

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.



TEN PAO GROUP HOLDINGS LIMITED

天寶集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1979)

GRANT OF SHARE AWARDS PURSUANT TO THE TEN PAO ELECTRONIC (HUIZHOU) SHARE AWARD SCHEME

This announcement is made pursuant to Rules 17.06A, 17.06B and 17.06C of the Listing Rules.

The adoption of the Ten Pao Electronic (Huizhou) Share Award Scheme was approved at the extraordinary general meeting of the Company held on 8 April 2024.

The Board wishes to announce that on 8 August 2024, Ten Pao Electronic (Huizhou) granted an aggregate of RMB10,710,000 registered capital of Ten Pao Electronic (Huizhou) (the “**Award Shares**”), representing approximately 4.15% of the total registered capital of Ten Pao Electronic (Huizhou) as at the date of this announcement, to certain Employee Participants under the Ten Pao Electronic (Huizhou) Share Award Scheme (collectively, the “**Grantees**”) at a subscription price of RMB1.55 per registered capital with an aggregate subscription amount of RMB16,600,500, subject to acceptance by the Grantees (the “**Grant**”).

DETAILS OF THE GRANT

Details of the Grant are set out below:

Category of the Grantees	:	Employee Participants
Grant Date	:	8 August 2024
Grantees	:	88 full-time employees of Ten Pao Electronic (Huizhou)

Number of Award Shares Granted	:	RMB10,710,000 registered capital of Ten Pao Electronic (Huizhou)
Purchase price of Award Shares granted/price of applying for or accepting the grant of Award Shares	:	RMB1.55 per registered capital of Ten Pao Electronic (Huizhou)
Market price of the registered capital of Ten Pao Electronic (Huizhou) on grant date	:	N/A (Ten Pao Electronic (Huizhou) is a private company and its registered capital are not publicly traded)
Vesting period of Award Shares	:	The Award Shares will vest immediately on the date of grant. The Ten Pao Electronic (Huizhou) Share Award Scheme does not impose a vesting period, and therefore, does not impose performance targets with regard to the vesting of the Award Shares granted under the Ten Pao Electronic (Huizhou) Share Award Scheme, but the Award Shares are subject to a Lock-up Period (as defined below).

The purpose of the Ten Pao Electronic (Huizhou) Share Award Scheme is to provide incentives or rewards to eligible individuals who contribute to and are devoted to promoting the interests of the Ten Pao Electronic (Huizhou) Group.

Having taken into consideration that (i) the Grantees have outstanding contribution to the Ten Pao Electronic (Huizhou) Group; (ii) the Award Shares will be subject to a total holding period (i.e. the Lock-up Period as defined below) of 5 years; and (iii) such lock-up arrangements are appropriate for retaining, incentivizing, rewarding, remunerating and compensating valuable employees, the board of directors of Ten Pao Electronic (Huizhou), the Remuneration Committee and the Board are of the view that the grant of the Award Shares to the Grantees is consistent with the purpose of Ten Pao Electronic (Huizhou) Share Award Scheme and such arrangement with no vesting period is justifiable and aligns with the purposes of the Ten Pao Electronic (Huizhou) Share Award Scheme.

To ensure the practicability in fully attaining the purposes of the Ten Pao Electronic (Huizhou) Share Award Scheme, the Remuneration Committee and the Board are of the view that (i) there are instances where a vesting requirement would not work or would not be fair to holders of the Award Shares, for example, the grant to employees who have served the Ten Pao Electronic (Huizhou) Group for an extended period of time and made outstanding contribution; (ii) there is a need for Ten Pao Electronic (Huizhou) to retain flexibility in certain cases to provide a competitive remuneration package to attract and retain individuals to provide services to the Ten Pao Electronic (Huizhou) Group, to provide for succession planning and the effective transition of employee responsibilities and to reward exceptional performers with accelerated vesting or no vesting period in exceptional circumstances where justified; (iii) despite the fact that Ten Pao Electronic (Huizhou) Share Award Scheme does not impose a vesting period, the clawback mechanism for Award Shares in place effectively controls the ownership of the Award Shares and provides means for repurchase of the Award Shares under specific circumstances which ensures that selected participants would only be fully entitled with the Award Shares after the end of Lock-up Period (as defined below). Accordingly, the combination of such clawback mechanism and Lock-up Period shall be equivalent to time-based vesting criteria in practice; and (iv) the Lock-up Period shall better serve the purpose of talent retention in response to changing market conditions and industry competition on talent recruitment.

Hence, the Remuneration Committee and the Board are of the view that imposing the Lock-up Period is more appropriate than a vesting period.

