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Vanov Holdings Company Limited

環龍控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2260)

VOLUNTARY ANNOUNCEMENT ADOPTION OF SHARE AWARD SCHEME

The Board is pleased to announce that, the Company has, on 9 May 2024, adopted the Share Award Scheme in which Eligible Participants (other than Excluded Participants) may be selected by the Board to participate. The Share Award Scheme was adopted with the following objectives: (i) to recognise and reward the contribution of certain Eligible Participants to the growth and development of the Group; and (ii) to attract suitable personnel for further development of the Group.

The maximum number of Shares that may be awarded under the Share Award Scheme shall not exceed 30,000,000 Shares, representing approximately 6.21 per cent of the issued share capital of the Company as at the Adoption Date. The maximum number of Awarded Shares that may be granted to a Selected Participant under the Share Award Scheme shall not exceed 1 per cent of the issued share capital of the Company from time to time.

Pursuant to the Share Award Scheme, Shares will be purchased on the Stock Exchange or off the market by the Trustee at the cost of the Company and the Awarded Shares will be held by the Trustee on trust for the relevant Selected Participants under the Share Award Scheme until vesting.

The Share Award Scheme will constitute 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. However, it does not constitute a share scheme involving the issue of new Shares as referred to in Chapter 17 of the Listing Rules. Therefore, the adoption of the Share Award Scheme will not be subject to Shareholders' approval.

ADOPTION OF THE SHARE AWARD SCHEME

The Board is pleased to announce that, the Company has resolved to adopt the Share Award Scheme on 9 May 2024.

A summary of the main terms, conditions and features of the Scheme Rules is set out below:

(1) PURPOSES OF THE SHARE AWARD SCHEME

The purpose of the Share Award Scheme is, through an award of Shares, to:

- (a) recognise and reward the contribution of certain Eligible Participants to the growth and development of the Group and to give incentives thereto in order to retain them for the continual operation and development of the Group; and
- (b) to attract suitable personnel for further development of the Group.

(2) ELIGIBLE PARTICIPANTS

As set out in the Share Award Scheme, the Eligible Participants shall comprise one or more of (i) director(s) and employee(s) (whether full-time or part-time) of the Company or any of its Subsidiaries (including persons who are granted Awards under this scheme as an inducement to enter into employment contracts with such companies); and (ii) director(s) and employee(s) (whether full-time or part-time) of any Related Entity.

(3) DURATION OF THE SHARE AWARD SCHEME

Subject to any early termination as may be determined by the Board pursuant to the Scheme Rules, the Share Award Scheme shall be valid and effective for a term of ten years commencing on the Adoption Date, after which no further Awards will be made.

(4) APPOINTMENT OF THE TRUSTEE

The Company intends to enter into the Trust Management Agreement with the Trustee, pursuant to which the Trustee will be appointed as trustee of the Trust to hold and manage the Trust Fund and to administer the Share Award Scheme in accordance with the terms of the Trust Management Agreement and the Scheme Rules.

(5) ADMINISTRATION OF THE SHARE AWARD SCHEME

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

The decision of the Board with respect to any matters arising of the Share Award Scheme or its interpretation or effect shall be final, conclusive and binding.

The Trustee shall hold the Trust Fund in accordance with the terms of the Trust Management Agreement.

The Awards may be satisfied by Shares acquired by the Trustee on the Stock Exchange or off the market from time to time.

(6) SCHEME LIMIT

The maximum number of Shares that may be awarded under the Share Award Scheme shall not exceed 30,000,000 Shares, representing approximately 6.21 per cent of the issued share capital of the Company as at the Adoption Date. The maximum number of Awarded Shares that may be granted to a Selected Participant under the Share Award Scheme shall not exceed 1 per cent of the issued share capital of the Company from time to time.

