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## **Redsun Properties Group Limited**

### **弘陽地產集團有限公司**

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

**(Stock Code: 1996)**

## **ADOPTION OF SHARE AWARD SCHEME**

### **AND**

## **GRANT OF AWARD SHARES UNDER THE SHARE AWARD SCHEME**

### **ADOPTION OF SHARE AWARD SCHEME**

The Board is pleased to announce that on 2 April 2020, a share award scheme was adopted to, among other things, recognise the contributions made by, and to attract, motivate and retain, Selected Participants.

### **GRANT OF AWARD SHARES UNDER THE SCHEME**

On 2 April 2020, the Board resolved on the same day to grant a total of 12,844,000 Award Shares under the Scheme to certain Selected Participants including the Directors, senior management and employees of the Group, for the purposes of recognizing the contributions made by the Selected Participants and retaining them to continue to contribute to the Group's ongoing operation and development.

Among the Award Shares granted above, a total of 4,897,000 Award Shares are granted to three Directors.

### **LISTING RULES IMPLICATIONS**

The Scheme does not constitute a share option scheme under 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.

The abovementioned grant of Award Shares to the Directors forms part of the remuneration package under their respective service contracts or appointment letters (as the case may be) entered into with the Group, and accordingly, is exempt from reporting, announcement and the independent shareholders' approval requirements under Rules 14A.73(6) and 14A.95 of the Listing Rules.

## **ADOPTION OF SHARE AWARD SCHEME**

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The rules of the Scheme are summarized as below:

### **OBJECTIVES**

The objectives of the Scheme are to (i) establish a long-term effective incentive mechanism; (ii) attract and retain core talents and enhance their motivation and initiative; and (iii) foster a value creation-oriented performance culture to facilitate the sustainable and robust development of 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 Board may, at its discretion, (i) review and approve or revise the proposal of the Scheme and administration system thereof, including but not limited to the time of the Award, the list of Selected Participants, the number of Award Shares, the Vesting Date and the vesting conditions; (ii) amend, suspend or terminate the Scheme; and (iii) make other decisions as it may consider appropriate or in compliance with applicable laws and regulations or the requirements of the Listing Rules. The decisions of the Board in respect of any aspects of the Scheme, including its interpretation of any provisions, shall be conclusive and binding on all parties.

### **SOURCES OF AWARD SHARES**

The Award Shares shall comprise (i) new Shares to be allotted and issued to the Trustee (which holds the same on behalf of the Selected Participant(s)) by the Company pursuant to the general mandate sought from the shareholders of the Company at its general meetings; or (ii) existing Shares to be purchased by the Trustee from the open market (either on-market or off-market) pursuant to the written instructions of the Board or the Committee from time to time.

## **MAXIMUM LIMIT OF THE SCHEME**

The total number of the Award Shares to be granted under the Scheme shall not exceed 4.5% of the total issued share capital of the Company upon the completion of its initial public offering on the Stock Exchange, i.e. 144,000,000 Shares, representing approximately 4.34% of the total issued share capital of the Company as at the date of this announcement. The sum of the total number of the Award Shares to be granted under the Scheme and the number of Shares which may be issued in respect of the share options which may be exercised under the Pre-IPO Share Option Scheme shall not exceed 10% of the issued share capital of the Company upon the completion of its initial public offering.

## **OPERATION**

Pursuant to the Scheme, the Trustee shall, at the expense of the Company, purchase existing Shares from the open market (either on-market or off-market) pursuant to the written instructions given by the Board or the Committee from time to time. The Trustee shall not purchase any Shares from any connected persons of the Company.

The Board or the Committee may grant Award Shares to any Eligible Person at any time during the term of the Scheme. In determining whether to grant any Awards to any Selected Participants and the number of Award Shares to be granted, the Board or the Committee shall consider, including but not limited to, the following factors: (i) the overall financial position of the Group; (ii) the performance of and contributions made by the relevant Selected Participants; and (iii) any other matters deemed relevant by the Board or the Committee. Selected Participants are not required to make capital contributions for the Award Shares.

Any grant of Award to any Director, chief executive or substantial shareholder of the Company (as defined under the Listing Rules) or any of their respective associates (as defined under the Listing Rules) shall be subject to the prior approval given by a majority of independent non-executive Directors (excluding any independent non-executive Director who is a Selected Participant under the relevant Award), and any Award to be granted to any connected person shall be in compliance with the requirements of the Listing Rules.

