

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**唐宮(中國)控股有限公司**

**TANG PALACE (CHINA) HOLDINGS LIMITED**

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

**(Stock Code: 1181)**

## **ADOPTION OF SHARE AWARD SCHEME**

The Board is pleased to announce that on 1 April 2021, it has approved the adoption of the Scheme. The purpose of the Scheme is to recognize the contributions by certain Eligible Persons (other than Excluded Persons) to the development and growth of the Group and to provide them with incentives in order to retain them for the continual operation and development of the Group.

The Scheme does not constitute a share option scheme pursuant to Chapter 17 of the Listing Rules. No Shareholders' approval is required for the adoption or implementation of the Scheme.

The Board is pleased to announce that it has approved the adoption of the Scheme with effect from 1 April 2021. A summary of the principal terms of the Scheme is set out in this announcement.

### **Purpose and Objective**

The purpose and the objective of the Scheme are to recognize the contributions by certain Eligible Persons (other than Excluded Persons) and to provide them with incentives in order to retain them for the continual operation and development of the Group and to attract suitable personnel for the growth and further development of the Group.

## **Duration and Termination**

Subject to any early termination as may be determined by the Board pursuant to the rules of the Scheme, the Scheme shall be valid and effective for a term of 10 years commencing on the Adoption Date (the “**Trust Period**”).

Upon termination of the Scheme, no further grant of Award may be made under the Scheme and all the Awarded Shares granted under the Scheme shall continue to be held by the Trustee and become vested in the Selected Participants according to the conditions of the Awards. Upon expiration of the Trust Period, all Shares (except for any Awarded Shares subject to vesting on the Selected Participants) remaining in the Trust Fund shall be sold by the Trustee and all net proceeds (after deducting the relevant expenses) will be remitted to the Company.

## **Administration**

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

## **Scheme Limit**

The Board shall not make any further Award which will result in the aggregated number of Awarded Shares granted pursuant to the Scheme (excluding Awarded Shares that have been forfeited in accordance with the Scheme) exceeding 10% of the total number of issued Shares from time to time. For the avoidance of doubt, such maximum number is not a limit set for yearly basis but the maximum number of the Shares that may be awarded throughout the Trust Period.

Any Awards lapsed or forfeited in accordance with the terms of the Scheme shall not vest on the relevant Vesting Date and would be used for further Awards subject to relevant terms of the Scheme and compliance with the Listing Rules and all applicable laws.

The maximum number of Shares which may be awarded to a Selected Participant under the Scheme in any 12-month period shall not exceed 1% of the number of issued Shares from time to time.

## **Operation of the Scheme**

### ***Source of Awarded Shares***

According to the Scheme, any Awarded Shares shall be either (i) existing Shares purchased by the Trustee from the open market (either on-market or off-market); or (ii) new Shares to be allotted and issued to the Trustee (which will hold the same on behalf of the Selected Participant(s)) by the Company pursuant to the general mandate granted by the Shareholders at the annual general meeting of the Company from time to time.

Subject to the rules of the Scheme, in the event that any Awarded Shares are to be allotted and issued as new Shares under the general mandate, the Company shall comply with the relevant Listing Rules when allotting and issuing any new Shares under general mandate and application shall be made to the Stock Exchange for the granting of the listing of, and permission to deal in the new Shares to be issued at the time of offering the Shares.

### ***Granting of Award***

The Remuneration Committee is authorized by the Board to consider and make recommendation to the Board as to each proposed grant to any particular Eligible Person(s) (excluding any Excluded Person(s)) pursuant to the Scheme with reference to (i) the contribution of the Eligible Person(s); (ii) the financial position of the Group; (iii) the business performance and development plan of the Group; and (iv) any other relevant factors that the Remuneration Committee and/or the Board may think fit. In respect of each proposed grant, the Remuneration Committee will consider, amongst others, the relevant number of Awarded Shares, the relevant vesting period and where applicable, any conditions for vesting such as performance target(s). The Board, after taking into consideration the recommendation provided by the Remuneration Committee, will, where appropriate, approve the grant of Awarded Shares to the Selected Participant(s).

### ***Source of funding***

The Board may from time to time cause to be paid a Contributed Amount to the Trust contributed by the Group as directed by the Board which shall constitute part of the Trust Fund, for the purchase of existing Shares or subscription of new Shares and other purposes set out in the rules of the Scheme and the Trust Deed. The Trustee shall keep the Board or an authorized Director informed from time to time of the number of Shares purchased and the price at which those Shares have been purchased. The Shares so purchased and any balance of the funds after completion of the purchase shall form part of the Trust Fund. The Trustee shall hold such Trust Fund and any income, cash, dividends, distributions and/or proceeds arising therefrom in accordance with the rules of the Scheme and the terms of the Trust Deed.

### ***Voting rights***

The Trustee shall not exert any power in respect of the voting rights (if any) attached to the Shares held under the Trust. The Board is of the view that the non-exercise of the voting rights by the Trustee would help avoid potential misperception of the Company's influence over the Trustee's decision in casting the votes in respect of the Shares held under the Trust at general meetings of the Company.

### *Vesting of Awarded Shares*

In relation to a Selected Participant, subject to the fulfilment of all vesting conditions (if any) to the vesting of the Awarded Shares on such Selected Participant, the Awarded Shares held by the Trustee on behalf of the Selected Participant shall vest in such Selected Participant pursuant to the rules of the Scheme. The Board shall have absolute discretion to waive the fulfilment of any vesting condition.

