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**銀城生活服務有限公司**

**YINCHENG LIFE SERVICE CO., LTD.**

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

**(Stock Code: 1922)**

## **GRANT OF SHARE OPTIONS**

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

On 16 May 2023 (the “**Date of Grant**”), Yincheng Life Service CO., Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) granted 36 eligible participants (the “**Grantees**”), subject to the acceptance of the Grantees, a total of 2,143,040 options (the “**Option(s)**”) to subscribe for 2,143,040 ordinary shares of the Company with a nominal value of HK\$0.01 each (the “**Share(s)**”) under the share option scheme adopted by the Company on 25 January 2021 (the “**Share Option Scheme**”). Details of the Options granted are as follows:

<b>Date of Grant:</b>	16 May 2023
<b>Number of Options granted</b>	: 2,143,040 Options, each Option shall entitle the holder thereof to subscribe for one Share
<b>Exercise price of Options granted</b>	: HK\$1.920 per Share, representing the highest of: <ul style="list-style-type: none"><li>(i) the closing price of HK\$1.920 per Share as stated in the daily quotations sheet issued by the Stock Exchange on the Date of Grant;</li><li>(ii) the average closing price of HK\$1.920 per Share as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the Date of Grant; and</li><li>(iii) the nominal value of HK\$0.01 per Share.</li></ul>
<b>Closing price of the Shares on the Date of Grant</b>	: HK\$1.920 per Share

- Vesting and validity period of the Options granted** :
- (i) 714,000 Options are vested and exercisable from 16 May 2024 to 15 May 2028.
  - (ii) 714,000 Options are vested and exercisable from 16 May 2025 to 15 May 2028.
  - (iii) 715,040 Options are vested and exercisable from 16 May 2026 to 15 May 2028.

If any Option(s) is/are not exercised within the relevant validity period set out above, such Option(s) will lapse upon the expiry of the relevant validity period.

**Performance targets** : There is no performance target attached to the Options.

The purpose of the Share Option Scheme is to incentivise and reward participants who have contributed to the Group and to encourage participants to work towards enhancing the value of the Company and its Shares for the benefit of the Company and its shareholders as a whole.

Having considered (i) each Grantee's experience in, length of service, contribution and dedication to the promotion of the Group's business; (ii) that the Grantees are Directors or employees of the Group who will directly contribute to the overall business performance, sustainable development and/or good corporate governance of the Group; (iii) that the Options will be vested in tranches over a period of three years from the Date of Grant; and (iv) the historical practice of the Company in granting Options without imposing any performance target, the Remuneration Committee of the Company is of the view that, notwithstanding the absence of any performance target, the grant of Options will align the interests of the Grantees with those of the Company and the shareholders of the Company, motivate the Grantees to devote themselves to the Company's continued competitiveness, operating results and growth in the future and reinforce their commitment to the long-term service of the Company, and is therefore consistent with the purpose of the Share Option Scheme.

**Clawback mechanism** : If a Grantee ceases to be a participant of the Share Option Scheme by reason of the termination of his/her employment or directorship on the grounds of serious misconduct, or has been in breach of a material term of the relevant employment contract or engagement contract, or appear either to be unable to pay or to have no reasonable prospect of being able to pay his/her debts, or has committed any act of bankruptcy, or has been served a petition for bankruptcy, or has made any arrangements or compromise with his/her creditors generally, or has been convicted of any criminal offence involving his/her integrity or honesty or on any other grounds on which an employer would be entitled to terminate his/her employment or directorship summarily or at common law, the Option will lapse automatically and not be exercisable (to the extent not already exercised) on or after the date of termination of his/her employment or directorship. To the extent that the Grantee has exercised the Option in whole or in part, but the Shares have not been allotted to him/her, the Grantee shall be deemed not to have so exercised such Option and the Company shall return to the Grantee the amount of the exercise price for the Shares received by the Company in respect of the purported exercise of such Option.

If a Grantee ceases to be a participant of the Share Option Scheme for any reason other than his/her death or termination of his/her employment or directorship on one or more of the grounds specified in the paragraph above (excluding the transfer of employment from one company to another company within the Group), the Option shall lapse (to the extent not already exercised) on the date of cessation or termination of his/her employment or directorship (which date shall be the Grantee's last actual working day with the Group whether salary is paid in lieu of notice or not) and shall on that day cease to be exercisable.

**Financial assistance** : The Group has not provided any financial assistance to any Grantee to facilitate any purchase of Shares under the Share Option Scheme.

Among the 2,143,040 Options granted, 1,599,000 Options were granted to 34 employees of the Group, and 544,040 Options were granted to two of the directors of the Company (the “**Director(s)**”) with details as follows:

<b>Name</b>	<b>Position held with the Company</b>	<b>Number of Options granted</b>
Mr. Li Chunling	Executive Director and President	360,000
Ms. Huang Xuemei	Executive Director and Vice President	184,040
		<b>544,040</b>

Pursuant to Rule 17.04(1) of the Listing Rules, the grant of Options to the above Directors has been approved by the independent non-executive Directors.

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, save as disclosed above, 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 under Rule 17.03D of the Listing Rules; or (iii) a related entity participant or service provider (as defined under the Listing Rules) with options and awards granted and to be granted in any 12-month period exceeding 0.1% of the total issued Shares.

Subsequent to the grant of the Options above, no further Share will be available for grant under the mandate of the Share Option Scheme.

By Order of the Board  
**YINCHENG LIFE SERVICE CO., LTD.**  
**XIE Chenguang**  
*Chairman*

Hong Kong, 16 May 2023

*As at the date of this announcement, the executive Directors are Mr. Li Chunling and Ms. Huang Xuemei; the non-executive Directors are Mr. Huang Qingping, Mr. Xie Chenguang, Mr. Ma Baohua and Mr. Zhu Li; and the independent non-executive Directors are Mr. Chow Siu Hang, Mr. Li Yougen and Mr. Mao Ning.*