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Blue Moon Group Holdings Limited

藍月亮集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6993)

ADOPTION OF SHARE AWARD PLAN

On 3 June 2021, the Board approved the adoption of the Plan, the purposes of which are to recognise and reward the contribution of certain Eligible Participants to the growth and development of the Group and to give incentives thereto 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 maximum number of Shares to be subscribed for and/or purchased by the Trustee by applying the Group Contribution for the purpose of the Plan shall not exceed 5% of the total number of issued Shares as at the Adoption Date, being 292,959,750 Shares. The total number of Shares which may be subject to an Award or Awards to a Selected Participant shall not in aggregate exceed 1% of the total number of issued Shares as at the Adoption Date, being 58,591,950 Shares.

The Plan does not constitute a share option scheme or an arrangement analogous to a share option scheme for the purpose of Chapter 17 of the Listing Rules and is not required to comply with the requirements thereunder. No Shareholders' approval is required for the adoption of the Plan, and this announcement is made on a voluntary basis.

THE SHARE AWARD PLAN

The Board is pleased to announce that on 3 June 2021, the Board approved the adoption of the Plan. The following is a summary of the principal terms and conditions of the Plan:

Purposes

The purposes of the Plan are to:

- (i) recognise and reward the contribution of certain Eligible Participants to the growth and development of the Group and to give incentives thereto in order to retain them for the continual operation and development of the Group; and
- (ii) attract suitable personnel for further development of the Group.

Duration

The Plan shall be valid and effective for a term of 10 years commencing from the Adoption Date but may be terminated earlier as determined by the Board, provided that such termination shall not affect any subsisting rights of any Selected Participant.

Plan limit

The maximum number of Shares to be subscribed for and/or purchased by the Trustee by applying the Group Contribution for the purpose of the Plan shall not exceed 5% of the total number of issued Shares as at the Adoption Date, being 292,959,750 Shares. The Board shall not instruct the Trustee to subscribe for and/or purchase any Shares for the purpose of the Plan when such subscription and/or purchase will result in such threshold being exceeded.

The total number of Shares which may be subject to an Award or Awards to a Selected Participant shall not in aggregate exceed 1% of the total number of issued Shares as at the Adoption Date, being 58,591,950 Shares.

Administration of the Plan

The Plan shall be subject to the administration of the Board (through the Award Committee) and the Trustee in accordance with the Plan Rules and the Trust Deed. The decision of the Board with respect to any matter arising in relation to the Plan shall be final, conclusive and binding. The Trustee shall hold the trust fund in accordance with the terms of the Trust Deed.

Eligible Participants

The following classes of participants (excluding the Excluded Participants) (the “**Eligible Participants**”) are eligible for participation in the Plan:

- (a) any employee (whether full time or part time, including any executive director but excluding any non-executive director) of the Company, any Subsidiary or any Invested Entity (an “**Employee**”);
- (b) any executive directors of the Company, any Subsidiary or any Invested Entity;
- (c) any adviser (professional or otherwise), consultant to or expert in any area of business or business development of any member of the Group or any Invested Entity; and
- (d) any other groups or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement to the development and growth of the Group,

and, for the purposes of the Plan, the Award may be made to any company wholly owned by one or more of the above participants.

Shares Pool

At any time during any particular financial year, the Board, after having regard to all relevant circumstances and affairs of the Group (including without limitation the Group's business and operational conditions, its business plans and cashflow requirements currently and in the near future), may from time to time make such contribution to the Trustee from the Company's resources in the form of money or otherwise (the "**Group Contribution**") which may be utilised by the Trustee to purchase and/or subscribe for Shares to constitute a pool of Shares (the "**Shares Pool**") comprising:

- (a) such Shares as may be purchased by the Trustee on the Stock Exchange or off the market by utilising the Group Contribution;
- (b) such Shares as may be subscribed for by the Trustee by utilising the Group Contribution, subject to the Company having obtained the requisite Shareholders' approval in general meeting for the allotment and issue of new Shares under general mandate or specific mandate and the grant of the listing of and permission to deal in such Shares by the Stock Exchange;
- (c) such Shares as may be allotted or issued to the Trustee as a holder of Shares, whether by way of scrip dividend or otherwise; and
- (d) such Returned Shares which remain unvested and revert to the Trustee due to the lapse of an Award.

