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APEX ACE

APEX ACE HOLDING LIMITED

光麗科技控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6036)

ADOPTION OF RESTRICTED SHARE AWARD SCHEME

On 30 August 2019, the Company adopted the Scheme. The Scheme shall be valid and effective for a period of ten (10) years commencing on the Adoption Date.

Pursuant to the Scheme, the Board shall select Eligible Participants for participation in the Scheme. The Restricted Shares to be granted comprise (i) new Shares to be allotted and issued by the Company; and/or (ii) existing Shares purchased by the Custodian on the market, the costs of which will be borne by the Company. All such Restricted Shares will be held by the Custodian upon trust for the benefit of the Selected Participants before vesting. The Restricted Shares shall be transferred to the Selected Participants or his/her nominee or agent by the Custodian when the relevant vesting conditions have been satisfied.

The Board shall not make any further grant of Restricted Shares which will result in the total number of Restricted Shares granted by the Board under the Scheme exceeding 10% of the issued share capital of the Company as at the Adoption Date. The maximum number of Restricted Shares which may be granted to a Selected Participant at any one time or in aggregate shall not exceed 1% of the issued share capital of the Company as at the Adoption Date.

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

ADOPTION OF THE SCHEME

On 30 August 2019, the Company adopted the Scheme. A summary of the principal terms of the Scheme is set out below:

Purposes and Objectives

The objectives of the Scheme are (i) to recognise the contributions by the Group's personnel and to increase their incentives in working for the continual operation and development of the Group; and (ii) to attract suitable personnel for further development of the Group.

Duration and Termination

Subject to any early termination of the Scheme as may be determined by the Board and without prejudicing the subsisting rights of any Selected Participant, the Scheme shall be valid and effective for a term of ten (10) years commencing on the Adoption Date.

The Scheme shall terminate on the earlier of (i) the 10th anniversary of the Adoption Date; and (ii) such date of early termination of the Scheme as determined by the Board, provided that any such termination shall not affect any subsisting rights of any Selected Participant. Unless otherwise specified in the Scheme, all Restricted Shares granted to the Selected Participants prior to such termination under the Scheme shall continue to be held by the Custodian and become vested in the Selected Participants according to the conditions of such Grant.

Administration

The Scheme shall be subject to the administration of the Board and the Custodian in accordance with the provisions of the Scheme and the 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 on all parties.

Scheme Limit

The Board shall not make any further grant of Restricted Shares which will result in the total number of Restricted Shares granted by the Board under the Scheme exceeding 10% of the issued share capital of the Company as at the Adoption Date. The maximum number of Restricted Shares which may be granted to a Selected Participant at any one time or in aggregate shall not exceed 1% of the issued share capital of the Company as at the Adoption Date.

Operation

The Restricted Shares to be granted comprise (i) new Shares to be allotted and issued by the Company; and/or (ii) existing Shares purchased by the Custodian on the market, the costs of which will be borne by the Company. All such Restricted Shares will be held by the Custodian upon trust for the benefit of the Selected Participants before vesting.

The Board may from time to time cause to be paid the necessary funds to the Custodian in accordance with the terms of the Deed by way of settlement or otherwise contributed by the Company and/or any of its subsidiary to the Custodian as permitted under the Scheme as determined by the Board from time to time for the subscription or purchase (as the case may be) of Shares and other purposes set out in the Scheme and the Deed.

If the Board elects to allot and issue new Restricted Shares under a Mandate to satisfy its obligations under the terms of a Grant, the Board shall cause the Restricted Shares to be allotted and issued to the Custodian in accordance with the terms of the Deed, and if necessary, cause an amount equal to the subscription price to be transferred from the Company's resources as soon as practicable prior to the allotment and issuance of new Shares as subscription money for such new Shares. The Company shall comply with the relevant Listing Rules when allotting and issuing any new Shares under a Mandate, including but not limited to obtaining the approval of Shareholders for the grant of the Mandate, and an 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 before such Shares are issued. The Board may also from time to time instruct the Custodian in writing to purchase Shares on the Stock Exchange. On each occasion when the Board instructs the Custodian to purchase Shares on the Stock Exchange, it shall specify the maximum amount of funds to be used and the range of prices at which such Shares are to be purchased. The Custodian may not incur more than the maximum amount of funds or purchase any Shares at a price falling outside the range of prices so specified unless with the prior written consent of the Board.

