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ALTUS .
ALTUS HOLDINGS LIMITED
浩德控股有限公司
(incorporated in the Cayman Islands with limited liability)
(Stock Code: 8149)

- (1) TERMINATION OF EXISTING SHARE OPTION SCHEME;
(2) PROPOSED ADOPTION OF 2023 SHARE SCHEME;
(3) TERMINATION OF THE JANUARY 2023 CONDITIONAL GRANT OF
SHARE AWARDS;
AND
(4) PROPOSED GRANT OF SHARE AWARDS TO SELECTED EMPLOYEE
PARTICIPANTS UNDER THE 2023 SHARE SCHEME**

**TERMINATION OF EXISTING SHARE OPTION SCHEME AND PROPOSED
ADOPTION OF 2023 SHARE SCHEME**

The Company has adopted the Existing Share Option Scheme and such scheme becomes effective on 17 October 2016 (the date on which the Shares commenced listing on GEM) for a period of ten years.

Since 2018, share awards have been granted to recognize and reward the contributions made by selected employees of the Group and to retain and motivate them for the continual operation and development of the Group. The grant of share awards in the past (i.e. before 1 January 2023) was not made pursuant to a share option scheme under Chapter 23 of the GEM Listing Rules.

Pursuant to the Consultation Conclusions, the requirements for share schemes as set out in Chapter 23 of the GEM Listing Rules have been amended with effect from 1 January 2023. In order to observe the amendments to Chapter 23 of the GEM Listing Rules, the Directors consider that it will be in the best interests of the Company and the Shareholders to terminate the Existing Share Option Scheme (with effect from the 2023 SS Adoption Date) and to adopt the 2023 Share Scheme which complies with the latest requirements as prescribed in the GEM Listing Rules.

EXTRAORDINARY GENERAL MEETING

The Extraordinary General Meeting will consider, and if thought fit, approve, inter alia, (i) the termination of the Existing Share Option Scheme with effect from the 2023 SS Adoption Date; and (ii) the proposed adoption of 2023 Share Scheme. A circular containing, inter alia, further details of the aforesaid matters, together with a notice of the Extraordinary General Meeting, will be dispatched to the Shareholders in accordance with the requirements of the GEM Listing Rules in due course.

TERMINATION OF THE JANUARY 2023 CONDITIONAL GRANT OF SHARE AWARDS

Reference is made to the announcements of the Company dated 5 and 13 January 2023 respectively in relation to the grant of Share Awards to selected employees of the Group.

On 5 January 2023, 240,000 Awarded Shares in aggregate have been conditionally granted to two selected employees of the Group. Such Awarded Shares were intended to be issued and allotted to these two selected employees upon the necessary approvals by the Shareholders at the upcoming Extraordinary General Meeting. In light of the adoption of the 2023 Share Scheme and for ease of administration, on 14 July 2023, the Company and the aforesaid two selected employees have agreed to terminate these conditional grants of 240,000 Awarded Shares.

PROPOSED GRANT OF SHARE AWARDS TO SELECTED EMPLOYEE PARTICIPANTS UNDER THE 2023 SHARE SCHEME

Subject to the necessary approvals by the Shareholders at the upcoming Extraordinary General Meeting in relation to, among other things, the adoption of the 2023 Share Scheme, the Board has resolved to award conditionally an aggregate of up to 10,360,000 Awarded Shares to seven selected Employee Participants (including the abovementioned two selected employees who had agreed to terminate the previous grant of 240,000 Awarded Shares), representing (i) approximately 12.75% of the maximum number of Shares which may be issued pursuant to the vesting of the Awarded Shares and upon exercise of all Share Options granted at any time under the 2023 Share Scheme; or (ii) approximately 1.275% of the issued share capital of the Company as at the date of this announcement.

TERMINATION OF EXISTING SHARE OPTION SCHEME AND PROPOSED ADOPTION OF 2023 SHARE SCHEME

Background to and reasons for the termination of the Existing Share Option Scheme and the proposed adoption of the 2023 Share Scheme

The Company has adopted the Existing Share Option Scheme and such scheme becomes effective on 17 October 2016 (the date on which the Shares commenced listing on GEM) for a period of ten years.

Since 2018, share awards have been granted to recognize and reward the contributions made by selected employees of the Group and to retain and motivate them for the continual operation and development of the Group. The grant of share awards in the past (i.e. before 1 January 2023) was not made pursuant to a share option scheme under Chapter 23 of the GEM Listing Rules.