(7) RESTRICTIONS UNDER THE SHARE AWARD SCHEME

The Board shall not make:

- (a) any Award or, as the case may be, any instruction of the Board or the Committee to the Trustee to acquire Shares for the purpose of increasing the Shares in the Shares Pool shall not be made or given when Inside Information has come to the Company's knowledge until the Company has complied with its obligations in respect of such Inside Information in accordance with Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong); and
- (b) any Award to any Eligible Participant or give any instruction to the Trustee to acquire Shares for the purpose of increasing the Shares in the Shares Pool during the periods or times in which the Directors are prohibited from dealing in Shares pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as prescribed by the Listing Rules or any corresponding code or securities dealing restrictions adopted by the Company. In particular, during the period preceding the publication of financial results in which the Directors are prohibited from dealing in Shares pursuant to the Model Code for Securities

Transactions by Directors of Listed Issuers as prescribed by the Listing Rules or any corresponding code or securities dealing restrictions adopted by the Company and up to the date of publication of the relevant financial results, no Award may be made and no instruction may be given by the Board or the Committee to the Trustee to acquire Shares for the purpose of increasing the Shares in the Shares Pool.

(8) SOURCE OF FUNDS

The Board or the Committee after having regard to all relevant circumstances and affairs of the Group (including without limitation the Group's business and operational conditions, its business plans and cashflow requirements currently and in the future), may from time to time cause to be paid to the Trustee from the Company's resources such amount of moneys which may be utilised by the Trustee to purchase Shares which will constitute the Shares Pool.

(9) PURCHASE OF SCHEME SHARES

The Board or the Committee may, at such time as it considers appropriate, instruct the Trustee to apply the funds described in the paragraph headed "Source of Funds" above and/or all or part of the Residual Cash in respect of Scheme Shares towards the purchase of maximum number of board lots of Shares at the a price which falls within a range to be set by the Board or the Committee.

In the event that the Trustee effects any purchases by off the market transactions, the purchase price for such purchases shall not be higher than the lower of the following: (i) the closing market price on the date of such purchase, and (ii) the average closing market price for the five preceding trading days on which the Shares were traded on the Stock Exchange.

(10) GRANTING AND VESTING

The Board or the Committee may, from time to time, at its absolute discretion select Eligible Participants to participate in the Share Award Scheme, and determine the number of Scheme Shares to be awarded to the Selected Participants, the vesting dates of Awarded Shares (the "**Vesting Date(s)**") and the vesting conditions in respect of Awarded Shares.

Unless otherwise determined by the Board or the Committee, the Trustee shall hold the Awarded Shares until they are vested with the Selected Participants in accordance with the Scheme Rules.

(11) LAPSE

Unless otherwise determined by the Board or the Committee at its discretion, upon the occurrence of, including but not limited to, any of the following events, Awarded Shares held by the Trustee shall not vest in the Selected Participant:

- the Selected Participant fails to remain as an Employee on the relevant Vesting Date;
- the Subsidiary or Related Entity by which a Selected Participant is employed ceases to be a Subsidiary or Related Entity of the Company (or of a member of the Group); and
- the Selected Participant fails to fulfil the vesting conditions (if any) in respect of the Awarded Shares.

Upon occurrence of certain events including the above, the relevant Awarded Shares shall become Returned Shares.

(12) VOTING RIGHTS

The Trustee, the Committee and/or the Board shall not exercise the voting rights in respect of any Scheme Shares held under the Trust (including but not limited to the Awarded Shares, the Returned Shares, any bonus Shares and scrip Shares) in all circumstances.

(13) TERMINATION

The Share Award Scheme shall terminate on the earlier of:

- (i) on the 10th anniversary date of the Adoption Date; and
- (ii) such date of early termination as determined by the Board or the Committee, provided that such termination shall not affect any subsisting rights of any Selected Participant hereunder.

LISTING RULES IMPLICATION

The Share Award Scheme will constitute 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. However, it does not constitute a share scheme involving the issue of new Shares as referred to in Chapter 17 of the Listing Rules. Therefore, the adoption of the Share Award Scheme will not be subject to Shareholders' approval.

This announcement is made on a voluntary basis.

