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## **SANBASE CORPORATION LIMITED**

**莊 皇 集 團 公 司**

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

**(Stock code: 8501)**

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

The Board is pleased to announce that it has approved the adoption of the Scheme on 16 October 2018, pursuant to which all Eligible Persons will be entitled to participate.

The Scheme does not constitute a share option scheme nor an arrangement akin to a share option scheme for the purpose of Chapter 23 of the GEM Listing Rules and is a discretionary scheme of the Company. No Shareholders' approval is necessary for the adoption, administration or implementation of the Scheme.

The Scheme was adopted by the Board on the Adoption Date. Below sets out a summary of the Scheme Rules:

#### **A. ADOPTION OF THE SCHEME**

The Board has approved the adoption of the Scheme on 16 October 2018. The Scheme does not constitute a share option scheme or an arrangement akin to a share option scheme. As such, the Scheme is not subject to the provisions of Chapter 23 of the GEM Listing Rules and is a discretionary scheme of the Company. No Shareholders' approval is required for the adoption, administration and implementation of the Scheme.

## **B. SUMMARY OF THE SCHEME**

### **Purposes**

The specific objectives of the Scheme are:

1. to provide the Selected Participants with an opportunity to acquire a proprietary interest in the Company;
2. to encourage and retain such individuals to work with the Company;
3. to provide additional incentive for them to achieve performance goals with a view to achieve the objectives of increasing the value of the Company; and
4. to align the interests of the Selected Participants directly to the Shareholders through ownership of Shares, dividends and other distributions paid on Shares and/or the increase in the value of the Shares.

### **Administration**

The Scheme shall be subject to the administration of the Board in accordance with the Scheme Rules and, where applicable, the Trust Deed.

### **Duration**

Subject to any early termination as contemplated under the Scheme, the Scheme shall be valid and effective for a term of 10 years commencing on the Adoption Date.

### **Scheme limit**

The Board will not make any further grant of Award which will result in the aggregate number of Shares underlying all grants made pursuant to the Scheme (excluding Award Shares that have been forfeited in accordance with the Scheme) to exceed 16,000,000 Shares (representing 8% of the total number of issued Shares as at the Adoption Date).

Save as prescribed under the Scheme Rules or as otherwise restricted by the GEM Listing Rules, there shall be no limit on the total number of non-vested Award Shares that may be granted to a Selected Participant.

## **Issue of Shares and/or transfer of funds to the Trustee**

For the purposes of satisfying the grant of Awards, the Company shall, as soon as reasonably practicable and no later than 30 Business Days from the date on which the grant of an Award is made to a Selected Participant, (1) allot and issue Shares to the Trustee under general mandates granted or to be granted by the Shareholders at general meetings of the Company from time to time, and/or (2) transfer to the Trust the necessary funds and instruct the Trustee to acquire Shares through on-market transactions at the prevailing market price.

## **Participants for the Scheme**

The Board may, from time to time, select any Eligible Person to be a Selected Participant during the Award Period.

## **Vesting of Award Shares**

The Board or the committee of the Board or person(s) to which the Board delegated its authority may, from time to time, while the Scheme is in force and subject to all applicable laws, determine such vesting criteria and conditions or periods for the Award to be vested pursuant to the Scheme.

## **Interest in the assets of the Trust**

A Selected Participant shall have only a contingent interest in the Award subject to the vesting of such Award in accordance with the Scheme Rules. Neither the Selected Participants nor the Trustee may exercise any voting rights in respect of any Award Shares that have not yet been vested.

## **Restrictions**

No Award shall be made to Selected Participants and no directions or recommendation shall be given to the Trustee with respect to a grant of an Award under the Scheme:

1. where any Director is in possession of unpublished inside information in relation to the Company or where dealings by Directors are prohibited under any code or requirement of the GEM Listing Rules or any applicable laws, rules or regulations;
2. during the period of 60 days immediately preceding the publication date of the annual results of the Company or, if shorter, the period from the end of the relevant financial year up to the publication date of the results of the Company; and

3. during the period of 30 days immediately preceding the publication date of the half-year results or quarterly results of the Company or, if shorter, the period from the end of the relevant half-year or three-month period up to the publication date of such results.

### **Transferability and other rights to award Shares**

Unless otherwise approved by the Board, any Award granted pursuant to the Scheme but not yet vested shall be personal to the Selected Participant to whom it is made and shall not be assignable or transferable, and unless otherwise approved by the Board, 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 any Award, or enter into any agreement to do so.

### **Cessation of employment and other events**

Any outstanding Award Shares and Related Income not yet vested shall be immediately forfeited (unless the Board or its delegate(s) determines otherwise at their absolute discretion) under, inter alia, any of the following circumstances:

1. the event of any failure of the Selected Participants to remain as Eligible Persons prior to the vesting date set out in the Award Letter; or
2. in the event of the death of a Selected Participant.

The Company shall, from time to time, inform the Trustee in writing, the date in which such Selected Participant ceased to be an Eligible Person and any amendments to the terms and conditions of the Award in respect to such Selected Participant (including the number of Award Shares entitled).

### **Alteration of the Scheme**

The terms of the Scheme may be altered, amended or waived in any respect by a resolution of the Board, provided that such alteration, amendment or waiver shall (i) not affect any subsisting rights of any Selected Participants; and (ii) not contravene any GEM Listing Rules or any applicable laws.

### **Termination**

The Scheme shall commence on the Adoption Date and terminate upon the earlier of (i) the end of the Award Period; or (ii) such date of early termination as determined by the Board. Upon termination, no further Awards will be granted.