Voting Rights

No Selected Participant may exercise any voting rights in respect of any Restricted Shares that have not been vested. The Custodian shall not exercise the voting rights in respect of any Shares held by it under the Deed.

Grant and Vesting of Restricted Shares

Subject to the provisions of the Scheme, the Board may, from time to time, at its absolute discretion select any Eligible Participant (other than any Excluded Participant) for participation in the Scheme as a Selected Participant, and grant such number of Restricted Shares to any Selected Participant at nil consideration and in such number and on and subject to such terms and conditions as it may in its absolute discretion determine.

Where any Grant is proposed to be made to any Selected Participant who is a Director, such Grant must first be approved by all the members of the Remuneration Committee, or, where the Grant is proposed to be made to any member of the Remuneration Committee, by all of the other members of the Remuneration Committee. If a Grant is proposed to be made to any person who is a connected person of the Company, the Company shall comply with such provisions of the Listing Rules as may be applicable.

The Restricted Shares held by the Custodian upon trust on behalf of the Selected Participant pursuant to the provisions of the Scheme shall vest in such Selected Participant in accordance with the vesting schedule (if any) and the terms and conditions as set out in the notice of Grant, and the Custodian shall cause the Restricted Shares to be transferred to such Selected Participant or his/her nominee or agent on the Vesting Date.

If there occurs an event of change in control of the Company, whether by way of offer, merger, scheme of arrangement or otherwise prior to the Vesting Date, the Board shall determine at its discretion whether the Restricted Shares granted shall vest in the relevant Selected Participants and, if applicable, the time at which such Restricted Shares shall vest.

Transferability

Prior to the Vesting Date, any Grant made shall be personal to the Selected Participant to whom it is made and shall not be assignable 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 the Grant or the Restricted Shares referable to him/her pursuant to such Grant.

Disqualification of Selected Participant

In the event that prior to or on the Vesting Date, a Selected Participant is found to be an Excluded Participant or is deemed to cease to be an Eligible Participant pursuant to the paragraph below, the relevant Grant made to such Selected Participant shall automatically lapse forthwith and the relevant Restricted Shares shall not vest on the relevant Vesting Date, unless otherwise specified in the Scheme. Such Eligible Participant shall have no right or claim against the Company, any other member of the Group, the Board or the Custodian with respect to those or any other Shares or any right thereto or interest therein in any way.

Unless the Board determines otherwise, the circumstances under which a person shall be treated as having ceased to be an Eligible Participant shall include, without limitation, the following:

- (i) where such person has committed any act of fraud or dishonesty or serious misconduct, whether or not in connection with his/her employment or engagement by any member of the Group and whether or not it has resulted in his/her employment or engagement being terminated by the relevant member of the Group;
- (ii) where such person has been declared or adjudged to be bankrupt by a competent court or government body or has failed to pay his/her debts as they fall due (after the expiry of any applicable grace period) or has entered into any arrangement or composition with his/her creditors generally or an administrator has taken possession of any of his/her assets;
- (iii) where such person has been convicted of any criminal offence;
- (iv) where such person has been convicted of or is being held liable for any offence under or any breach of the SFO or other securities laws or regulations in Hong Kong or any other applicable laws or regulations in force from time to time;
- (v) where such person's employment or engagement by any member of the Group has resulted in such person's employment or engagement being terminated for whatever reason (whether for cause or not);

- (vi) where such person has done anything in the conclusive opinion of the Board that adversely affects his/her ability to perform his/her duties properly or brings the Company or the Group into disrepute; or
- (vii) where such person is unable to perform his/her duties/work as a result of mental or physical inability.

