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## HI SUN TECHNOLOGY (CHINA) LIMITED

高陽科技(中國)有限公司\*

(Incorporated in Bermuda with limited liability)

(Stock Code: 818)

### GRANT OF SHARE AWARDS

Reference is made to the Company's announcement dated 29 June 2021 in relation to the adoption of the Share Award Scheme.

The Board announces that on 17 November 2023, based on the recommendation of the Remuneration Committee, the Board resolved to grant a total of 31,995,000 Award Shares to the Grantees under the Share Award Scheme.

Details of the Grants are as follows:

Date of grant : 17 November 2023

Number of Award Shares granted : 31,995,000

Grantees	Category	No. of Award Shares granted
	<b>Executive Directors</b>	
	Mr. Kui Man Chun ( <i>Chief Executive Officer</i> )	8,000,000
	Mr. Xu Wensheng ( <i>Chairman</i> )	7,400,000
	Mr. Li Wenjin	7,400,000
	Mr. Xu Changjun	7,395,000
	<b>Sub-total:</b>	<b>30,195,000</b>
	<b>A member of senior management of the Group</b>	<b>1,800,000</b>
	<b>Total:</b>	<b>31,995,000</b>

\* For identification purpose only

To the best knowledge of the Directors, 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 of any of them; (ii) a participant with awards granted and to be granted exceeding the individual limit under the Share Award Scheme; or (iii) a related entity participant or service provider (as defined under the Listing Rules).

- Purchase price of the Award Shares payable by each Grantee : HK\$1, where there are no arrangements for the Company or any of its subsidiaries to provide financial assistance to the Grantees to facilitate payment of the same
- Closing price of the Shares on the date of grant : HK\$0.47 per Share, as stated in the daily quotation sheets issued by the Stock Exchange
- Vesting date : The Award Shares shall vest in full on the date of grant, subject to acceptance and payment of the purchase price by the Grantees
- Lock-up condition : No dealing of the Award Shares shall be effected during a period of 12 months from the vesting date
- Performance targets : None
- Clawback mechanism : The Award Shares, unless otherwise determined by the Board, shall automatically lapse forthwith in the event:
- (i) a Grantee ceases to be an employee of the Group by virtue of a corporate reorganization or for reasons other than death or retirement, or the subsidiary by which he is/was employed ceases to be a subsidiary of the Company;
  - (ii) the Board shall at its absolute discretion determine that (a) a Grantee or his associate has committed any breach of any contract entered into with any member of the Group; (b) a 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; (c) a Grantee could no longer make any contribution to the growth and development to the Group by reason of the cessation of his relationship with the Group or by any other reasons;

- (iii) an order for the winding-up of the Company is made or a resolution is passed for the voluntary winding-up of the Company;
- (iv) a Grantee is found to be resident in a place where, or in the view of the Board or the Trustee, the grant and/or vesting and transfer of the Award Shares is not permitted under or compliant with the applicable laws and regulations; or
- (v) a Grantee fails to return duly executed transfer documents within the stipulated period.

Number of Shares available : 245,688,383  
for future grant under the  
Share Award Scheme

The 31,995,000 Award Shares, representing approximately 1.15% of the issued Shares as at the date of this announcement, were purchased by the Trustee from the open market utilising the funds allocated by the Board out of the Company's resources. Hence, the Grants will not result in any issue of new Shares or any dilution effect on the shareholdings of the existing Shareholders.

## **REASONS AND BENEFITS OF THE GRANT**

The purpose of the Share Award Scheme is (i) to recognize and reward the contribution of certain eligible participants to the growth and development of the Group and to provide incentives in order to retain them for continual operation and development of the Group; and (ii) to attract suitable personnel for further development of the Group.

## **VESTING OF THE AWARD SHARES**

The Board has determined, at its discretion, that the Award Shares shall vest on the date of grant in accordance with the terms of the Share Award Scheme which provide for the Short Vesting Circumstances where a vesting period of awards shorter than that as set out in Rule 17.03F of the Listing Rules are specifically permitted.

The Board and Remuneration Committee are of the view that the exercise of discretion to allow the immediate vesting of the Award Shares granted to the Directors and senior management is appropriate, as such discretion would (i) give the Company more flexibility to reward talents; (ii) allow the Company to recruit and retain high-calibre personnel for the continual development of the Group amid the rapidly changing market conditions and intense industry competition; and (iii) show the Company's sincerity to retain talents in order to boost the morale of the employees and build a strong bond between the Group and its employees, through providing the Grantees with instant ownership of the Shares and immediate recognition of their past contributions, which is in line with the purpose of the Share Award Scheme.