The Trustee may purchase 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), or off the market. In the event that the Trustee effects any purchases by off-market transactions, the purchase price for such purchases shall not be higher than the lower of: (i) the closing market price on the date of such purchase; and (ii) the average closing market price for the five preceding trading days on which the Shares were traded on the Stock Exchange.

Where any Award is proposed to be made to a connected person of the Company and the relevant Award of the Awarded Shares is to be satisfied by an allotment and issue of new Shares, the Award shall be separately approved by the Shareholders in general meeting with such connected person of the Company and his associates abstaining from voting and shall comply with all other requirements of Chapter 14A of the Listing Rules applicable to such Award.

Award of the Awarded Shares

The Board shall, subject to and in accordance with the Plan Rules, be entitled (but shall not be bound) to, at any time during the continuation of the Plan, make an Award out of the Shares Pool to any of the Eligible Participants such number of issued Shares as it shall determine pursuant to the Plan Rules.

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.

The Board shall notify the Trustee and the Selected Participant upon the making of an Award under the Plan by written notice (the “**Award Notice**”) which shall specify the following:

- (a) identity information of the relevant Selected Participant;
- (b) the number of Awarded Shares provisionally awarded to the relevant Selected Participant pursuant to such Award;
- (c) the earliest date and other subsequent date(s), if any, on which the Trustee may vest the legal and beneficial ownership of the Awarded Shares in the relevant Selected Participant;
- (d) the condition(s) and/or performance target(s), if any, that must be attained or paid by the relevant Selected Participant before any of the Awarded Shares may be transferred to and vested in such Selected Participant under such Award;
- (e) whether the Awarded Shares should be acquired by subscription, purchase of Shares and/or satisfied by applying any Returned Shares, and in the case of subscription, the subscription price therefor; and
- (f) such other terms and conditions of such Award as may be imposed by the Board before the Awarded Shares may be transferred to and vested in such Selected Participant.

The making of an Award to any connected person of the Company shall be subject to compliance with the applicable requirements under Chapter 14A of the Listing Rules.

Black-out period

For so long as the Shares are listed on the Stock Exchange:

- (a) an Award or any instruction of the Board to the Trustee to acquire Shares for the purpose of increasing the number of the Shares in the Shares Pool may not be made or given when inside information has come to the Company’s knowledge until such inside information has been published in accordance with the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong); and
- (b) the Board may not make any Award to any Eligible Participant or give any instruction to the Trustee to acquire Shares for the purpose of increasing the number of Shares in the Shares Pool during the periods or times in which the Directors are prohibited from dealing in Shares pursuant to the Model Code or any corresponding code or securities dealing restrictions adopted by the Company. In particular, during the period preceding the publication of financial results in which the Directors are prohibited from dealing in Shares pursuant to the Model Code 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 number of the Shares in the Shares Pool.

Vesting of the Awarded Shares

Subject to and in accordance with the Plan Rules, the Trustee shall transfer to and vest in any Selected Participant the legal and beneficial ownership of the Awarded Shares to which such Selected Participant is entitled under the relevant Award as soon as practicable after the latest of (a) the Vesting Date as specified in the relevant Award Notice; and (b) where applicable, the date on which the condition(s) and/or performance target(s) to be attained or paid by such Selected Participant as specified in the relevant Award Notice have been attained or paid and notified to the Trustee by the Board in writing.

