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品牌中国
BRANDING CHINA

BRANDING CHINA GROUP LIMITED

品牌中國集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock code: 0863)

ADOPTION OF A NEW SHARE AWARD PLAN

The Board is pleased to announce that it has approved the termination of the Existing Scheme, the adoption of the New Plan and the appointment of Acheson Limited as the Trustee of the New Plan on 21 August 2018. The purposes of the New Plan are to recognise and reward the contribution of certain Eligible Participants to the growth and development of the Group, to give incentives to Eligible Participants in order to retain them for the continual operation and development of the Group, and to attract suitable personnel for further development of the Group.

The New Plan does not constitute a share option scheme or an arrangement involving the grant of options to participants over unissued Shares or other unissued securities of the Company which is analogous to a share option scheme for the purpose of Chapter 17 of the Listing Rules and is not required to comply with the rules thereunder. No Shareholders' approval is required for the adoption of the New Plan.

THE SHARE AWARD PLAN

The Existing Scheme was adopted on 29 September 2014, but no Shares have been granted under the Existing Scheme.

After reviewing the Company's overall policies regarding employee compensation and incentive and taking into consideration the Company's share option scheme which complies with Chapter 17 of the Listing Rules, the Board approved the termination of the Existing Scheme and adoption of the New Plan on 21 August 2018. Under the New Plan, the Shares to be awarded may be issued Shares purchased by the Trustee through on-market transactions or new Shares allotted to the Trustee by the Company by applying such amount in the share premium account of the Company or utilising such other reserves or funds allocated by the Board out of the Company's resources. A summary of the principal terms of the New Plan is set out in this announcement.

The Board also approved the appointment of Acheson Limited as the Trustee and expects to enter into the Trust Deed within one month. Acheson Limited is a company incorporated in Hong Kong and authorised to undertake trust business in accordance with the laws of Hong Kong. To the best knowledge and belief of the Directors having made reasonable enquiries, Acheson Limited and its ultimate beneficial owner(s) are third parties independent of, and not connected with, the Company or its connected persons.

The Company shall pay the Trustee service fee and reimburse its proper expenses incurred in the operation of the trust under the Trust Deed. The service fees to be paid to the Trustee are determined after considering the service fees to be charged by other independent trustee companies and on arm's length negotiations between the Company and the Trustee.

Purposes of the New Plan

The purposes of the New Plan are to recognise and reward the contribution of certain Eligible Participants to the growth and development of the Group, to give incentives to Eligible Participants in order to retain them for the continual operation and development of the Group, and to attract suitable personnel for further development of the Group.

Eligibility

Under the rules constituting the New Plan, the following classes of participants (excluding the Excluded Participants) (the “**Eligible Participants**”) are eligible for participation in the New Plan:

- (a) any employee of the Group (whether full-time or part-time, including any director and including any person who has entered into an employment contract, whether verbal or in writing, with any member of the Group before the grant of an Award provided that the commencement date of his tenure under the employment contract falls on a date before the Vesting Date and such employment continues up to and including the Vesting Date) (an “**Eligible Employee**”);
- (b) any director or officer of any member of the Group; and
- (c) any consultant or advisor of any member of the Group.

The eligibility of any of the Eligible Participants to an Award shall be determined by the Board from time to time on the basis of the Board’s opinion as to his contribution and/or future contribution to the development and growth of the Group.

Shares Pool

In order to satisfy any Award to be granted under the New Plan from time to time, the Trustee shall maintain a Shares Pool which shall comprise the following:

- (a) such Shares as may be allotted out of the unissued Shares to the Trustee or purchased by the Trustee on the Stock Exchange by utilising the Group Contribution;
- (b) such Shares as may be allotted or issued (by way of scrip dividend or otherwise) to the Trustee as a holder of Shares held by it under the Trust Deed;
- (c) such Shares as may be acquired by the Trustee at its discretion by utilising the net proceeds of the sale of the relevant nil-paid rights, options or warrants allocated to it in respect of Shares held by it under the Trust Deed; and
- (d) such Shares which remain unvested and revert to the Trustee due to the lapse of any Award.

The Trustee may purchase the issued Shares on the Stock Exchange at the prevailing market price (subject to such maximum price as may be from time to time prescribed by the Board).

The Trustee shall not exercise the voting rights in respect of the Shares held in the Shares Pool.

Award of Shares

At any time during the continuation of the New Plan, the Board is entitled, but not be bound, to make an Award out of the Shares Pool to an Eligible Participant with or without any vesting condition and on such other terms and conditions as are not inconsistent with the rules of the New Plan.

