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PanAsialum Holdings Company Limited

榮陽實業集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 2078)

AMENDMENTS TO SHARE AWARD SCHEME

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The Board is pleased to announce that, on 1 March 2024, the Company has amended the Share Award Scheme by way of adopting the Scheme Rules (as amended and restated).

The Share Award Scheme was adopted on 3 March 2014 which is valid and effective for a term of ten years from its adoption date, subject to any early termination as may be determined by the Board. As at the date of this announcement, (i) there is no outstanding Award under the Share Award Scheme; and (ii) 595,000 Shares are held by the Trustee on trust for the purpose of the Share Award Scheme.

Pursuant to the rules of the Share Award Scheme, the Share Award Scheme may be altered in any respect by a resolution of the Board provided that no such alteration shall operate to affect adversely any subsisting rights of any Selected Employee.

The specific objectives of the Share Award Scheme are: (i) to recognise the contributions by certain Employees and to give incentives thereto in order to retain them for the continual operation and development of the Group as part of talent retention programme of the Group; and (ii) to attract suitable personnel for further development of the Group.

To satisfy the Awards upon vesting, the Company may instruct the Trustee to acquire existing Shares through on-market or off-market purchases or from the Company (as the case may be) in accordance with the Company's instructions and subject to the terms and conditions of the Trust Deed (if any).

The maximum number of Shares to be purchased by the Trustee shall not exceed five per cent. (5%) of the issued share capital of the Company as at the Amendment Date, i.e. 60,000,000 Shares throughout the term of the Share Award Scheme.

Subject to any early termination as may be determined by the Board, the Share Award Scheme shall be valid and effective for a term of 10 years commencing on the Amendment Date and ending on the tenth (10th) anniversary of the Amendment Date.

LISTING RULES IMPLICATIONS

The Share Award Scheme does not constitute a share scheme involving the issue of new Shares as referred to in Chapter 17 of the Listing Rules and hence will only be subject to the applicable disclosure requirements under Rule 17.12 of the Listing Rules. Therefore, the amendments to the Share Award Scheme will not be subject to Shareholders' approval pursuant to Chapter 17 of the Listing Rules.

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The key terms of the Share Award Scheme are set out as follows:

Purpose and Objectives

The specific objectives of the Share Award Scheme are:

- (i) to recognise the contributions by certain Employees and to give incentives thereto in order to retain them for the continual operation and development of the Group as part of talent retention programme of the Group; and
- (ii) to attract suitable personnel for further development of the Group.

Duration

Subject to any early termination as may be determined by the Board, the Share Award Scheme shall be valid and effective for a term of 10 years commencing on the Amendment Date and ending on the tenth (10th) anniversary of the Amendment Date.

Administration

The Share Award Scheme shall be subject to the administration of the Board and the Trustee in accordance with the Scheme Rules and the Trust Deed.

In the event that a Selected Employee is a Director, such person shall not vote on any resolution of the Board (or the Remuneration Committee) in respect of the grant or vesting of any Award to or in him under the Share Award Scheme.

Any grant of Awards to any Director, chief executive or substantial shareholder (as defined in the Listing Rules) of the Company, or any of their respective associates, shall be subject to the prior approval of the independent non-executive Directors (excluding any independent non-executive Director who is a proposed recipient of the grant of the Award).

Operation of the Share Award Scheme

The Board may, from time to time, at their absolute discretion select any Eligible Employee (excluding any Excluded Employee) for participation in the Share Award Scheme as a Selected Employee for the award of such number of Awarded Shares under the Share Award Scheme.

The eligibility of any of the Eligible Employees to an Award shall be determined by the Board in its absolute discretion from time to time on the basis of the Board's opinion as to matters including but not limited to his/her contribution and/or future contribution to the development and growth of the Group. The criteria that may be considered by the Board in determining the eligibility for the grant of an Award include without limitation individual performance, time commitment, responsibilities or employment conditions according to the prevailing market practice and industry standard, the length of employment with and loyalty towards the Group, and the individual contribution or potential contribution to the development and growth of the Group.

Source of Funds and Awards

To satisfy the Awards upon vesting, the Company may instruct the Trustee to acquire existing Shares through on-market or off-market purchases or from the Company (as the case may be) in accordance with the Company's instructions and subject to the terms and conditions of the Trust Deed (if any).

The Board shall (after having regard to all relevant circumstances and affairs of the Group including without limitation the Group's business and financial performance of the Group) determine the amount of funds to be allocated by the Board out of the Company's resources for each purchase of the Awarded Shares, as the Board deems appropriate, pursuant to the Share Award Scheme and from time to time to cause to pay the such amount from the Company's resources to the Trustee subject to the Scheme Rules.