## **RESTRICTIONS**

No Award shall be made by the Board to any Selected Participant, and no payment shall be made to and no instruction for purchasing any Shares shall be given to the Trustee under the Scheme:

- (i) where the Company is required to disclose any information under Rule 13.09 of the Listing Rules or where the Company reasonably believes that there is inside information required to be disclosed under Part XIVA of the SFO, until such inside information has been published on the websites of the Stock Exchange and the Company;
- (ii) where any inside information in relation to the securities of the Company arises or becomes the subject of a decision, until such inside information has been published;
- (iii) within the period of 60 days (in the case of annual results), or 30 days (in the case of results for any half-year, quarter or other interim periods) immediately preceding the earlier of: (1) the date of a meeting of the Board (the date first notified to the Stock Exchange) for the approval of the Company's results for any year, half-year, quarter or other interim periods (whether or not required under the Listing Rules); and (2) the deadline for the Company to publish its quarterly, interim or annual results announcements and up to the date of such announcement; or
- (iv) in any other circumstances where dealings by any Selected Participant (including Directors) are prohibited under the Listing Rules, the SFO or any other applicable laws or regulations or where the requisite approval from any applicable regulatory authorities has not been granted.

## **VOTING RIGHT AND OTHER RIGHTS**

Neither the Selected Participant(s) nor the Trustee may exercise any voting right in respect of any Award Shares that are held under the Trust and have not been vested.

Prior to the Vesting Date, no Award may be transferred and no Selected Participant shall in any way dispose, transfer, charge, mortgage, encumber or create any interest in favour of any other person over or in relation to the Award and the related Award Shares in respect of such Award. No Selected Participant shall be entitled to any right attached to the unvested Award Shares, including but not limited to any right to receive dividends in respect to such Award Shares before such are vested.

## **VESTING AND LAPSE**

Pursuant to the rules of the Scheme, the vesting of the Award Shares is subject to the Selected Participant obtaining a “pass” grade or above in his/her individual performance appraisal for the year preceding the Vesting Date, and remaining at all times an Eligible Person after the Grant Date and on the Vesting Date.

If the Selected Participant is found to be an Excluded Person or is no longer an Eligible Person on or before the Vesting Date, the Award granted to such Selected Participant will automatically lapse immediately, and the relevant Award Shares shall not be vested on the relevant Vesting Date. Nevertheless, the Award Shares granted and already vested to such Selected Participant will remain valid. Pursuant to the rules of the Scheme, if the Selected Participant is dismissed or subject to dismissal for committing a criminal offence or any serious misconduct and is therefore no longer deemed as an Eligible Person, the Company may recover the vested Award Shares and related income from such Selected Participant.

## **ALTERATION**

The Scheme may be altered in any respect by resolution(s) approved by the Board or the Committee provided that such alterations are made in compliance with the Articles, the Listing Rules and the requirements of applicable laws.

## **DURATION AND TERMINATION**

The Scheme shall be effective from the date of adoption and remain in force unless and until terminated on the earlier of: (i) the date falling on the tenth (10) anniversary of the adoption date of the Scheme; and (ii) the date of early termination as determined by the Board, provided that such termination shall not affect any subsisting right of any Selected Participant.

Upon receipt of the written notice of termination of the Scheme from the Board or the Committee, the Trustee shall vest all Award Shares that have not been vested as at the date of such notice and have not previously lapsed, and transfer such vested Award Shares to the relevant Selected Participants in compliance with the rules of the Scheme.

## **GRANT OF AWARD SHARES UNDER THE SCHEME**

On 2 April 2020, the Board resolved on the same day to grant a total of 12,844,000 Award Shares under the Scheme to certain Selected Participants including the Directors, senior management and employees of the Group, for the purposes of recognizing the contributions made by the Selected Participants and retaining them to continue to contribute to the Group’s ongoing operation and development.

Among the Award Shares granted above, a total of 4,897,000 Award Shares are granted to three Directors, the details of which are as follows:

<b>Name of Director</b>	<b>Position held in the Company</b>	<b>Number of Award Shares granted</b>
Mr. He Jie	Executive Director	1,125,000
Mr. Jiang Daqiang	Non-executive Director	2,103,000
Mr. Zhang Liang	Non-executive Director	1,669,000

To the best of the Directors' knowledge, information and belief, having made all reasonable inquiries, save as the three Directors stated above, the remaining Selected Participants and their respective ultimate beneficial owners (if any) are third parties independent of the Company and are not connected persons of the Company.

### **AWARD SHARES**

The Award Shares granted above represent approximately 0.39% of the issued Shares as at the date of this announcement. Pursuant to the Scheme, the Award Shares shall be granted to the Selected Participants at nil consideration. The total nominal value of the Award Shares granted above amounts to HK\$128,440.

The Award Shares granted to the Selected Participants above shall be satisfied by the existing Shares to be purchased by the Trustee from the open market pursuant to the Scheme, at the expense of the Company. The Trustee shall purchase the relevant number of Award Shares from the open market and shall hold such Award Shares under trust on behalf of the relevant Selected Participants until such Award Shares have been vested and delivered to such Selected Participants in accordance with the terms of the Scheme.