At any time prior to a Vesting Date, unless the Board otherwise determines, in respect of a Selected Participant who:

- (a) died or became totally and permanently disabled and incapacitated, all the Awarded Shares of the Selected Participant shall be deemed to be vested in the Selected Participant on the day immediately prior to his death or becoming totally and permanently disabled and incapacitated; or
- (b) (in the case of a Selected Participant who is an Employee) retired on his normal retirement date, all the Awarded Shares of the Selected Participant shall be deemed to be vested in the Selected Participant on the day immediately prior to his normal retirement date; or
- (c) (in the case of a Selected Participant who is an Employee) retired on an earlier retirement date (with prior written agreement given by the Company or the Subsidiary or the Invested Entity), all the Awarded Shares of the Selected Participant shall be deemed to be vested in the Selected Participant on the day immediately prior to his earlier retirement date.

Lapse of Awards

In the event that any Selected Participant who is an Employee ceases to be an Employee by virtue of a corporate reorganisation of the Group or the Invested Entity, then any Award made to such Selected Participant, to the extent not already vested, shall forthwith lapse and be cancelled.

An Award shall automatically lapse forthwith and all the Awarded Shares, to the extent not already vested, shall not vest on the relevant Vesting Date and shall become Returned Shares in the event that:

- (a) a Selected Participant is found to be an Excluded Participant; or
- (b) a Selected Participant ceases to be an Employee (other than for reason as provided in the paragraph headed “Vesting of the Awarded Shares” above); or

- (c) the Subsidiary or Invested Entity by which a Selected Participant is employed or, in respect of a deceased or totally and permanently disabled and incapacitated or retired Selected Participant as provided in the paragraph headed “Vesting of the Awarded Shares” above, was employed immediately prior to his death or becoming totally and permanently disabled and incapacitated or retirement, ceases to be a Subsidiary or Invested Entity of the Company (or of a member of the Group); or
- (d) a Selected Participant has been convicted of a criminal offence involving his integrity or honesty; or
- (e) the Board shall at its absolute discretion determine in respect of a Selected Participant (other than a Selected Participant who is an Employee) that (i) 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 or any Invested Entity on the other part; or (ii) 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 (iii) the Selected Participant could no longer make any contribution to the growth and development of any member of the Group or the Invested Entity by reason of the cessation of its relationship with the Group or the Invested Entity 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 (otherwise than for the purposes of, and followed by, an amalgamation or reconstruction in such circumstances that substantially the whole of the undertaking, assets and liabilities of the Company pass to a successor company).

Rights attaching to the Awards and the Awarded Shares

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 any agreement to do so.

The Selected Participants shall not have any right to receive any Awarded Shares set aside for them under any Award 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 Plan Rules.

Any dividends and other distributions (“**Other Distributions**”) declared and made in respect of any Awarded Shares shall belong to the trust fund under the Trust Deed and the relevant Selected Participant shall not have any right whatsoever to such Other Distributions in respect of any Awarded Shares or otherwise.

No instruction may be given by a Selected Participant to the Trustee in respect of the Awarded Shares and/or the Other Distributions and/or such other properties or assets of the trust constituted by the Trust Deed.

Voting rights

The Trustee shall not exercise the voting rights in respect of any Shares held under the trust constituted by the Trust Deed.

Alteration of the Plan

The Plan Rules (including the duration of the Plan as referred to in the paragraph headed “Duration” above) may be altered by the prior sanction of a Board resolution together with the prior written consent of the Trustee, 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 as would be required of the holders of Shares under the amended and restated articles of association of the Company (as adopted or amended from time to time) for a variation of the rights attached to such Shares.

Termination

Upon termination of the Plan:

- (a) subject to the decision of the Board and the Plan Rules, all the Awarded Shares shall become vested in the Selected Participants on such date of termination, save in respect of the lapse of an Award pursuant to the Plan Rules;
- (b) any Shares or Returned Shares which have not been set aside in favour of any Selected Participant and such non-cash income remaining in the trust fund shall be sold by the Trustee within 21 business days after receiving notice of such termination of the Plan; and
- (c) cash, net proceeds of sale referred to in sub-paragraph (b) above and such other unutilised funds (received as the Group Contribution or otherwise) remaining in the trust constituted by the Trust Deed (after making appropriate deductions in respect of all stamp duty, disposal costs, liabilities and expenses in accordance with the Trust Deed) shall be remitted to the Company forthwith after the sale.

