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HOME CONTROL INTERNATIONAL LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1747)

ANNOUNCEMENT ADOPTION OF SHARE AWARD SCHEME

ADOPTION OF THE SCHEME

The Board is pleased to announce that the Company has adopted the Scheme on the Adoption Date, to (i) align the interests of Eligible Participants directly to those of the Shareholders through ownership of Shares; (ii) recognize the contributions made by the Selected Grantees and to give incentives thereto in order to retain them for the continual operation and development of the Group; and (iii) attract high-calibre employees for further development of the Group.

The Scheme does not constitute a share option scheme pursuant to Chapter 17 of the Listing Rules. No Shareholders' approval is required for the adoption of the Scheme.

ADOPTION OF THE SCHEME

The Board is pleased to announce that the Company has adopted the Scheme on the Adoption Date. A summary of the Scheme Rules is set out below:

SUMMARY OF THE SCHEME RULES

Purpose

The purposes of the Scheme are:

- (1) to align the interests of Eligible Participants directly to those of the Shareholders through ownership of Shares;
- (2) to recognize the contributions made by the Selected Grantees and to give incentives thereto in order to retain them for the continual operation and development of the Group; and
- (3) to attract high-calibre employees for further development of the Group.

Term and Administration

Subject to any early termination as may be determined by the Board in accordance with the terms of the Scheme, the Scheme shall be effective for ten (10) years commencing from the Adoption Date.

The Scheme shall be subject to the administration of the Board in accordance with the rules and provisions of the Scheme. Any decisions made by the Board in accordance with the provisions of the Scheme on all matters in relation to the Scheme or its interpretation or effect shall be conclusive and binding upon each party.

Operation of the Scheme

Subject to the terms and provisions of the Scheme:

- (1) the Board may, from time to time, at its absolute discretion select any Eligible Persons (excluding any Excluded Grantee) for participation in the Scheme as a Selected Grantee and determine the number of Award Shares to be awarded to the Selected Grantees. In determining the number of Award Shares for a Selected Grantee, the Board may take into consideration matters including (without limitation), the general financial condition of the Group, the performance and contribution of the relevant Selected Grantee and any other matters which the Board considers relevant.
- (2) After the selection of the Selected Grantees and the determination of the Award Shares, the Board shall issue a Grant Letter for the Award to a Selected Grantee.
- (3) A Selected Grantee must sign and return the Grant Letter as instructed by such letter to show his acceptance of the relevant Award. Where a Selected Grantee fails to sign and return duly completed Grant Letter within a specified period as instructed by such letter to show his acceptance of the relevant Award, he shall be deemed to have refused to accept such Award and such Grant Letter shall be deemed void.
- (4) Subject to fulfilment of conditions set out in the Scheme Rules and as specified in the Grant Letter applicable to each Selected Grantee, the Company shall send to the relevant Selected Grantee an issue notice prior to the relevant issue date, specifying the information for the issue and allotment of Award Shares.
- (5) The Selected Grantee shall sign and return a notice of acceptance within the period stipulated in the relevant issue notice.
- (6) Upon receipt of a written acceptance from the Selected Grantees, the Company shall issue the Award Shares to the Selected Grantees.

Vesting of Award Shares

(1) Vesting Period and Vesting Conditions

Subject to the terms of the Scheme or as otherwise provided in the Grant Letter, any Award Share granted to a Selected Grantee pursuant to the Scheme shall be vested to the Selected Grantee in accordance with the vesting period and upon the satisfaction of all vesting conditions as set out in the Scheme Rules and as determined by the remuneration committee of the Company and/or the Board in its absolute discretion.

(2) Other Terms

The Board shall have the right to add and impose such other conditions as deemed fit by the Board in the Grant Letter.

(3) Rights in Award Shares

Any Award Shares, when issued and fully paid, shall rank pari passu among themselves and with the then issued Shares in all respects, which shall include, the right to receive dividends on the Award Shares, dispose of the Award Shares and/or exercise the rights underlying the Award Shares as per his/her own wishes once they are issued.