Pursuant to the Consultation Conclusions, the requirements for share schemes as set out in Chapter 23 of the GEM Listing Rules have been amended with effect from 1 January 2023. In order to observe the amendments to Chapter 23 of the GEM Listing Rules, the Directors consider that it will be in the best interests of the Company and the Shareholders to terminate the Existing Share Option Scheme (with effect from the 2023 SS Adoption Date) and to adopt the 2023 Share Scheme which complies with the latest requirements as prescribed in the GEM Listing Rules.

Terms of the proposed 2023 Share Scheme

The terms of the 2023 Share Scheme follow the terms of the Existing Share Option Scheme and the terms of the various deeds of grant of the share award (entered into between selected employees of the Group and the Company before 5 January 2023) to the extent compliant with and permitted under the GEM Listing Rules, so as to ensure the consistent practice of share incentives of the Group. The 2023 Share Scheme involves the issue of new Shares only. The key terms of the 2023 Share Scheme as compared with the Existing Share Option Scheme and/or the various deeds of grant of share award (entered into between selected employees and the Company before 5 January 2023) are set out below:

- (a) to state clearly the scope of eligible participants;
- (b) to adopt the Scheme Mandate Limit;
- (c) to bring the requirement of independent Shareholders' approval for refreshment of the Scheme Mandate Limit;
- (d) to further refine and streamline the requirements of individual limits for grant of options/awards to eligible participants;
- (e) to further elaborate on the provision for adjustment of (i) the exercise price and number of Share Options or (ii) the number of Awarded Shares granted under the 2023 Share Scheme in the event of a capitalisation issue, rights issue, sub-division or consolidation of shares or reduction of capital;
- (f) to provide that the grant of Share Options/Share Awards to certain eligible participants may be subject to a vesting period shorter than 12 months under specific circumstances;
- (g) to further refine and streamline the procedural requirements for any alterations to the terms of the 2023 Share Scheme and the granted Share Options/Share Awards; and
- (h) to include other amendments for house-keeping purposes and to better align the wording with that of the GEM Listing Rules.

Further details of the principal terms of the 2023 Share Scheme will be set out in a circular to be dispatched to the Shareholders.

Conditions for the adoption of the 2023 Share Scheme

The 2023 Share Scheme will take effect on the date of its adoption at the Extraordinary General Meeting and is conditional upon:

- (a) the passing of an ordinary resolution by the Shareholders at the Extraordinary General Meeting to terminate the Existing Share Option Scheme with effect from the 2023 SS Adoption Date;
- (b) subject to the passing of resolution (a) above, the passing of the necessary ordinary resolution by the Shareholders at the Extraordinary General Meeting to adopt the 2023 Share Scheme and to authorise the Directors to grant Share Options or Share Awards, and to allot and issue Shares pursuant to the vesting of the Awarded Shares or the exercise of any Share Options granted under the 2023 Share Scheme; and
- (c) the Company having obtained the Listing Approval.

EXTRAORDINARY GENERAL MEETING

The Extraordinary General Meeting will consider, and if thought fit, approve, inter alia, (i) the termination of the Existing Share Option Scheme with effect from the 2023 SS Adoption Date; and (ii) the proposed adoption of the 2023 Share Scheme. A circular containing, inter alia, further details of the aforesaid matters, together with a notice of the Extraordinary General Meeting, will be dispatched to the Shareholders in accordance with the requirements of the GEM Listing Rules.

GENERAL

None of the Directors has a direct or indirect interest in the 2023 Share Scheme. Up to the date of this announcement, the Company had not granted or proposed to grant or intended to grant any share options under the Existing Share Option Scheme.

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Shares to be issued pursuant to the vesting of the Awarded Shares or the exercise of any Share Options granted under the 2023 Share Scheme up to 81,250,000 Shares, representing 10% of the Shares in issue as at the 2023 SS Adoption Date.

As of the date of this announcement, (i) the proposed termination of the Existing Share Option Scheme and (ii) the proposed adoption of the 2023 Share Scheme, remain subject to the approval of the Shareholders. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

TERMINATION OF THE JANUARY 2023 CONDITIONAL GRANT OF SHARE AWARDS

Reference is made to the announcements of the Company dated 5 and 13 January 2023 respectively in relation to the grant of Share Awards to selected employees of the Group.

On 5 January 2023, 240,000 Awarded Shares in aggregate have been conditionally granted to two selected employees of the Group. Such Awarded Shares were intended to be issued and allotted to these two selected employees upon the necessary approvals by the Shareholders at the upcoming Extraordinary General Meeting. In light of the adoption of the 2023 Share Scheme and for ease of administration, on 14 July 2023, the Company and the aforesaid two selected employees have agreed to terminate these conditional grants of 240,000 Awarded Shares.

