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## **GHW International**

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

**(Stock Code: 9933)**

### **ADOPTION OF SHARE AWARD PLAN**

The Board is pleased to announce that on 1 March 2023, the Board approved the adoption of a share award plan. The purposes of the Plan are to recognise and reward the contribution of Eligible Participants, to give incentives to Eligible Participants in order to retain them for the continual operation and development of the Group and to attract suitable personnel for further development of the Group.

The Plan constitutes a share award scheme governed by Chapter 17 of the Listing Rules. The Plan does not involve the grant of awards to participants over new Shares or other new securities of the Company. In accordance with Chapter 17 of the Listing Rules, no Shareholders' approval is required for the adoption of the Plan.

#### **THE SHARE AWARD PLAN**

The Board is pleased to announce that on 1 March 2023, the Board approved the adoption of the Plan. A summary of the principal terms of the Plan is set out in this announcement.

#### **Purpose of the Plan**

The purposes of the Plan are to recognise and reward the contribution of Eligible Participants to the growth and development of the Group, to give incentives to Eligible Participants in order to retain them for the continual operation and development of the Group and to attract suitable personnel for further development of the Group.

#### **Administration**

The Plan shall be subject to the administration of the Board or the Remuneration Committee and the Trustee in accordance with the terms of the Plan and the terms of the Trust Deed. The Trustee shall hold the Trust Fund in accordance with the terms of the Trust Deed.

## **Eligibility**

Under the rules constituting the Plan, the following classes of participants (excluding the Excluded Participants) (the “**Eligible Participants**”) are eligible for participation in the Plan:

- (a) any director and employee of the Company or the Group (the “**Employee Participant(s)**”);
- (b) directors and employees (the “**Related Entity Participant(s)**”) of holding companies, fellow subsidiaries or associated companies of the Company (the “**Related Entity**”); and
- (c) any contractor, advisor (professional or otherwise), consultant or expert in any area of business or business development of any member of the Group, who provided its services to any member of the Group on a continuing and recurring basis (the “**Service Provider(s)**”),

and, for the purposes of the Plan, the Award may be made to any company wholly owned by one or more of the above participants or any trust which the settlor is the above participant.

## **Shares Pool**

In order to satisfy any Award to be granted under the Plan from time to time, the Trustee shall maintain a Shares Pool which shall comprise the following:

- (a) issued Shares as may be purchased by the Trustee on the Stock Exchange or off the market by utilizing the funds contributed by the Group or any dividend and other distribution declared and made in respect of any Awarded Shares;
- (b) issued Shares which remain unvested and revert to the Trustee due to the lapse of the Award;
- (c) issued Shares which any person or company recommended by the Company may irrevocably donate or transfer to or irrevocably vest or caused to be vested in the Trustee to be held upon trusts and with and subject to the powers and provisions in the Trust Deed; and
- (d) Returned Shares.

The Trustee may purchase the Shares on the Stock Exchange at the prevailing market price (subject to the maximum price as may be from time to time prescribed by the Board or the Remuneration Committee), or off the market. In the event that the

Trustee effects any purchases by off-market transactions, the purchase price for such purchases shall not be higher than the lower of the following: (i) the closing market price on the date of such purchase, and (ii) the average closing market price for the five preceding trading days on which the Shares were traded on the Stock Exchange.

### **Award of Shares**

The Board or the Remuneration Committee shall, subject to and in accordance with the rules of the Plan, be entitled to, at any time during the continuation of the Plan, make an Award out of the Shares Pool to any of the Eligible Participants such number of Shares as it shall determine pursuant to the Plan.

The eligibility of any of the Eligible Participants to an Award shall be determined by the Board or the Remuneration Committee from time to time on the basis of the Board's or the Remuneration Committee's opinion as to his contribution and/or future contribution to the development and growth of the Group.

The Board or the Remuneration Committee shall notify the Trustee in writing upon the making of an Award under the Plan by giving the Trustee an award notice.

The making of an Award to any connected person of the Company shall be subject to compliance with the applicable Listing Rules.

No Award may be made by the Board or the Remuneration Committee during the periods as prescribed under the paragraph headed "Black-out Period" below.