Restrictions of Grant

No Grant shall be made by the Board pursuant to the Scheme and no instructions to acquire any Shares shall be given to the Custodian under the Scheme where dealings in the Shares are prohibited under any code or requirement of the Listing Rules or any applicable laws or regulations from time to time. Without limiting the generality of the foregoing, no such instruction is to be given and no such Grant is to be made:

- (i) after an event involving inside information in relation to affairs or securities of the Company has occurred or a matter involving inside information in relation to the securities of the Company has been the subject of a decision, until such inside information has been publicly announced in accordance with the applicable laws and the Listing Rules;
- (ii) during the period of sixty (60) days immediately preceding the publication date of the annual results for any financial period of the Company or, if shorter, the period from the end of relevant financial year up to the publication date of the results;
- (iii) during the period of thirty (30) days immediately preceding the publication date of the interim results for any financial period of the Company or, if shorter, the period from the end of the relevant half-year period of the financial year up to the publication date of the results; or
- (iv) in any circumstance which is prohibited under the Listing Rules, the SFO or any other law or regulation or where any requisite approval from any governmental or regulatory authority has not been granted.

Alteration of the Scheme

The Scheme may be amended in any respect by a resolution of the Board provided that no such amendment shall operate to affect materially and adversely any subsisting rights of any Selected Participant.

OTHER INFORMATION

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Custodian is independent from the Company and connected persons of the Company.

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

DEFINITION

Unless otherwise defined, the following expressions in this announcement have the following meanings:

“Adoption Date”	30 August 2019, being the date on which the Scheme is adopted by the Company
“Board”	the board of directors of the Company 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 of the Company to administer the Scheme
“Company”	Apex Ace Holding Limited (stock code: 6036), 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(s)”	has the meaning ascribed thereto under the Listing Rules
“Custodian”	VBG Capital Limited and any additional or replacement custodian(s), being the custodian or custodians for the time being of the arrangements set out and declared in the Deed
“Deed”	a deed entered into between the Company and the Custodian on 30 August 2019 (as restated, supplemented and amended from time to time)
“Director(s)”	director(s) of the Company
“Eligible Participant(s)”	any employee (whether full time or part time), executive, officer or director (including any executive, non-executive and independent non-executive director) of the Group who, in the sole discretion of the Board, has contributed or may contribute to the growth and development of the Group

“Excluded Participant(s)”	any Eligible Participant who is resident in a place where the grant of the Restricted Shares and/or the vesting and transfer of the Restricted Shares pursuant to the terms of the Scheme is not permitted under the laws or regulations of such place or where, in the view of the Board or the Custodian (as the case may be), compliance with applicable laws or regulations in such place makes it necessary or expedient to exclude such Eligible Participant
“Grant”	a grant of the Restricted Shares by the Board pursuant to the provisions of the Scheme to a Selected Participant
“Group”	the Company and its subsidiaries from time to time, and “member of the Group” means any or a specific one of them
“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
“Mandate”	the specific mandate (or where applicable, general mandate) granted or to be granted by Shareholders to the Directors at general meetings of the Company from time to time to allot, issue or otherwise deal with Shares in accordance with the Listing Rules
“Remuneration Committee”	the remuneration committee of the Board
“Restricted Share(s)”	in respect of a Selected Participant, such number of Shares as granted by the Board under the Scheme and in accordance with the terms of the Deed
“Scheme”	the restricted share award scheme adopted by the Company on the Adoption Date, as amended from time to time
“Selected Participant(s)”	Eligible Participant(s) selected by the Board pursuant to the provisions of the Scheme for participation in the Scheme
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of the Company (or such ordinary shares following a sub-division, consolidation, reclassification, reduction or reconstruction of the share capital of the Company from time to time)
“Shareholder(s)”	holder(s) of the Shares

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vesting Date(s)”	in respect of a Selected Participant, the date on which his/her entitlement to the Restricted Shares is vested in such Selected Participant in accordance with the provisions of the Scheme and other terms of the Scheme
“%”	per cent

By order of the Board
Apex Ace Holding Limited
Lee Bing Kwong
*Chairman, Chief Executive Officer and
Executive Director*

Hong Kong, 30 August 2019

As at the date of this announcement, the executive Directors are Mr. Lee Bing Kwong (Chairman and Chief Executive Officer), Mr. Lo Yuen Kin and Ms. Lo Yuen Lai; and the independent non-executive Directors are Mr. Cheung Siu Kui, Mr. Yim Kwok Man and Dr. Chow Terence.

* *For identification purpose only*