Assignment of Award

Any Award made under the Scheme shall be personal to the Selected Grantee to whom it is made and shall not be assignable and no Selected Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any other person over or in relation to the Award Shares referable to him pursuant to such Award.

Scheme Limit

The Board shall not make any further Award which will result in the number of Shares awarded by the Board under the Scheme representing in excess of 1.5% of the total issued Shares as at the Adoption Date or result in a breach of the public float of the Company falling below the minimum level required in the Listing Rules upon issuance of Award Shares.

Award to Connected Person

In respect of any proposed Award to a Selected Grantee who is also regarded as a connected person of the Company or any of his associates under the Listing Rules, such Award must be:

- (i) approved by all independent non-executive Directors (excluding the independent non-executive Director who is the proposed Selected Grantee in question); and
- (ii) if required under Chapter 14A of the Listing Rules, be separately approved by independent shareholders of the Company in general meeting, with such connected person and his associates abstaining from voting, and shall comply with all other requirements of Chapter 14A of the Listing Rules applicable to such Award from time to time.

Termination

The Scheme shall terminate on the earlier of:

- (i) the tenth (10th) anniversary date of the Adoption Date; and
- (ii) such date of early termination as determined by the Board provided that such termination shall not affect any subsisting rights of any Selected Grantees under the Scheme.

The Scheme does not constitute a share option scheme pursuant to Chapter 17 of the Listing Rules. No Shareholders' approval is required for the adoption of the Scheme.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions have the meanings ascribed to them below:

“Adoption Date”	20 August 2020, the date on which the Scheme is adopted by the Company;
“associate(s)”	has the meaning as ascribed to it under the Listing Rules;
“Award”	an award of Share(s) by the Board to a Selected Grantee pursuant to the Scheme;
“Award Shares”	in respect of a Selected Grantee, such number of Shares determined by and granted by the Board pursuant to the Scheme;
“Board”	the board of directors the Company;
“Company”	Home Control International Limited, a company incorporated in Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 1747);
“connected persons”	has the meaning as ascribed to it under the Listing Rules;
“Director(s)”	the director(s) of the Company;
“Eligible Participant(s)”	any full-time employee, director or senior management of the Company or other Group Members;

“Excluded Grantee”	any Eligible Participant who is resident in a place where the award of the Award Shares and/or the vesting and issue of Award Shares pursuant to the terms of the Scheme is not permitted under the laws and regulations of such place or where in the view of the Board compliance with applicable laws and regulations in such place make it necessary or expedient to exclude such Eligible Participant;
“Grant Letter”	a letter signed by the Company, setting out, inter alia, the number of Award Shares to be granted to such Selected Grantee and the terms on which such Award Shares are granted;
“Group”	the Company and its subsidiaries from time to time;
“Group Member”	any company within the Group;
“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;
“Scheme”	the share award scheme adopted by the Company on the Adoption Date, as amended from time to time;
“Scheme Rules”	the rules governing the Scheme adopted by the Board, as amended from time to time;
“Selected Grantee”	those Eligible Participants being selected for participation in the Scheme and conditionally awarded the Award Shares by the Board in accordance with the Scheme Rules;
“Share(s)”	ordinary share(s) with nominal value of US\$0.01 each in the share capital of the Company (or of such other nominal amount as shall result from a sub-division, consolidation, reclassification or reconstruction of the share capital of the Company from time to time);
“Shareholder(s)”	the holder(s) of the Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiary(ies)”	has the meaning as ascribed to it under the Listing Rules;

“US\$” United States dollars, the lawful currency of the United States of America; and

“%” per cent.

On behalf of the Board
Home Control International Limited
Yu GAO
Chairman and Non-executive Director

Hong Kong, 20 August 2020

As of the date of this announcement, the Board comprises Mr. Alain PERROT as executive Director; Mr. Yu GAO and Mr. Kwok King Kingsley CHAN as non-executive Directors; and Mr. Werner Peter VAN ECK, Mr. Shou Kang CHEN and Mr. Edmond Ming Siang JAUW as independent non-executive Directors.