## C. LISTING RULES IMPLICATIONS

### Listing Rules Implications

The Scheme is not subject to the provisions of Chapter 23 of the GEM Listing Rules.

Shares may be awarded to Eligible Persons, including Directors and/or connected persons of the Group. If new Shares are awarded to Directors and/or connected persons of the Group, such award shall constitute connected transactions under Chapter 20 of the GEM Listing Rules and the Company shall comply with the relevant requirements under the GEM Listing Rules.

## D. DEFINITIONS

**“Adoption Date”** 16 October 2018, being the date on which the Scheme is adopted by the Board;

**“Affiliate”** means a company that directly, indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the Company and includes any company which is (a) the holding company of the Company; or (b) a subsidiary of holding company of the Company; or (c) a subsidiary of the Company or a company the results of which are consolidated into those of the Company by way of contractual arrangements entered into; or (d) a fellow subsidiary of the Company; or (e) the controlling shareholder of the Company; or (f) a company controlled by the controlling shareholder; or (g) a company controlled by the Company; or (h) an associated company of the holding company of the Company; or (i) associated company of the controlling shareholder of the Company;

**“Award”** an award granted by the Board to a Selected Participant in accordance with the terms of the Scheme Rules;

**“Award Letter”** a letter issued by the Company to each Selected Participant in such form as the Board or committee of the Board or person(s) to which the Board has delegated authority may from time to time determine, specifying the Selected Participant’s name, the manner of acceptance of the Award(s), the last date for acceptance by the Selected Participants, the number of Award Shares underlying the Award, the vesting date, the number of Award Shares underlying the Award and such other details as they may consider necessary;

<b>“Award Period”</b>	the period of ten years commencing on the Adoption Date;
<b>“Award Shares”</b>	the Shares granted to a Selected Participant in an Award;
<b>“Board”</b>	the Board of Directors;
<b>“Business Day”</b>	any day on which the Stock Exchange is open for the business of dealing in securities;
<b>“Company”</b>	Sanbase Corporation Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on GEM of the Stock Exchange;
<b>“connected person”</b>	shall have the meaning as set out in the GEM Listing Rules;
<b>“Directors”</b>	the directors of the Company; and the expression of <b>“Director”</b> means any of them;
<b>“Eligible Person”</b>	any individual, being an employee, director or officer of any member of the Group or any Affiliate (including nominees and/or trustees of any employee benefit trust established for them) who the Board or its delegate(s) considers, in their sole discretion, to have contributed or will contribute to the Group;
<b>“GEM Listing Rules”</b>	the Rules Governing the Listing of Securities on GEM of the Stock Exchange;
<b>“Group”</b>	the Company and its subsidiaries from time to time;
<b>“HK\$”</b>	Hong Kong dollars, the lawful currency of Hong Kong;
<b>“Hong Kong”</b>	the Hong Kong Special Administrative Region of the People’s Republic of China;
<b>“on-market”</b>	the acquisition of Shares through one or more transactions through the facilities of the Stock Exchange in accordance with the GEM Listing Rules and any other applicable laws and regulations;

<b>“Related Income”</b>	all cash income derived from the Award Shares (i.e., cash dividends declared and paid on the Award Shares) excluding any interest earned on such cash income and held on Trust for the benefit of the Selected Participant;
<b>“Scheme”</b>	the share award scheme adopted by the Company in accordance with the Scheme Rules;
<b>“Scheme Rules”</b>	the rules relating to the Scheme as amended from time to time;
<b>“Selected Participant”</b>	any Eligible Person approved for participation in the Scheme and who has been granted any Award pursuant to the Scheme;
<b>“Shareholders”</b>	the shareholders of the Company;
<b>“Shares”</b>	ordinary shares with a par value of US\$0.001 each in the share capital of the Company, or, if there has been a sub-division, consolidation, re-classification or re-construction of the share capital of the Company, shares forming part of the ordinary share capital of the Company of such other nominal amount as shall result from any such sub-division, consolidation, re-classification or re-construction;
<b>“Stock Exchange”</b>	The Stock Exchange of Hong Kong Limited;
<b>“Subsidiary” or “Subsidiaries”</b>	any subsidiary (as defined in the GEM Listing Rules) of the Company;
<b>“Trust”</b>	the trust constituted by the Trust Deed to service the Scheme;
<b>“Trust Deed”</b>	the trust deed to be entered into between the Company and the Trustee (as may be restated, supplemented and amended from time to time);

“Trustee”	the trustee appointed or to be appointed by the Company for the purpose of the Trust; and
“US\$”	United States dollars, the lawful currency of the United States;

By order of the Board  
**Sanbase Corporation Limited**  
**Wong Sai Chuen**  
*Chairman, chief executive officer and executive Director*

Hong Kong, 16 October 2018

*As at the date of this announcement, the Board comprises Mr. Wong Sai Chuen, Mr. Wong Kin Kei and Ms. Hui Man Yee, Maggie as the executive Directors; Mr. Cheung Ting Pong as the non-executive Director; and Mr. Fan Chun Wah, Andrew, Mr. Wu Kam On, Keith and Mr. Pang Chung Fai, Benny as the independent non-executive Directors.*

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

*This announcement will remain on the “Latest Company Announcements” page of the GEM website at [www.hkgem.com](http://www.hkgem.com) for at least seven days from the date of its publication. This announcement will also be published on the Company’s website at [www.sanbase.com.hk](http://www.sanbase.com.hk).*