Lock-up Period : The Award Shares obtained by the Grantees will be subject to a lock-up period (the “**Lock-up Period**”) commencing from the date of grant (the “**Grant Date**”), until the Unlocking Day (as defined below).

The unlocking of the Award Shares is subject to the satisfaction of all the following conditions (the “**Unlocking Conditions**”):

- (i) the fulfillment of the service period applicable to the Award Shares granted to the Grantees, which starts from the Grant Date and ends on the fifth anniversary of the Grant Date; and that when
- (ii) the unlocking day applicable to such Award Shares (the “**Unlocking Day**”) has approached, and as at such Unlocking Day, no repurchase event (as defined in the Ten Pao Electronic (Huizhou) Share Award Scheme) has occurred. On the Unlocking Day, if all Unlocking Conditions for the Award Shares held by the Grantees are met, then such Award Shares will become effective on that Unlocking Day. Otherwise, such Award Shares will not be regarded as unlocked.

Clawback mechanism for Award Shares : The Award Shares are subject to the clawback mechanism prescribed in the Ten Pao Electronic (Huizhou) Share Award Scheme. For further details, please refer to “3. PROPOSED CONDITIONAL GRANT OF AWARD SHARES” in the Letter from the Board and “7. REPURCHASE EVENT AND ARRANGEMENTS” in Appendix I to the circular of the Company dated 15 March 2024.

Financial Assistance : The Group has not provided any financial support to any of the Grantees for the purchase of Award Shares.

REASONS FOR THE GRANT

The board of directors of Ten Pao Electronic (Huizhou) and the Board consider that the Grant is to (i) recognise the Grantees' past contribution to the Group (including the Ten Pao Electronic (Huizhou) Group); (ii) align the interests of the Grantees with those of the Group (including the Ten Pao Electronic (Huizhou) Group); and (iii) encourage and retain the Grantees to make contributions to the long-term growth and success of the Group (including the Ten Pao Electronic (Huizhou) Group).

AMOUNT OF REGISTERED CAPITAL AVAILABLE FOR FUTURE GRANT

Following the grant of all the Share Awards pursuant to this announcement, the amount of registered capital available for future grant under the scheme mandate limit of the Ten Pao Electronic (Huizhou) Share Award Scheme will be RMB3,336,341 registered capital.

DEFINITIONS

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

“Board”	the board of Directors of the Company
“Company”	Ten Pao Group Holdings Limited 天寶集團控股有限公司, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 1979)
“Director(s)”	the director(s) of the Company
“Employee Participant(s)”	any person who is a director or employee of Ten Pao Electronic (Huizhou) or any of its subsidiaries (including a person who is granted an award under the Ten Pao Electronic (Huizhou) Share Award Scheme as an inducement to enter into a contract of employment with Ten Pao Electronic (Huizhou) or any of its subsidiaries), provided that the Ten Pao Electronic (Huizhou) Share Award Scheme, the Listing Rules and any applicable laws and regulations are complied with
“Group”	the Company and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as amended from time to time

“Remuneration Committee”	the remuneration committee of the Board which comprises a total of five members, being the chairman of the Board, Mr. Hung Kwong Yee, and four independent non-executive Directors, Mr. Lam Cheung Chuen, Mr. Chu Yat Pang Terry, Mr. Lee Kwan Hung Eddie and Dr. Lui Sun Wing
“RMB”	Renminbi, the lawful currency of the People’s Republic of China
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“Ten Pao Electronic (Huizhou)”	Ten Pao Electronic (Huizhou) Co., Ltd* (天寶電子(惠州)有限公司), a wholly foreign-owned enterprise established under the laws of the People’s Republic of China with limited liability on 28 August 2000 and an indirect wholly-owned subsidiary of the Company
“Ten Pao Electronic (Huizhou) Group”	Ten Pao Electronic (Huizhou) and its subsidiaries and associated companies
“Ten Pao Electronic (Huizhou) Share Award Scheme”	the share award scheme of Ten Pao Electronic (Huizhou) adopted on 8 April 2024
“%”	per cent

* *For identification purposes only*

By Order of the Board
Ten Pao Group Holdings Limited
Hung Kwong Yee
Chairman & Chief Executive Officer

Hong Kong, 8 August 2024

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Hung Kwong Yee, Mr. Tse Chung Shing and Ms. Hung Sui Lam; and four independent non-executive Directors, namely Mr. Lam Cheung Chuen, Mr. Chu Yat Pang Terry, Mr. Lee Kwan Hung Eddie and Dr. Lui Sun Wing.