DEFINITIONS

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

“Adoption Date”	9 May 2024, being the date on which the Scheme Rules is adopted by the Company
“Award(s)”	a provisional award of Awarded Shares to a Selected Participant pursuant to the Scheme Rules
“Awarded Share(s)”	the Share(s) awarded or provisionally awarded to a Selected Participant pursuant to an Award
“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 to administer the Share Award Scheme
“Committee”	a duly authorised committee or other person(s) from time to time delegated by the Board with the power and authority to administer the Share Award Scheme
“Company”	Vanov Holdings Company Limited, a company incorporated in the Cayman Islands with limited liability whose shares are listed on the Main Board of the Stock Exchange (stock code: 2260)
“Director(s)”	the directors of the Company
“Eligible Participant(s)”	any person who is eligible to receive an Award under the Share Award Scheme, being an Employee Participant or a Related Entity Participant
“Employee(s)”	any individual being an employee (whether full-time or part-time), and directors (including any executive director, non-executive director and independent non-executive director) of any member of the Group or any Related Entity

“Employee Participant(s)”	director(s) and employee(s) (whether full-time or part-time) of the Company or any of its Subsidiaries (including persons who are granted Awards under the Share Award Scheme as an inducement to enter into employment contracts with such companies)
“Excluded Participant(s)”	any person who is resident in a place where the award of the Awarded Shares and/or the award of the Returned 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 Committee 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 person
“Further Shares”	Shares purchased by the Trustee out of net proceeds of sale of non-cash and non-scrip distributions declared and distributed by the Company in respect of Shares held upon the Trust
“Group”	the Company and its subsidiaries from time to time
“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”	any entity which is a holding company, fellow subsidiary or associated company of the Company, whether direct or indirect, of the Company
“Related Entity Participant(s)”	director(s) and employee(s) (whether full-time or part-time) of any Related Entity
“Residual Cash”	being cash remaining in the trust fund in respect of Awarded Shares (including interest income derived from deposits maintained with licensed banks in Hong Kong, and sale proceeds which have not been applied in the acquisition of Further Shares)

“Returned Shares”	such Awarded Shares which are not vested and/or forfeited in accordance with the terms of the Share Award Scheme, or such Shares being deemed to be Returned Shares
“Scheme Rules”	the rules of the Share Award Scheme adopted by the Board on 9 May 2024, as amended from time to time
“Scheme Shares”	all Shares held by the Trustee pursuant to the Scheme Rules including shares not yet granted to the Selected Participants, Awarded Shares and Returned Shares
“Selected Participant(s)”	Eligible Participant(s) selected by the Board pursuant to the Scheme Rules for participation in the Share Award Scheme
“Share Award Scheme”	the Share Award Scheme constituted by the Scheme Rules, in its present form or as amended from time to time
“Shares”	ordinary shares in the share capital of the Company (or such other shares in the capital of the Company after a reclassification or reconstruction of the share capital of the Company from time to time)
“Shares Pool”	Shares set aside and held by the Trustee pursuant to the Scheme Rules and the Trust Management Agreement
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary”	a company which is for the time being and from time to time a subsidiary (within the meaning of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)) of the Company, whether incorporated in Hong Kong or elsewhere
“Trust”	the trust constituted by the Trust Management Agreement
“Trust Fund”	the funds and properties held under the Trust and managed by the Trustee for the benefit of the Employees, including without limitation, any Awarded Shares or other property to be vested or not vested with the Selected Employee, any Shares acquired by the Trustee out of the cash contributed by the Company or related income derived from the Shares held under the Trust, and any Residual Cash

“Trust Management Agreement”	a Trust Management Agreement to be entered into between the Company and the Trustee (as restated, supplemented and amended from time to time) in relation to the Share Award Scheme
“Trustee”	such person as the Company may from time to time appoint as trustee pursuant to and in accordance with the terms of the Trust Management Agreement
“Vesting Date”	shall have the meaning as defined under the paragraph titled “10. Granting and Vesting” in this announcement

By order of the Board
Vanov Holdings Company Limited
Shen Genlian
Chairperson of the Board and executive Director

Hong Kong, 9 May 2024

As at the date of this announcement, the Board comprises four executive Directors, namely Ms. Shen Genlian, Mr. Zhou Jun, Mr. Xie Zongguo and Ms. Yuan Aomei and three independent non-executive Directors, namely Mr. Ip Wang Hoi, Mr. Zhang Shenjin and Mr. Wang Yunchen.