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Hilong Holding Limited

海隆控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1623)

**VOLUNTARY ANNOUNCEMENT
ADOPTION OF THE 2023 AWARD SCHEME**

The Board is pleased to announce that it has resolved on 11 September 2023 to approve the adoption of the 2023 Award Scheme. The Board intends to instruct the Trustee to purchase existing Shares on the secondary market as and when appropriate in accordance with all applicable laws, the Listing Rules and the Scheme Rules.

The maximum number of Awarded Shares underlying the Awards under the 2023 Award Scheme shall not exceed 10% of the issued share capital of the Company as of the Adoption Date.

The 2023 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. The 2023 Award Scheme shall be funded solely by the existing Shares and 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 the 2023 Award Scheme will not be subject to the Shareholders' approval.

INTRODUCTION

The Board is pleased to announce that it has resolved on 11 September 2023 to approve the adoption of the 2023 Award Scheme. The Board intends to instruct the Trustee to purchase existing Shares on the secondary market as and when appropriate in accordance with the applicable laws, the Listing Rules and the Scheme Rules.

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A summary of the principal terms of the 2023 Award Scheme is set out below.

Purposes

The purposes and objectives of the 2023 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 2023 Award Scheme include Employee Participants, Related Entity Participants and Service Providers.

Duration and Termination

The 2023 Award Scheme shall be valid and effective for a term of ten (10) years commencing on the Adoption Date, after which no further Awards will be granted.

The 2023 Award Scheme shall terminate on the earlier of: (i) the 10th anniversary date of the Adoption Date; and (ii) such date of early termination as determined by the Board by a resolution of the Board, provided that such termination shall not affect any subsisting rights of any Selected Participants.

Administration

The 2023 Award Scheme shall be subject to the administration of the Board and the Trustee in accordance with the Scheme Rules and the Trust Deed. The Board may by resolution delegate any or all of its powers in the administration of the Scheme to the administrator or any other committee or sub-committee or any person(s) as from time to time authorized by the Board for such purpose. The decision of the Board with respect to any matter arising under the Scheme (including the interpretation of any provision) shall be final and binding.

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 which shall constitute part of the trust fund, for the purchase of Shares and other purposes set out in the Scheme Rules and the Trust Deed.

Grant of Awards

Subject to all applicable laws, the Listing Rules and the Scheme Rules, the Board may, from time to time, at its absolute discretion select any Eligible Participant (other than any Excluded Participant) for participation in the 2023 Award Scheme as a Selected Participant, and grant such number of Awards 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. After the Board has decided to make a grant of Award to any Selected Participant, the Board shall send a notice to such Selected Participant, setting out the number of Awards so granted and the conditions and other requirements upon which such Awards were granted. The number of Awards specified in the grant notice shall, subject to acceptance by the relevant Selected Participant in accordance with the Scheme Rules, constitute the definitive number of Awarded Shares underlying the Awards granted.

In determining the number of Awards 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 matter which the Board considers relevant.

Where any grant of Award is proposed to be made to any person who is a connected person of the Company within the meaning of the Listing Rules, the Company shall comply with such provisions of the Listing Rules as may be applicable, including any reporting, announcement and/or shareholders' approval requirements, unless otherwise exempted under the Listing Rules.

Vesting of Awards

The Board is entitled to impose any conditions, as it deems appropriate in its absolute discretion with respect to the vesting of the Awards on the Selected Participant, and shall inform the Trustee and such Selected Participant the relevant conditions of the Awards. Subject to the Scheme Rules and the fulfillment of all vesting conditions, including but not limited to the vesting conditions as set out in the grant notice, to the vesting of the Awards on such Selected Participant and all requirements applicable to such Selected Participant as specified in the 2023 Award Scheme and the grant notice (unless waived by the Board), the respective Awards granted to the Selected Participant pursuant to the 2023 Award Scheme shall vest in such Selected Participant in accordance with the vesting schedule (if any) as set out in the grant notice, and the Trustee shall cause the relevant Awarded Shares to be transferred to such Selected Participant on the Vesting Date, or pay the Selected Participants the proceeds in cash arising from the sale based on the Actual Selling Price of the relevant Awarded Shares.

Scheme limit

The Board shall not make any further Awards which will result in the aggregate number of the Awarded Shares underlying the Awards awarded by the Board under the 2023 Award Scheme exceeding 10% of the issued share capital of the Company as of the Adoption Date. The maximum number of Awarded Shares underlying the Awards which may be awarded to a Selected Participant under the 2023 Award Scheme shall not exceed 1% of the issued share capital of the Company in any 12-month period.