Vesting of Awards

The Board may, at its absolute discretion, determine the terms and conditions of the Award (if any), including the Vesting Date, any performance target or any other conditions, whether restrictive or not, to a Selected Employee as vesting conditions. The Trustee shall transfer the Awarded Shares on the Vesting Date to the relevant Selected Employee upon satisfaction of all vesting conditions (if any) as stated in the Grant Notice subject to the receipt by the Trustee of the transfer documents prescribed by the Trustee and duly executed by the Selected Employee within the period stipulated by the Trustee.

Lapse of Awards

Save as death or retirement by or in accordance with agreement, in the event that prior to or on the Vesting Date in respect of a Selected Employee, (i) the relevant Selected Employee ceases to be an Employee (including the termination of his employment or contractual engagement with the Company or any other member of the Group), or (ii) the subsidiary by which a Selected Employee is employed ceases to be a subsidiary of the Company (or of a member of the Group), or (iii) the relevant Selected Employee makes any attempt or takes any action to sell, transfer, assign, charge, mortgage, encumber or otherwise dispose of or create any security or adverse interest whatsoever in favour of any third party over or in relation to any Award or any interests or benefits pursuant to the Award, (iv) the relevant Selected Employee commits any Misconduct(s), (v) there is any material misstatement(s) in the consolidated financial statements of the Company, or (vi) 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), the Award shall automatically lapse forthwith.

In the event that prior to or on the Vesting Date, (i) a Selected Employee is found to be an Excluded Employee, (ii) the vesting conditions are not, in the sole opinion of the Board or the Remuneration Committee, satisfied in respect of the relevant part of the Award or (iii) a Selected Employee fails to return duly executed transfer documents prescribed by the Trustee for the relevant Awarded Shares or pay the consideration (if any) for the transfer of the relevant Awarded Shares, within the stipulated period, the relevant part of an Award made to such Selected Employee shall automatically lapse forthwith.

Rights of Selected Employee

Prior to the Vesting Date, any Award made shall be personal to the Selected Employee to whom it is made and shall not be transferable or assignable and no Selected Employee shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any other person over or in relation to the Awarded Shares referable to him pursuant to such Award.

Prior to the completion of the transfer of any Awarded Shares to the Selected Employee, a Selected Employee is not entitled to any rights attaching to such Awarded Shares, including but not limited to voting rights, rights to dividend or distributions.

Restrictions

No Award may be granted, no payment shall be made to the Trustee and no instructions to acquire Shares shall be given to the Trustee under the Share Award Scheme where the Company is in possession of unpublished inside information in relation to the Company or where dealings by Directors are prohibited under any code or requirement of the Listing Rules and all applicable laws from time to time.

The Board may not make an Award to any Director during the periods or times in which the Directors are prohibited from dealing in Shares pursuant to the Model Code for Securities by Directors of Listed Issuers as prescribed by the Listing Rules or any corresponding code or securities dealing restrictions adopted by the Company. Any Award to any Director or any connected persons of the Company shall comply with the requirements of the Listing Rules with respect to connected transactions.

Scheme Limit

The maximum number of Shares to be purchased by the Trustee shall not exceed five per cent. (5%) of the issued share capital of the Company as at the Amendment Date, i.e. 60,000,000 Shares (the “**Max Shares Threshold**”) throughout the term of the Share Award Scheme. The Board shall not instruct the Trustee to purchase any Shares for the purpose of the Share Award Scheme when such purchase will result in the Max Shares Threshold being exceeded.

Where any grant of Awards to a Selected Employee would result in the number of Shares subject to the Awards granted under the Share Award Scheme to such person in the 12-month period up to and including the date of such grant representing in aggregate over 1% of the total number of issued Shares as at the Amendment Date, such grant shall be approved by the Remuneration Committee.

Alteration of the Share Award Scheme

The Scheme Rules may be altered in any respect by a resolution of the Board provided that no such alteration shall operate to affect adversely any subsisting rights of any Selected Employee hereunder except with: (i) the consent in writing of the relevant Selected Employees is obtained; or (ii) the sanction of a special resolution passed at a meeting of the relevant Selected Employees.

Any change to the terms of the Awards granted to a Selected Employee shall be approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders (as the case may be) if the initial grant of the Awards was approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders (as the case may be), except where the alteration takes effect automatically under the existing terms of the Share Award Scheme.

Termination

The Share Award Scheme shall terminate on the earlier of: (i) on the 10th anniversary date of the Amendment Date; and (ii) such date of early termination as determined by the Board provided that such termination shall not affect any subsisting rights of any Selected Employee thereunder.