### **Voting rights of the Shares in the Shares Pool**

The Trustee shall not exercise the voting rights in respect of the Shares held under trust constituted by the Trust Deed (including but not limited to any Shares in the Shares Pool, the Awarded Shares, the Returned Shares, any bonus Shares and scrip Shares). The Selected Participants shall not have any right to receive any Awarded Shares set aside for them unless and until the Trustee has transferred and vested the legal and beneficial ownership of such Awarded Shares to and in the Selected Participants.

### **Equity issue**

During the period after an Award has been made and before the Shares are vested in the Selected Participant, if the Company offers to Shareholders new Shares or other securities for subscription by way of rights, options or warrants and no amount is required to be paid by the Shareholders, the Trustee may (after obtaining a written consent from the Board or the Remuneration Committee) either sell or take steps to exercise any nil-paid rights, options or warrants allocated to it in respect of the Awarded Shares. The net proceeds of such sale (if so sold) shall be applied to subscription for and/or purchase of Shares for the Shares Pool.

On the other hand, if the Company offers to the Shareholders new Shares or other securities for subscription by way of rights, options, warrants or open or preferential offer and consideration is required to be paid, the Trustee may (after obtaining a written consent from the Board or the Remuneration Committee) either decline to or take steps to take up, purchase and/or subscribe for such rights, options, warrants or open or preferential offer.

### **Vesting of the Awarded Shares**

The Board or the Remuneration Committee may from time to time, at its discretion, determine the earliest Vesting Date and other subsequent date(s), if any, subject to and upon which the Awarded Shares held by the Trustee upon trust and which are referable to a Selected Participant shall vest in that Selected Participant. The Vesting Date in respect of any Award shall be not less than 12 months from the Grant Date, provided that for Employee Participants and Related Entity Participants, the Vesting Date may be less than 12 months from the Grant Date (including on the Grant Date) in certain circumstances as described in the Plan.

At any time prior to a Vesting Date, unless the Board or the Remuneration Committee otherwise determines, in respect of a Selected Participant who:

- (a) died, all the Awarded Shares of the Selected Participant shall be deemed to be vested on the Selected Participant on the day immediately prior to his death; or
- (b) (in the case of a Selected Participant who is an Employee) retired at his normal retirement date, all the Awarded Shares of the Selected Participant shall be deemed to be vested on the Selected Participant on the day immediately prior to his normal retirement date; or
- (c) (in the case of a Selected Participant who is an Employee) retired at an earlier retirement date (with prior written agreement given by the Company or the Subsidiary or the Invested Entity), all the Awarded Shares of the Selected Participant shall be deemed to be vested on the Selected Participant on the day immediately prior to his earlier retirement date.

### **Black-out Period**

For so long as the Shares are listed on the Stock Exchange:

- (a) an Award or, as the case may be, any instruction of the Board or the Remuneration Committee to the Trustee to acquire Shares for the purpose of increasing the Shares in the Shares Pool may not be made or given when inside information has come to the Company's knowledge until such inside information has been published in accordance with the Listing Rules and the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong); and

- (b) the Board or the Remuneration Committee may not make any Award to any Eligible Participant or give any instruction to the Trustee to acquire Shares for the purpose of increasing the Shares in the Shares Pool during the periods or times in which the Directors are prohibited under the Listing Rules or any corresponding code or securities dealing restrictions adopted by the Company and all applicable laws from time to time. In particular, during the period preceding the publication of financial results in which the Directors are prohibited from dealing in Shares pursuant to the Listing Rules or any corresponding code or securities dealing restrictions adopted by the Company and up to and including the date of publication of the relevant financial results, no Award may be made and no instruction may be given by the Board or the Remuneration Committee to the Trustee to acquire Shares for the purpose of increasing the Shares in the Shares Pool.

### **Lapse of Award**

In the event that the Selected Participant who is an Employee Participant or Related Entity Participant ceases to be an Employee Participant or Related Entity Participant by virtue of a corporate reorganisation of the Group or the Related Entity, then any Award made to such Selected Participant, to the extent not already vested, shall forthwith lapse and be cancelled.

