the grant of an Award and/or the vesting and transfer of the Awarded Shares (and/or Shares and/or cash representing any income, proceeds or distributions derived from or in respect of the Awarded Shares, where applicable) pursuant to the terms of the Share Award 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 Eligible Participant
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“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, as amended from time to time

“Selected Participant(s)”	Eligible Participant(s) selected by the Board pursuant to the Share Award Scheme for participation in the Share Award Scheme (or in the case of a Selected Participant, his legal personal representative or lawful successor (as the case may be))
“Share(s)”	ordinary share(s) of US\$0.001 each in the share capital of the Company
“Share Award Scheme”	the share award scheme proposed to be adopted by the Company, the principal terms of which are set out in this announcement
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	shall bear the meaning as defined in the Listing Rules
“Trust”	the trust constituted by the Trust Deed
“Trustee”	Futu Trustee Limited and any additional or replacement trustees, being the trustee or trustees for the time being of the trusts declared in 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)
“Trust Fund”	the funds and properties held directly or indirectly under the Trust and managed by the Trustee for the benefit of the Selected Participants (other than the Excluded Participants)
“Vesting Date”	in respect of a Selected Participant, the date on which his entitlement to the relevant Award is vested in such Selected Participant in accordance with the Share Award Scheme

By Order of the Board
Rego Interactive Co., Ltd
Chen Ping
Chairman and executive Director

Hong Kong, 17 January 2023

As at the date of this announcement, the Board comprises Mr. Chen Ping, Mr. Tian Huan, Mr. Zhang Yongli, Mr. Fan Lianshun, Mr. Xia Yuanbo and Ms. Zeng Zhen as executive Directors; and Ms. Hu Huijun, Mr. Wan Lixiang and Mr. Zhao Zhongping as independent non-executive Directors.