IMPLICATIONS UNDER THE LISTING RULES

The Plan does not constitute a share option scheme or an arrangement analogous to a share option scheme for the purpose of Chapter 17 of the Listing Rules and is not required to comply with the requirements thereunder. No Shareholders’ approval is required for the adoption of the Plan, and this announcement is made on a voluntary basis.

DEFINITIONS

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

“Adoption Date”	3 June 2021, being the date on which the Plan is adopted by the Board
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Award”	a provisional award of Awarded Shares to a Selected Participant made in accordance with the Plan Rules
“Award Committee”	such committee, sub-committee or person(s) delegated with the power and authority by the Board to administer the Plan
“Awarded Notice”	has the meaning ascribed to it under the paragraph headed “The Share Award Plan — Award of the Awarded Shares” in this announcement
“Awarded Share(s)”	the Share(s) provisionally awarded to a Selected Participant pursuant to an Award
“Board”	the board of Directors (and in respect of the administration of the Plan, includes the Award Committee)
“Company”	Blue Moon Group Holdings Limited (藍月亮集團控股有限公司), a company incorporated in the Cayman Islands with limited liability whose Shares are listed on the Main Board of the Stock Exchange (stock code: 6993)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Eligible Participant(s)”	has the meaning ascribed to it under the paragraph headed “The Share Award Plan — Eligible Participants” in this announcement
“Employee(s)”	has the meaning ascribed to it under the paragraph headed “The Share Award Plan — Eligible Participants” in this announcement
“Excluded Participant(s)”	any person who is resident in a place where the award of the Awarded Shares and/or the award of the Returned Shares and/or the vesting and transfer of Shares pursuant to the Plan Rules 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 makes it necessary or expedient to exclude such person

“Group”	the Company and its Subsidiaries
“Group Contribution”	has the meaning ascribed to it under the paragraph headed “The Share Award Plan — Shares Pool” in this announcement
“Invested Entity”	any entity in which any member of the Group holds any equity interest
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules
“Other Distributions”	has the meaning ascribed to it under the paragraph headed “The Share Award Plan — Rights attaching to the Awards and the Awarded Shares” in this announcement
“Plan”	the share award plan constituted by the Plan Rules and adopted by the Company on the Adoption Date
“Plan Rules”	the rules relating to the Plan, as may be altered from time to time
“Returned Shares”	such Awarded Shares which are not vested and/or are forfeited in accordance with the Plan Rules, or such Shares being deemed to be Returned Shares
“Selected Participant(s)”	any Eligible Participant for whom Awarded Shares have been provisionally set aside pursuant to an Award
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Shares Pool”	has the meaning ascribed to it under the paragraph headed “The Share Award Plan — Shares Pool” in this announcement
“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 Division 4 of Part 1 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 dated 3 June 2021 and entered into by 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”	Tricor Trust (Hong Kong) Limited (or where the context requires, any other persons nominated by the Trustee to hold all or any part of the trust fund under the Trust Deed as the Trustee may think fit in the exercise of its power under the Trust Deed), or such other trustee or trustees as shall be appointed 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 legal and beneficial ownership of the Awarded Shares are vested in such Selected Participant pursuant to an Award

By Order of the Board
Blue Moon Group Holdings Limited
PAN Dong
Chairman & Executive Director

Hong Kong, 3 June 2021

As at the date of this announcement, the Board comprises Ms. PAN Dong, Mr. LUO Qiuping, Ms. LUO Dong, Mr. POON Kwok Leung, Ms. XIAO Haishan as Executive Directors; Mr. CAO Wei as Non-executive Director; and Mr. Bruno Robert MERCIER, Ms. NGAN Edith Manling and Mr. HU Yebi as Independent Non-executive Directors.