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MORRIS
HOLDINGS LIMITED

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慕容控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1575)

ADOPTION OF RESTRICTED SHARE AWARD SCHEME

The Board is pleased to announce that the Scheme has been adopted, in which Eligible Persons shall be entitled to participate.

This announcement is made voluntarily. The Scheme 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 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 29 August 2019. The Scheme does not constitute a share option scheme or an arrangement analogous to a share option scheme. As such, the Scheme is not subject to the provisions of Chapter 17 of the 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 Group;

2. to encourage and retain such individuals to work with the Group;
3. to provide additional incentive for Selected Participants to achieve performance goals with a view to achieve the objectives of increasing the value of the Group; 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 9.9% of the total number of issued Shares as at the Adoption Date without approval by a Board resolution.

The maximum number of Award Shares which may be awarded to a Selected Participant under the Scheme in aggregate shall not exceed 5.0% of the total number of issued Shares as at the date of the adoption of the Scheme.

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

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, transfer to the Trust the necessary funds and instruct the Trustee to acquire Shares through on-market or off-market transactions at the prevailing market price. No new Shares will be issued by the Company pursuant to the Scheme.

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 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 (if any) 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 Listing Rules, the articles of association of the Company as amended from time to time or any applicable laws, rules and regulations.

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

The Scheme is not subject to the provisions of Chapter 17 of the Listing Rules.

Shares may be awarded to Eligible Persons, including Directors and/or other connected persons of the Group. If Shares are awarded to Directors and/or other connected persons of the Group, such award shall constitute connected transactions under Chapter 14A of the Listing Rules and the Company shall comply with the relevant requirements under the Listing Rules.

D. DEFINITIONS

“Adoption Date”	29 August 2019, 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;
“Award Period”	the period of ten (10) years commencing on the Adoption Date;
“Award Shares”	the Shares granted to a Selected Participant in an Award;
“Board”	the Board of directors of the Company;
“Business Day”	any day on which the Stock Exchange is open for the business of dealing in securities;
“Company”	Morris Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the main board of the Stock Exchange;
“connected person”	shall have the meaning as set out in the Listing Rules;
“Directors”	the directors of the Company; and the expression of “ Director ” means any of them;
“Eligible Person”	any individual, being an employee, director, officer, consultant, agent, adviser or business partner of any member of the Group or any Affiliate (including nominees and/or trustees of any employee benefit trust established for them) and any other person as determined by the Board who the Board or its delegate(s) considers, in their sole discretion, to have contributed or will contribute to the Group;
“Group”	the Company and its subsidiaries from time to time;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“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;
“off-market”	the acquisition of Shares through one or more transactions in accordance with the Listing Rules and any other applicable laws, rules and regulations, other than through on-market transaction;
“on-market”	the acquisition 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;
“Related Income”	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;
“Scheme”	the restricted share award scheme adopted by the Company in accordance with the Scheme Rules;
“Scheme Rules”	the rules relating to the Scheme as amended from time to time;
“Selected Participant”	any Eligible Person approved for participation in the Scheme and who has been granted any Award pursuant to the Scheme;
“Shareholders”	the shareholders of the Company
“Shares”	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;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subsidiary” or “Subsidiaries”	any subsidiary (as the term is defined in the Listing Rules) of the Company;
“Trust”	the trust constituted by the Trust Deed to service the Scheme;
“Trust Deed”	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
Morris Holdings Limited
Zou Gebing
*Chairman, chief executive officer and
executive Director*

Hong Kong, 29 August 2019

As at the date of this announcement, the executive Directors are Mr. ZOU Gebing, Mr. SHEN Zhidong, Mr. ZENG Jin and Mr. WU Yueming; and the independent non-executive Directors are Mr. CHU Guodi, Mr. LIU Haifeng and Mr. PANG Wing Hong.