Upon termination, no further offer of Awards may be made and no Awards offered shall be open for acceptance, but the Scheme Rules shall remain in full force and effect to the extent necessary to give effect to any Awards which are granted and remain unvested prior to the termination of the operation of the Share Award Scheme.

LISTING RULES IMPLICATIONS

The Share Award Scheme does not constitute a share scheme involving the issue of new Shares as referred to in Chapter 17 of the Listing Rules and hence will only be subject to the applicable disclosure requirements under Rule 17.12 of the Listing Rules. Therefore, the amendments to the Share Award Scheme will not be subject to Shareholders' approval pursuant to Chapter 17 of the Listing Rules.

DEFINITIONS

Unless the context otherwise requires, capitalized terms used in this announcement shall have the following meanings:

“Amendment Date”	1 March 2024, being the date on which these amended and restated Rules are approved and adopted by the Board
“Articles”	the articles of association of the Company for the time being
“Award”	an award of Shares by the Board to a Selected Employee to receive such number of Awarded Shares and the related income on such terms and conditions as the Board may determine
“Awarded Shares”	in respect of a Selected Employee, such number of Shares determined by the Board under an Award
“Board”	the board of Directors
“Company”	PanAsialum Holdings Company Limited, a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Stock Exchange (Stock Code: 2078)
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“Director(s)”	the director(s) of the Company
“Eligible Employee”	any Employee (whether full time or part time but excluding any Excluded Employee) who, in the sole opinion of the Board, will contribute or have contributed to any member of the Group
“Employee”	any director or employee of the Company or any employee of any Subsidiary of the Company
“Excluded Employee”	any Employee who is resident in a place where the settlement of the amount for purchase of Shares by the Trustee from the Company and/or the award of the Awarded Shares and/or the vesting and transfer of Shares pursuant to the terms of the Share Award Scheme 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 Employee

“Grant Notice”	the grant notice as annexed under the Trust Deed
“Group”	the Company and its subsidiaries from time to time
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Misconduct”	<p>in respect of a Selected Employee, any of the following:</p> <ul style="list-style-type: none"> (i) an act of fraud or dishonesty or serious misconduct, whether or not in connection with his employment or contractual engagement with any member of the Group and whether or not it has resulted in his employment or contractual engagement being terminated by the relevant member of the Group; (ii) non-compliance with the terms of his employment contract or other contract with any member of the Group or disobedience of any orders or instructions given by any member of the Group, as the case may be; (iii) where the Selected Employee has been declared bankrupt or adjudged to be bankrupt by a competent court or governmental body or has failed to pay his debts as they fall due within the meaning of the Bankruptcy Ordinance (Chapter 6 of the Laws of Hong Kong) or any other applicable laws, rules or regulations; (iv) where the Selected Employee has become otherwise insolvent or has made any arrangements or compositions with his creditors generally or an administrator has taken possession of any of his assets; (v) where the Selected Employee has been convicted of any criminal offence involving his integrity or honesty; (vi) where the Selected Employee has been convicted of or is being held liable for any offence under or any breach of the Securities and Futures Ordinance (Cap 571) or other securities laws or regulations in Hong Kong or any other applicable laws or regulations in force from time to time; or

(vii) where the Selected Employee has, in the sole opinion of the Board, conducted himself in any manner whatsoever to the detriment of or prejudicial to the interests of any member of the Group

“Remuneration Committee”	the remuneration committee of the Board
“Scheme Rules”	the rules of the Share Award Scheme, as amended and restated on the Amendment Date
“Selected Employee(s)”	Eligible Employee(s) selected by the Board who hold(s) a subsisting Award
“Share Award Scheme”	the share award scheme of the Company constituted by the rules thereof
“Shareholder(s)”	holder(s) of Share(s)
“Shares”	ordinary shares in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning ascribed to it under the Listing Rules
“Trust Deed”	a trust deed entered into between the Company and the Trustee (as restated, supplemented and amended from time to time) in respect of the appointment of the Trustee for the administration of the Share Award Scheme
“Trustee”	the trustee for the time being and any additional or replacement trustees of the trusts as appointed or declared in the Trust Deed
“Vesting Date”	in respect of a Selected Employee, the date on which his entitlement to the Awarded Shares accrues in accordance with the conditions as imposed by the Board under the Grant Notice and the Scheme Rules
“%”	per cent.

By order of the Board
PanAsialum Holdings Company Limited
Pan Zhaolong
Chairman and Executive Director

Hong Kong, 1 March 2024

As at the date of this announcement, the executive directors of the Company are Mr. Pan Zhaolong and Mr. Ho Pak Yiu; and the independent non-executive directors of the Company are Dr. Cheung Wah Keung, Mr. Chan Kai Nang and Mr. Man Yiu Kwong, Nick.