The vesting of Award Shares shall be subject to the conditions of the Scheme and the fulfillment of the relevant conditions specified by the Board (if any).

The grant of Award Shares to the aforesaid Directors has been approved by the Board (including all the independent non-executive Directors). The abovementioned relevant Directors have abstained from voting on the resolution(s) approving the grant of their Award Shares.

### **LISTING RULES IMPLICATIONS**

The Scheme does not constitute a share option scheme under 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.

The abovementioned grant of Award Shares to the Directors forms part of the remuneration package under their respective service contracts or appointment letters (as the case may be) entered into with the Group, and accordingly, is exempt from reporting, announcement and the independent shareholders' approval requirements under Rules 14A.73(6) and 14A.95 of the Listing Rules.

In respect of the implementation of the Scheme, where any Award is to be satisfied by the new Shares to be allotted and issued by the Company to the Trustee under a general mandate, application shall be made by the Company to the listing committee of the Stock Exchange for the listing of, and permission to deal in the new Shares on the Stock Exchange. Where any Award is proposed to be granted to a Selected Participant who is a connected person, the Company shall comply with applicable provisions of the Listing Rules, including reporting, announcement and/or the independent shareholders' approval requirements, unless exempt under the Listing Rules.

## **DEFINITIONS**

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

“Articles”	the articles of association of the Company
“Award”	an award in respect of such number of Award Shares granted to a Selected Participant by the Board pursuant to the rules of the Scheme
“Award Shares”	in respect of a Selected Participant, such number of Shares in respect of an Award determined by the Board
“Board”	the board of directors of the Company
“Committee”	the Board committee duly authorized by the Board in respect of the Scheme
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Eligible Person(s)”	any Director and employee (excluding any Excluded Person) who, in the sole and absolute discretion of the Board or its delegates, have contributed or will contribute to the Group and any member of Hong Yang Group

“Excluded Person(s)”	an individual who is an Eligible Person and resides in a place where the grant of Award Shares and/or the vesting and transfer of Award Shares pursuant to the rules of the Scheme is not permitted under the laws and regulations of such place or where, in the view of the Board or its delegates, compliance with applicable laws and regulations in such place makes it necessary or appropriate to exclude such individual
“Grant Date”	in respect of any Award Shares, the date on which the Award Shares are, have been or will be granted
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Yang Group”	Hong Yang Group Company Limited, a company incorporated in Hong Kong with limited liability and a controlling shareholder of the Company, and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“off-market”	in relation to any purchase of Shares, the purchase of Shares through one or more transactions in accordance with the Listing Rules and any other applicable laws, rules and regulations, excluding through on-market transaction(s)
“on-market”	in relation to any purchase of Shares, the purchase of Shares through one or more transactions through the facilities of the Stock Exchange in accordance with the Listing Rules and any other applicable laws, rules and regulations
“PRC”	the People’s Republic of China
“Pre-IPO Share Option Scheme”	the pre-IPO share option scheme approved and adopted by the Company on 14 June 2018
“RMB”	Renminbi, the lawful currency of the PRC
“Scheme”	the share award scheme adopted by the Board on the adoption date, as amended from time to time
“Selected Participant(s)”	any Eligible Person(s) selected by the Board pursuant to the terms of the Scheme



“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shares”	the shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	a company which is a subsidiary (within the meaning as defined under section 15 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)) of the Company, whether incorporated in Hong Kong or elsewhere, and subsidiaries shall be construed accordingly
“Trust”	the trust constituted by the Trust Deed
“Trust Deed”	the trust deed to be entered into between the Company and the Trustee in respect of the appointment of the Trustee for the administration of the Scheme, as restated, supplemented and amended from time to time
“Trustee”	the trustee corporation(s) (which is/are independent of and not connected with the Company) appointed by the Company for the administration of the share award Scheme or any additional or replacement trustee(s)
“Vesting Date”	in respect of the Selected Participant(s), the date on which the legal and beneficial ownership of relevant Award Shares are transferred to and vested in such Selected Participant(s) under the Award (or relevant part thereof) to be granted in accordance with the terms and conditions of the Scheme
“%”	per cent

On behalf of the Board  
**Redsun Properties Group Limited**  
**Zeng Huansha**  
*Chairman*

Hong Kong, 2 April 2020

*As of the date of this announcement, the executive Directors are Mr. Zeng Huansha, Mr. He Jie and Mr. Lui Wai Pang; the non-executive Directors are Mr. Jiang Daqiang and Mr. Zhang Liang; and the independent non-executive Directors are Mr. Lee Kwok Tung Louis, Mr. Leung Yau Wan John and Mr. Au Yeung Po Fung.*