Voting rights

The Trustee shall not exercise the voting rights in respect of any Shares held by it under the Trust (if any). For the avoidance of doubt, the Trustee holding Awards or underlying Shares that have not been vested, whether directly or indirectly, shall abstain from voting on matters that require Shareholders' approval under the Listing Rules, unless otherwise required by law to vote in accordance with the Selected Participant's direction and such a direction is given.

Alteration of the 2023 Award Scheme

The 2023 Award Scheme may be amended in any respect by a resolution of the Board, provided that such alteration, amendment or waiver shall not affect any subsisting rights of any Selected Participants thereunder.

LISTING RULES IMPLICATION

The 2023 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. The 2023 Award Scheme shall be funded solely by the existing Shares and 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 the 2023 Award Scheme will not be subject to the Shareholders' approval.

DEFINITIONS

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

“Actual Selling Price”	the actual price at which the Awarded Shares are sold (net of brokerage, stamp duty, Stock Exchange trading fee, SFC transaction levy, Accounting and Financial Reporting Council levy and any other applicable costs) on vesting of an Award pursuant to the Scheme;
“Adoption Date”	11 September 2023, being the date on which the Scheme is adopted by the Company;

“Award(s)”	an award granted by the Board to a Selected Participant, by way of RSU(s) or the Actual Selling Price of the Awarded Shares in cash, as the Board may determine in accordance with the Scheme Rules;
“Awarded Share(s)”	Share(s) underlying the Award(s) granted to the Selected Participants under the Scheme Rules;
“Board”	the board of Directors and if the context so permits, it shall include such committee or sub-committee or person(s) as from time to time delegated with the power and authority by the board of directors of the Company to administer the Scheme;
“Company”	Hilong Holding Limited (海隆控股有限公司*), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange;
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“Contributed Amount”	cash paid or made available to the Trust by way of settlement or otherwise contributed by the Company;
“Director(s)”	director(s) of the Company;
“Eligible Participant(s)”	includes Employee Participant(s), Related Entity Participant(s); or Service Provider(s);
“Employee Participant(s)”	Directors and employees of the Group (including persons who are granted Award(s) under the Scheme as an inducement to enter into employment contracts with these companies);
“Excluded Participant”	any Eligible Participant who is resident in a place where the award of the Awarded Shares and/or the vesting and transfer of the Awarded Shares pursuant to the terms of the 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 from time to time;

“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;
“Related Entity Participant(s)”	directors and employees of the holding companies, fellow subsidiaries or associated companies of the Company;
“RSU(s)”	Restricted share unit(s) to be granted under the Scheme, each of which represents a conditional right for the Selected Participant to obtain Awarded Shares. Each RSU represents one underlying Share;
“Scheme” or “2023 Award Scheme”	the share award scheme adopted by the Company on the Adoption Date, the principal terms of which are set out in this announcement;
“Scheme Rules”	the rules relating to the Scheme as amended from time to time;
“Selected Participant(s)”	Eligible Participant(s) selected by the Board pursuant to the Scheme Rules for participation in the Scheme;
“Service Provider”	persons who provide services to the Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long-term growth of the Group. For the avoidance of doubt, Service Provider may not include placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions, as well as professional service providers such as auditors or valuers who provide assurance, or are required to perform their services with impartiality and objectivity;
“Shareholder(s)”	the shareholder(s) of the Company;
“Shares”	ordinary shares of par value of HK\$0.1 each in the share capital of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Trust”	the trust constituted by 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);
“Trustee”	Computershare Hong Kong Trustees Limited, and any additional or replacement trustees, being the trustee or trustees for the time being of the trusts declared in the Trust Deed;
“Vesting Date(s)”	in respect of a Selected Participant, the date(s) on which his entitlement to the Award(s) is vested in such Selected Participant in accordance with the Scheme Rules; and
“%”	per cent.

For and on behalf of the Board
Hilong Holding Limited
ZHANG Jun
Chairman

Hong Kong, 13 September 2023

As at the date of this announcement, the executive directors of the Company are Mr. ZHANG Jun and Mr. WANG Tao (汪濤); the non-executive directors are Ms. ZHANG Shuman, Dr. YANG Qingli, Mr. CAO Hongbo and Dr. FAN Ren Da Anthony; and the independent non-executive directors are Mr. WANG Tao (王濤), Mr. WONG Man Chung Francis and Mr. SHI Zheyuan.

* For identification purpose only