An Award shall be personal to the Selected Participant and shall not be transferable or assignable and no Selected Participant shall in any way sell, transfer, charge, mortgage, encumber or otherwise dispose of or create any security or adverse interest in favour of any third party over or in relation to an Award or enter or purport to enter into an agreement to do so.

The making of an Award to any connected person of the Company must be approved by a majority of the independent non-executive Directors at the relevant time (excluding any independent non-executive Director who is the relevant Selected Participant) and shall be subject to compliance with the applicable Listing Rules.

No Award may be made by the Board during the periods as prescribed under the paragraph “Black-out Period” below.

Black-out Period

The Board may not make any Award, and may not give any instruction to the Trustee to acquire Shares for the Shares Pool when the Board has or reasonably believes that it is in possession of inside information until such inside information has been published in accordance with the Listing Rules. In particular, during the period preceding the publication of financial results in which the Directors are prohibited from dealing in Shares 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 to the Trustee to acquire Shares for the purpose of increasing the Shares in the Shares Pool.

The Board may not make any Award to any Director during the periods or times in which the Directors are prohibited from dealing in Shares as prescribed by the Listing Rules or any corresponding code or securities dealing restrictions adopted by the Company.

Vesting of the Awarded Shares

The Selected Participants shall not have any right to receive any Awarded Shares set aside for them and all Other Distributions unless and until the Trustee has transferred and vested the legal and beneficial ownership of such Awarded Shares to and in the Selected Participants in accordance with the terms of the New Plan.

Where any Vesting Date falls on a date when the Directors is restricted from making any Award, the Vesting Date shall be postponed accordingly.

At any time prior to a Vesting Date:

- (a) if the Selected Participant is an Eligible Employee, and in the event of (i) his death; (ii) his retirement at his normal retirement date; or (iii) his retirement at an earlier retirement date (with prior written agreement given by any member of the Group) before the Vesting Date, then unless the Board otherwise determines, all the Awarded Shares and Other Distributions of the Selected Participant (to the extent not already vested) shall be deemed to be vested on the day immediately prior to his death or retirement; or
- (b) if the Selected Participant is an individual who is not an Eligible Employee, and in the event of his death before the Vesting Date, then unless the Board otherwise determines, all the Awarded Shares and Other Distributions of the Selected Participant (to the extent not already vested) shall be deemed to be vested on the day immediately prior to his death.

Lapse of Award

In the event that the Selected Participant who is an Eligible Employee ceases to be an Eligible Employee by virtue of a corporate reorganisation of the Group, then any Award made to such Selected Participant, to the extent not already vested, shall forthwith lapse and be cancelled unless the Board determines otherwise at its absolute discretion.

Unless the Board determines otherwise at its absolute discretion, an Award shall, under the following circumstances and subject to the terms of the New Plan, automatically lapse and be cancelled forthwith and all the Awarded Shares and Other Distributions shall not vest on the relevant Vesting Date but shall revert to the Shares Pool:

- (a) a Selected Participant who is an Eligible Employee ceases to be an Eligible Employee;
- (b) a Selected Participant who is not an Eligible Employee ceases to be a director or officer of any member of the Group;
- (c) a Selected Participant who is not an Eligible Employee ceases to be a consultant or advisor of any member of the Group;
- (d) the Subsidiary by which a Selected Participant is employed as an Eligible Employee ceases to be a Subsidiary of the Company (or of a member of the Group);
- (e) the Directors determine in respect of a Selected Participant (other than an Eligible Employee) that (a) the Selected Participant or his associate has committed any breach of any contract entered into between the Selected Participant or his associate on one part and any member of the Group on the other part as the Directors may at their absolute discretion determine; or (b) the Selected Participant 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; or (c) the Selected Participant could no longer make any contribution to the growth and development of any member of the Group by reason of the cessation of its relation with the Group or its Affiliate or by any other reasons whatsoever; or
- (f) an order for the winding-up of the Company is made or a resolution is passed for the voluntary winding-up of the Company.

Plan Limits

The Board may determine the maximum number of Shares to be acquired by the Trustee for the purpose of the New Plan in any given financial year of the Company. However, the Board shall neither (a) instruct the Trustee to acquire any additional Shares when such acquisition will result in the aggregate number of (i) the Shares in the Shares Pool, and (ii) all Awarded Shares previously vested under the Plan exceed such number of Shares representing 5% of the then issued share capital of the Company; nor (b) make any further Award which will result in the aggregate number of Awarded Shares under the New Plan exceed such number of Shares representing 5% of the then issued share capital of the Company.