Any Awarded Shares granted under the Scheme but not yet vested shall be personal to the Selected Participant to whom it is made and shall not be assignable or transferrable and no Selected Participant shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any other person over or in relation to any Award, or enter into any agreement to do so.

### *Lapse of Award*

In the event that prior to or on the Vesting Date, a Selected Participant is found to be an Excluded Person or is deemed to cease to be an Eligible Person or any event of lapse is applicable to such Selected Participant pursuant to the rules of the Scheme, the relevant Award made to such Selected Participant shall automatically lapse and the relevant Awarded Shares shall not vest on the relevant Vesting Date but shall remain part of the Trust Fund and would be used for further Awards subject to relevant terms of the Scheme and compliance with the Listing Rules and all applicable laws.

### *Restriction*

No Award shall be made by the Board and no instructions to acquire any Shares shall be given to the Trustee under the Scheme (a) after an event involving inside information relating to the Company has occurred or has been the subject of a decision until such information has been publicly announced in accordance with the applicable laws and the Listing Rules; (b) during the black-out periods applicable for publication of annual or interim results of the Company as prescribed under the Listing Rules; and (c) in any circumstance which is prohibited under the Listing Rules or any other applicable laws, or where requisite approval from any government or regulatory authority has not been granted.

## **LISTING RULES IMPLICATIONS**

The Scheme does not constitute a share option scheme pursuant to Chapter 17 of the Listing Rules. No Shareholders' approval is required for the adoption or implementation of the Scheme. As at the date of this announcement, no Award has been granted under the Scheme. The Scheme will replace the Company's previous share award plan which expired on 24 March 2021. Further announcement will be made by the Company upon the proposed grant of the Awarded Shares when and where necessary in compliance with applicable rules.

## DEFINITIONS

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

“Adoption Date”	1 April 2021
“Award(s)”	award of the Awarded Shares by the Board to the Selected Participant(s) pursuant to the Scheme
“Awarded Share(s)”	the Shares granted to a Selected Participant in an Award
“Board”	the board of Directors of the Company and for the purpose of the Scheme, it shall include such committees or subcommittees or person(s) delegated by the Board to administer the Scheme
“Company”	Tang Palace (China) Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“Contributed Amount”	cash paid or made available to the Trust by the Group pursuant to the Scheme and as determined by the Board
“Director(s)”	the director(s) of the Company
“Eligible Person(s)”	any of the (i) senior management of any member of the Group; and (ii) employees of the Group
“Excluded Person(s)”	any Eligible Person 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 and regulations of such place, or 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 Person
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Remuneration Committee”	the remuneration committee of the Board

“Residual Cash”	cash in the Trust Fund (including without limitation (i) any Contributed Amount or any remaining amount thereof; (ii) any cash income or dividend derived from Shares held under the Trust; (iii) other cash income or net proceeds of sale of non-cash and non-scrip distribution derived from or in respect of the Shares held under the Trust; and (iv) all interests or income derived therefrom deposits which has not been applied in the acquisition of any Shares)
“Scheme”	the share award scheme of the Company adopted by the Board with effect from the Adoption Date, as amended and supplemented from time to time
“Selected Participant(s)”	Eligible Person(s) selected by the Board for participation in the Scheme
“Share(s)”	ordinary share(s) of HK\$0.05 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Trust”	the trust constituted by the Trust Deed
“Trust Deed”	the trust deed dated 1 April 2021 entered into between the Company and the Trustee (as restated, supplemented and amended from time to time) for the administration of the Scheme
“Trust Fund”	<p>the funds and properties held under the Trust and managed by the Trustee for the benefit of the Selected Participants (other than the Excluded Persons), including without limitation:</p> <p>(a) all Shares acquired or subscribed by the Trustee for the purpose of the Trust out of the Residual Cash and such other scrip income (including but not limited to bonus Shares and scrip dividends declared by the Company) derived from the Shares held under the Trust;</p> <p>(b) any Residual Cash;</p> <p>(c) any Awarded Shares or other property to be vested or not vested with the Selected Participant under the terms of the Scheme;</p> <p>(d) all other properties from time to time representing (a), (b) and (c) above</p>

“Trustee”	such independent trustee as shall from time to time be appointed by the Company for the administration of the Shares and other trust fund to be held by the Trustee for the implementation of the Scheme pursuant to and in accordance with the terms of the Trust Deed
“Vesting Date”	in respect of a Selected Participant, the date on which his/her entitlement to the Awarded Shares is vested in such Selected Participant in accordance with the Scheme
“%”	per cent

By order of the Board  
**Tang Palace (China) Holdings Limited**  
**WONG Chung Yeung**  
*Executive Director and Company Secretary*

Hong Kong, 1 April 2021

*As at the date of this announcement, the Board comprises the following directors:*

*Executive directors:*

*Ms. WENG Peihe, Mr. YIP Shu Ming, Mr. CHAN Man Wai, Mr. KU Hok Chiu, Mr. CHEN Zhi Xiong, Mr. WONG Chung Yeung*

*Independent non-executive directors:*

*Mr. KWONG Chi Keung, Mr. KWONG Ping Man, Mr. CHEUNG Kin Ting Alfred*