An Award (or, as the case may be, the relevant part of an Award) shall, under the following circumstances and subject to the terms of the Plan, automatically lapse forthwith and all the Awarded Shares (or, as the case may be, the relevant Awarded Shares) shall become Returned Shares:

- (a) the Selected Participant ceases to be an Employee (other than for reason as provided in the paragraph headed “Vesting of the Awarded Shares” above); or
- (b) the Subsidiary or Related Entity by which a Selected Participant is employed or, in respect of a deceased or retired Selected Participant as provided in the paragraph headed “Vesting of the Awarded Shares” above, was employed immediately prior to his death or retirement, ceases to be a Subsidiary or Related Entity of the Company (or of a member of the Group); or
- (c) the Board or the Remuneration Committee shall at its absolute discretion determine in respect of a Service Provider that (i) the Service Provider or his associate has committed any breach of any contract entered into between the Service Provider or his associate on one part and any member of the Group or any Related Entity on the other part as the Board or the Remuneration Committee may in its absolute discretion determine; or (ii) the Selected Participant has been guilty of misconduct, or has committed any act of bankruptcy or has become insolvent or is subject to any winding-up, liquidation

- or analogous proceedings or has made any arrangement or composition with his creditors generally, or has been convicted any criminal offence involving his integrity or honesty; or (iii) the Selected Participant could no longer make any contribution to the growth and development of any member of the Group or the Related Entity by reason of the cessation of its relationship with the Group or its Related Entity or by any other reasons whatsoever; or
- (d) 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
- (e) a Selected Participant is found to be an Excluded Participant; or
- (f) a Selected Participant fails to return duly executed transfer documents prescribed by the Trustee (or such later date as may be determined by the Board or the Remuneration Committee at its sole and absolute discretion having to all relevant circumstances) for the relevant Awarded Shares within the stipulated period.

### **Plan limit**

The aggregate maximum number of Shares (the “**Plan Mandate Limit**”) (i) to be purchased by the Trustee by applying the Group Contribution; and (ii) to be issued under any other share option schemes adopted or to be adopted by the Company from time to time, shall not exceed 10% of the total number of issued Shares as at the Adoption Date or the relevant date of approval of the refreshment of the Plan Mandate Limit.

The aggregate maximum number of Shares (the “**Service Provider Sub-limit**”) to be purchased by the Trustee by applying the Group Contribution pursuant to paragraph 4.2 for the Awards to be awarded to all Service Providers pursuant to the Plan shall not exceed 10% of the total number of issued Shares as at the Adoption Date or the relevant date of approval of the refreshment of the Service Provider Sub-limit.

The Board or the Remuneration Committee shall not instruct the Trustee to purchase any Shares for the purpose of the Plan when such purchase will result in the Plan Mandate Limit or the Service Provider Sub-limit being exceeded.

The total number of Shares which may be subject to an award or awards to a Selected Participant shall not in aggregate exceed 1% of the total number of issued Shares as at the date(s) of such award(s).

Awards lapsed will not be regarded as utilised for the purpose of calculating the Plan Mandate Limit or the Service Provider Sub-limit. If the Company conducts any capitalisation issue, rights issue, share consolidation, share sub-division or capital reduction, the maximum number of Shares that may be issued by the Company, purchased by the Trustee pursuant to the Plan and all other share option schemes of the Company under the unutilised Plan Mandate Limit or the Service Provider Sub-limit shall be adjusted accordingly, with reference to the total number of issued Shares at the date immediately before and after such event and rounded to the nearest whole Share, such that the Selected Participants will be entitled to the same proportion of the Company's equity capital as to which such Selected Participants previously entitled to.

### **Rights attaching to the Awards and the Awarded Shares**

An Award shall be personal to the Selected Participant and shall not be transferable or assignable and no Selected Participant shall in any way sell, transfer, charge, mortgage, encumber or otherwise dispose of or create any security or adverse interest in favour of any third party over or in relation to an Award or enter or purport to enter into any agreement to do so.

The Selected Participants shall not have any right to receive any Awarded Shares set aside for them under any Award unless and until the Trustee has transferred and vested the legal and beneficial ownership of such Awarded Shares to and in the Selected Participants in accordance with the terms of the Plan.

### **Alteration of the Plan**

The Plan may be altered by the prior sanction of a Board resolution together with the prior written consent of the Trustee, provided that no such alteration shall operate to affect adversely any 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 as would be required of the holders of Shares under the articles of association of the Company (as adopted or amended from time to time) for a variation of the rights attached to such Shares.

### **Duration of the Plan and termination of the Plan**

The Plan shall be valid and effective for a period of 10 years commencing from the Adoption Date but may be terminated earlier as determined by the Board or the Remuneration Committee, provided that such termination shall not affect any subsisting rights of any Selected Participant.