## **PERFORMANCE TARGETS**

The Board and the Remuneration Committee have also determined that the Grants are not subject to performance targets, having considered the following factors:

- (a) the Grants have been determined based on the historical contributions, performance and roles of the Grantees and their potential future contribution to the Group;
- (b) the Grants will serve as a recognition of the past contributions of the Grantees to the overall business performance and development of the Group;
- (c) the Grantees are Directors and senior management of the Group having direct contributions to and are responsible for the overall business performance, sustainable development and/or good corporate governance of the Group;
- (d) the Grants will provide incentives to retain and motivate the Grantees to continue to contribute to the growth and development of the Group through ownership of the Shares; and
- (e) the Grants will effectively align the interests of the Grantees directly with those of the Shareholders through the Award Shares.

Based on the above, both the Board and the Remuneration Committee are of the view that the Grants to the Directors and senior management can serve and align with the purpose of the Share Award Scheme in recognising their contributions, and it is not necessary to impose performance targets for the Grants.

## **LISTING RULES IMPLICATIONS**

The Grants have been approved by the Board (including the independent non-executive Directors), and the Remuneration Committee, except that the relevant Director(s) who is a Grantee had abstained from voting on the Grant to himself.

Since the relevant Grants to the Directors form part of the remuneration package under their respective service contracts with the Company, such Grants are fully exempt from the reporting, announcement and shareholders' approval requirements under Chapter 14A of the Listing Rules.

The relevant Grant to a member of the senior management of the Group, a connected person of the Company at subsidiary level, constitutes a connected transaction of the Company. As all the applicable percentage ratios are less than 1% and the Grant is on normal commercial terms, such Grant is also fully exempt from the reporting, announcement and shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **FINANCIAL IMPACT OF THE GRANT**

The fair value of the Award Shares granted that vest immediately on the date of grant is expensed immediately to profit or loss.

## **DEFINITIONS**

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

“Award Shares”	the 31,995,000 Shares granted to the Grantees pursuant to the Grants under the Share Award Scheme
“Board”	the board of directors of the Company, such committee or such subcommittee of person(s) delegated with the power and authority by the board of directors of the Company to administer the Share Award Scheme
“Company”	Hi Sun Technology (China) Limited, a company incorporated in Bermuda with limited liability whose ordinary shares are listed on the Main Board of the Stock Exchange (stock code: 818)
“Director(s)”	the director(s) of the Company
“Grant(s)”	the grant(s) of the Award Shares to the Grantees on the date of this announcement in accordance with the Share Award Scheme
“Grantees”	the selected participants who are granted the Award Shares in accordance with the Share Award Scheme
“Group”	the Company and its subsidiaries

“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
“Remuneration Committee”	the remuneration committee of the Board
“Share Award Scheme”	the share award scheme adopted by the Company on 29 June 2021
“Shareholder(s)”	the holder(s) of Share(s)
“Shares”	the ordinary shares of HK\$0.0025 each in the capital of the Company
“Short Vesting Circumstances”	means one or more of the followings: <ul style="list-style-type: none"> <li>(i) If a participant dies, such that all awards granted to him/her shall be deemed to be vested on him/her on the day immediately prior to his/her death;</li> <li>(ii) If an employee participant (as defined in the Listing Rules) retires at his/her normal retirement date, then all awards granted to him/her shall be deemed to be vested on him/her on the day immediately prior to his/her normal retirement date;</li> <li>(iii) If an employee participant (as defined in the Listing Rules) retires at an earlier retirement date (with prior written agreement), then all awards granted to him/her shall be deemed to be vested on him/her on the day immediately prior to his/her earlier retirement date;</li> <li>(iv) All awards shall become vested in the participants on the date of termination of the Share Award Scheme in accordance with the terms thereof; and</li> <li>(v) The Board may from time to time, at its discretion, determine.</li> </ul>
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“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 dated 29 June 2021 and entered into by the Company (as settlor) and the Trustee (as trustee) in respect of Shares and other trust fund (if any) held or to be held on trust by the Trustee under the Share Award Scheme
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“%”	per cent

By Order of the Board  
**HI SUN TECHNOLOGY (CHINA) LIMITED**  
**Hui Lok Yan**  
*Company Secretary*

Hong Kong, 17 November 2023

*As at the date of this announcement, the Board comprises of four executive directors, namely, Mr. Xu Wensheng, Mr. Kui Man Chun, Mr. Li Wenjin and Mr. Xu Changjun; and three independent non-executive directors, namely Mr. Tam Chun Fai, Mr. Leung Wai Man, Roger and Mr. Li Heguo.*