Notwithstanding any other rule or provision of the New Plan, the aggregate number of Awarded Shares which may be awarded to Selected Participants who are connected persons of the Company shall, at any given time, be less than 30% of the aggregate of the maximum number of Awarded Shares which may be awarded to Selected Participants under the New Plan.

Alteration of the New Plan

The New Plan may be altered by the prior sanction of a resolution passed by the Board, provided that no such alteration shall operate to affect adversely any rights of any Selected Participant in respect of his Awarded Shares which remain unvested except with the consent in writing of the majority of the Selected Participants whose Awarded Shares remained unvested on that date.

Duration of the New Plan and termination of the New Plan

The New Plan shall be valid and effective for a period of 10 years commencing from 21 August 2018 but may be terminated earlier as determined by the Board, provided that such termination shall not affect any subsisting rights of any Selected Participants.

Upon termination of the New Plan, all the unvested Awarded Shares and Other Distributions attributable thereto shall become vested in the Selected Participants so referable on the date of termination of the New Plan. Any other Shares and non-cash income remaining in the trust fund shall be sold by the Trustee within 30 Business Days of receiving notice of termination of the New Plan, and the net proceeds of such sale together with any unutilised Group Contribution held by the Trustee shall be returned to the Company.

IMPLICATIONS UNDER THE LISTING RULES

The New Plan does not constitute a share option scheme or an arrangement involving the grant of options to participants over issued Shares or other unissued securities of the Company which is analogous to a share option scheme for the purpose of Chapter 17 of the Listing Rules and is not required to comply with the rules thereunder. No Shareholders' approval is required for the adoption of the New Plan.

DEFINITIONS

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

“associate”	has the meaning ascribed to it under the Listing Rules
“Award”	a provisional award of Awarded Shares made in accordance with the New Plan
“Board”	the board of Directors
“Business Day”	a day on which the Stock Exchange is open for the business of dealing in securities
“Company”	Branding China Group Limited (品牌中國集團有限公司), 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”	has the meaning ascribed to it under the Listing Rules
“control” and “controlling shareholder”	shall have the same meaning as set out in the Hong Kong Code on Takeovers and Mergers and the Listing Rules respectively
“Director(s)”	director(s) of the Company

“Eligible Employee(s)”	any employee (whether full-time or part-time, including any director and including any person who has entered into an employment contract, whether verbal or in writing, with any member of the Group before the grant of an Award provided that the commencement date of his tenure under the employment contract falls on a date before the Vesting Date and such employment continues up to and including the Vesting Date
“Eligible Participant(s)”	has the meaning ascribed to it under the paragraph headed “The Share Award Plan – Eligibility” in this announcement
“Excluded Participant(s)”	any person who is resident in a place where the award of the Awarded Shares and/or the vesting and transfer of Shares pursuant to the terms of the New Plan 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 person
“Existing Scheme”	the existing share award scheme of the Company, which was adopted on 29 September 2014
“Group”	the Company and its Subsidiaries
“Group Contribution”	such amount in the share premium account of the Company or such other reserves or funds allocated by the Board out of the Company’s resources for the subscription or purchase of Awarded Shares by the Trustee
“HK\$”	Hong Kong dollars, 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
“New Plan”	the share award plan of the Company, which has become effective on 21 August 2018, as altered from time to time
“Other Distributions”	any dividend and other distributions declared and made in respect of any Awarded Shares
“Selected Participant(s)”	any Eligible Participant to whom an Award has been provisionally made by the Board
“Shareholders”	holders of the Shares
“Shares”	shares of HK\$0.01 each in the share capital of the Company
“Shares Pool”	the pool of Shares held by the Trustee from time to time and from which Awards will be made
“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 section 2 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)) of the Company, whether incorporated in Hong Kong or elsewhere
“Trust Deed”	the trust deed to be entered into between the Company as settlor and the Trustee as trustee in respect of Shares and other trust fund (if any) held or to be held by the Trustee subject to the terms thereof, as amended from time to time
“Trustee”	such trustee or trustee as shall be from time to time 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 New Plan pursuant to and in accordance with the terms of the Trust Deed

“Vesting Date”

in relation to any Selected Participant, the date on which the beneficial ownership of the Awarded Shares is transferred to and vested in such Selected Participant pursuant to an Award

By order of the Board
Branding China Group Limited
Lo Ken Bon
Executive Director

Hong Kong, 21 August 2018

As at the date of this announcement, the executive Directors are Mr. Lo Ken Bon, Mr. Ko Chun Shun, Johnson and Mr. Fang Bin, and the independent non-executive Directors are Mr. Chau Shing Yim, David, Mr. Chia Kee Loong, Lawrence and Mr. Tai Benedict.