If, at the date of the termination of the Plan, the Trustee holds any Share which has not been set aside in favour of any Selected Participant or retains any unutilised funds received as the Group Contribution, then the Trustee shall, within 21 Business Days (on which the trading of the Shares has not been suspended) after receiving actual notice of such termination, sell such Shares and remit the proceeds of sale (after making appropriate deductions in respect of stamp duty and other costs, liabilities and expenses in accordance with the Trust Deed) together with such unutilised funds to the Company. Subject to the decision of the Board or the Remuneration Committee and subject to the terms of the Plan, all the Awarded Shares shall become vested on the Selected Participant on such date of termination upon termination of the Plan.

## **IMPLICATIONS UNDER THE LISTING RULES**

The Plan constitutes a share award scheme governed by Chapter 17 of the Listing Rules. The Plan does not involve the grant of awards to participants over new Shares or other new securities of the Company. In accordance with Chapter 17 of the Listing Rules, no Shareholders' approval is required for the adoption of the Plan.

## **DEFINITIONS**

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

“Adoption Date”	1 March 2023, being the date on which the Plan is adopted by the Board
“associate”	has the meaning ascribed to it under the Listing Rules
“Award”	a provisional award of Awarded Shares made in accordance with the Plan
“Awarded Share(s)”	the Share(s) provisionally awarded to a Selected Participant pursuant to an Award
“Board”	the board of Directors, such committee or such subcommittee or person(s) delegated with the power and authority by the board of Directors to administer the Plan
“Business Day(s)”	day(s) on which the Stock Exchange is open for the business of dealing in securities



“Company”	GHW International, company incorporated in the Cayman Islands with limited liability, whose Shares are listed on the Main Board of the Stock Exchange
“connected person”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Eligible Participant(s)”	has the meaning ascribed to it under the paragraph headed “The Share Award Plan — Eligibility” in this announcement
“Excluded Participant(s)”	any person who is resident in a place where the award of the Awarded Shares and/or the award of the Returned Shares and/or the vesting and transfer of Shares pursuant to the terms of the Plan is not permitted under the laws and regulations of such place or where in the view of the Board or the Trustee (as the case may be) compliance with applicable laws and regulations in such place make it necessary or expedient to exclude such person
“Group”	the Company and its Subsidiaries
“Group Contribution”	such contribution in the form of money or otherwise made by the Company or any of its Subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Plan”	the share award plan of the Company, which has become effective on the Adoption Date, as altered from time to time
“Remuneration Committee”	the remuneration committee of the Company as appointed by the Board for the time being
“Returned Shares”	such Awarded Shares which are not vested and/or are forfeited in accordance with the terms of the Plan, or such Shares being deemed to be Returned Shares
“Selected Participant(s)”	any Eligible Participant for whom Shares have been provisionally set aside pursuant to an Award

“Shareholders”	holders of the Shares
“Shares”	ordinary shares of HK\$0.01 each in the capital of the Company
“Shares Pool”	the pool of Shares from which the Award shall be made
“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 of Division 4 of Part 1 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)) of the Company, whether incorporated in Hong Kong or elsewhere
“Trust Deed”	the trust deed entered into between the Company as settlor and the Trustee as trustee on 1 March 2023 in respect of Shares and other trust fund (if any) held or to be held by the Trustee subject to the terms thereof, as amended from time to time
“Trust Fund”	the funds and properties held under the trust constituted by the Trust Deed and managed by the Trustee for the benefit of the Eligible Participants in accordance with the terms of the Plan and the Trust Deed
“Trustee”	Tricor Trust (Hong Kong) Limited or such other trustee or trustees as shall be appointed pursuant to and in accordance with the terms of the Trust Deed
“Vesting Date”	in relation to any Selected Participant, the date on which the legal and beneficial ownership of the Awarded Shares are vested in such Selected Participant pursuant to an Award

By Order of the Board of  
**GHW International**  
**Yin Yanbin**  
*Chairman and Chief Executive Officer*

Hong Kong, 1 March 2023

*As at the date of this announcement, the Board comprises Mr. Yin Yanbin, Mr. Zhuang Zhaohui, Mr. Chen Zhaohui, Mr. Zhou Chunnian, Mr. Chen Hua and Mr. Diao Cheng as executive Directors, and Mr. Sun Hongbin, Mr. Wang Guangji and Ms. Zheng Qing as independent non-executive Directors.*