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CHINA ORIENTAL GROUP COMPANY LIMITED
中國東方集團控股有限公司*

(incorporated in Bermuda with limited liability)

(Stock code : 581)

GRANT OF SHARE OPTIONS

This announcement is made pursuant to rules 17.06A, 17.06B and 17.06C of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The board (the “**Board**”) of directors (the “**Directors**”) of China Oriental Group Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) hereby announces that on 9 May 2023 (the “**Date of Grant**”), the Company granted a total of 21,000,000 share options (the “**Share Option(s)**”) to eligible grantees (the “**Grantee(s)**”), subject to acceptance of the Grantees, to subscribe for a total of 21,000,000 ordinary shares of HK\$0.10 each of the Company (the “**Share(s)**”) under the share option scheme of the Company adopted on 15 May 2013 (the “**Share Option Scheme**”). Details of the Share Options granted are as follows:

Date of Grant:	9 May 2023
Number of Share Options Granted:	21,000,000, each Share Option entitling the Grantee to subscribe for one Share
Exercise Price of the Share Options Granted:	HK\$1.28 per Share, being the highest of: (i) the closing price of HK\$1.28 per Share as stated in the Stock Exchange’s daily quotations sheet on the Date of Grant; (ii) the average closing price of HK\$1.26 per Share as stated in the Stock Exchange’s daily quotations sheet for the five business days immediately preceding the Date of Grant; and (iii) the nominal value of a Share on the Date of Grant
Closing Price of the Share on the Date of Grant:	HK\$1.28 per Share

Exercise Period of the Share Options:

the period of ten (10) years from the Date of Grant to 9 May 2033 (both days inclusive) (the “**Option Period**”)

Vesting Period of the Share Options:

The Share Options shall be vested to the Grantees in two tranches:

- (a) 50% of the Share Options shall be vested on 9 May 2024 and be exercisable at any time during the period from 9 May 2024 to the end of the Option Period; and
- (b) the remaining balance shall be vested on 9 May 2025 and be exercisable at any time during the period from 9 May 2025 to the end of the Option Period.

Clawback Mechanism:

Upon the occurrence of any of the following events in relation to a Grantee or, where applicable, his associate, all outstanding Share Options held by the relevant Grantee shall lapse automatically and not be exercisable:

- (a) the Grantee who is an employee (including an executive director but excluding a non-executive director) of the Group or a non-executive director ceases to be an employee or director of the Group by the reason of the termination of his or her employment or directorship on grounds including but without limitation misconduct, bankruptcy, insolvency and conviction of any criminal offence;
- (b) for the Grantee who is not an employee of the Group or a non-executive director, the Directors at their absolute discretion determine that (i) such Grantee or his associate has committed any breach of any contract entered into between the Grantee or his associate as one party and any member of the Group or any invested entity of the Group as the other party; (ii) such Grantee 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 (iii) such Grantee could no longer make any contribution to the growth and development of any member of the Group; and

- (c) the Grantee transfers or creates any interest in favour of any third party over or in relation to the Share Option(s) in breach of the terms of the Share Option Scheme.

Performance Target:

There is no performance target attached to the Share Options granted.

The remuneration committee of the Board (the “**Remuneration Committee**”) notes that the purpose of the Share Option Scheme is to provide eligible persons with the opportunity to acquire proprietary interests in the Company and to encourage eligible persons to work towards enhancing the value of the Company and the Shares for the benefit of the Company and its shareholders as a whole.

Having considered the purpose of the Share Option Scheme above and the following factors, the Remuneration Committee is of the view that the performance target is not necessary and the grant of the Share Options is in line with the purpose of the Share Option Scheme without the performance target:

- (a) given that the Share Options are time-vesting and subject to the clawback mechanism and the value of the Share Options is linked to the future Share price and performance of the Company, the grant of the Share Options can align the interests of the Grantees and the Group;
- (b) as the Grantees are either Directors or other employees of the Group who have made direct contributions to the operation and growth of the Group and been in charge of the management of the Group, the grant of the Share Options will enable the Grantees to share the achievement of the Group and be incentivised to work towards the future development of the Group; and
- (c) the number of the Share Options to be granted to each Grantee has been determined based on the work performance and the future potential contributions to the Group of the relevant Grantee.

Number of Shares Available for Future Grant: After the grant of the Share Options as disclosed in this announcement, the number of Shares available for future grant(s) under the scheme mandate of the Share Option Scheme is 125,571,250 Shares

Financial Assistance: The Group did not provide any financial assistance to the Grantees to facilitate their purchase of Shares under the Share Option Scheme

Details of the Grantees and their respective number of the Share Options granted are set out below:

Name of Grantees	Position(s) held with the Company	Number of Share Options granted
Mr. Han Jingyuan ^(Note)	Chairman, Executive Director and Chief Executive Officer	3,500,000
Mr. Zhu Jun	Executive Director	2,000,000
Mr. Shen Xiaoling	Executive Director	2,000,000
Mr. Han Li ^(Note)	Executive Director and Chief Financial Officer	2,000,000
Mr. Sanjay Sharma	Executive Director	2,000,000
Mr. Ondra Otradovec	Non-executive Director	1,000,000
Mr. Zhu Hao	Non-executive Director	1,000,000
Mr. Wong Man Chung, Francis	Independent Non-executive Director	1,000,000
Mr. Wang Tianyi	Independent Non-executive Director	1,000,000
Mr. Wang Bing	Independent Non-executive Director	1,000,000
Dr. Tse Cho Che, Edward	Independent Non-executive Director	1,000,000
Four employees of the Group who are employee participants (as defined under the Listing Rules) and Eligible Persons (as defined in the rules of the Share Option Scheme)		3,500,000
	Total	21,000,000

Note: Mr. Han Jingyuan is also a substantial shareholder (as defined under the Listing Rules) of the Company. Mr. Han Li is also the son of Mr. Han Jingyuan.

The grant of Share Options to the above Directors, chief executives and/or substantial shareholders of the Company has been approved by the independent non-executive Directors in accordance with Rule 17.04(1) of the Listing Rules, save that each of the independent non-executive Directors has abstained from voting on the resolution relating to the grant of Share Options to himself.

Save as disclosed above, to the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, as at the date of this announcement, none of the Grantees is (i) a Director, chief executive or substantial shareholder of the Company or an associate (as defined under the Listing Rules) of any of them; (ii) a participant with options and awards granted and to be granted exceeding the 1% individual limit (as defined under the Listing Rules); or (iii) a related entity participant (as defined under the Listing Rules) or service provider (as defined under the Listing Rules) of the Company.

By order of the Board
China Oriental Group Company Limited
HAN Jingyuan
Chairman and Chief Executive Officer

Hong Kong, 9 May 2023

As at the date of this announcement, the Board comprises Mr. HAN Jingyuan, Mr. ZHU Jun, Mr. SHEN Xiaoling, Mr. HAN Li and Mr. Sanjay SHARMA being the Executive Directors, Mr. Ondra OTRADOVEC and Mr. ZHU Hao being the Non-executive Directors and Mr. WONG Man Chung, Francis, Mr. WANG Tianyi, Mr. WANG Bing and Dr. TSE Cho Che, Edward being the Independent Non-executive Directors.

This announcement is published on the websites of the Company (www.chinaorientalgroup.com) and the Stock Exchange (www.hkexnews.hk).

**For identification purposes only*