PROPOSED GRANT OF SHARE AWARDS TO SELECTED EMPLOYEE PARTICIPANTS UNDER THE 2023 SHARE SCHEME

Subject to the necessary approvals by the Shareholders at the upcoming Extraordinary General Meeting in relation to, among other things, the adoption of the 2023 Share Scheme, the Board has resolved to award conditionally an aggregate of up to 10,360,000 Awarded Shares to seven selected Employee Participants (including the abovementioned two selected employees who have agreed to terminate the previous grant of 240,000 Awarded Shares), representing (i) approximately 12.75% of the maximum number of Shares which may be issued pursuant to the vesting of the Awarded Shares and upon exercise of all Share Options granted at any time under the 2023 Share Scheme; or (ii) approximately 1.275% of the issued share capital of the Company as at the date of this announcement.

Set out below is a table of the grants and their vesting dates:

| Name of grantee | Effective date of grant | Total Awarded Shares | Vesting date as at | | |
|-----------------|---------------------------|----------------------|--------------------|------------------|------------------|
| | | | 30 September 2023 | 31 December 2023 | 31 December 2024 |
| Employee A | The 2023 SS Adoption Date | 560,000 | 120,000 | 160,000 | 280,000 |
| Employee B | The 2023 SS Adoption Date | 560,000 | 120,000 | 160,000 | 280,000 |
| Employee C | The 2023 SS Adoption Date | 3,300,000 | 400,000 | 1,100,000 | 1,800,000 |
| Employee D | The 2023 SS Adoption Date | 3,300,000 | 400,000 | 1,100,000 | 1,800,000 |
| Employee E | The 2023 SS Adoption Date | 560,000 | 120,000 | 160,000 | 280,000 |
| Employee F | The 2023 SS Adoption Date | 1,040,000 | 160,000 | 360,000 | 520,000 |
| Employee G | The 2023 SS Adoption Date | 1,040,000 | 160,000 | 360,000 | 520,000 |
| | Total | 10,360,000 | 1,480,000 | 3,400,000 | 5,480,000 |

Each of the abovementioned seven selected Employee Participants is neither (i) a Director, nor a chief executive, nor a substantial shareholder of the Company, nor an associate of any of them; (ii) a senior manager of the Company; nor (iii) a participant with Share Options and Share Awards granted and to be granted exceeding the 1% Individual Limit (i.e. 8,125,000 Shares) in any 12-month period as defined under the 2023 Share Scheme.

None of the Directors have a material interest in such Share Awards and therefore no Director was required to abstain from voting on the board resolution approving the grant of Share Awards to the abovementioned seven selected Employee Participants.

Such grant to the selected Employee Participants of awards of new Shares will be credited as fully paid.

Based on the number of Shares in issue as at the date of this announcement and such number remained the same as at the 2023 SS Adoption Date, 70,890,000 underlying Shares will be available for future grants under the 2023 Share Scheme after the grant above.

The Board (including the remuneration committee) has considered the terms, criteria and GEM Listing Rules applicable to the 2023 Share Scheme as well as the relevant circumstances relating to the grant, and is of the view that the granting of Share Awards to the seven selected Employee Participants under such scheme serves its purpose, is fair and reasonable, on normal commercial terms and in the interests of the Company and its Shareholders as a whole.

Given that the grants of Share Awards are to serve the purpose of rewarding past contribution as well as employee retention, the Board (including the remuneration committee) has taken into account:

- (i) the duties and responsibilities performed by these selected Employee Participants in and for the Group;
- (ii) the qualitative factors and performance indicators attributable to the selected Employee Participants (being the performance target specific to each of the Employee Participant's job scope, as the management assesses the performance of each Employee Participant on a rolling basis over the year, they agree on key work objectives that are specific to each person's job scope in the coming period in terms of personal development on teamwork/team leadership, strengths and weaknesses of technical knowledge (including, for example, compliance related rules and regulations) and professional skill-set (including, for example, project or people management), market understanding and strategic orientation, and compare performance to date with previously agreed objectives); and
- (iii) the specific circumstances – namely (a) when granting Share Options or Share Awards, the Board (including the remuneration committee) would have taken into account qualitative performance based vesting conditions in lieu of time-based vesting criteria; (b) due to administrative and compliance consideration, such as completion of audit for the financial year, finalisation of coming year budget and cash flow forecast, grants are made in batches during a year. In the Company's case, it may grant Share Options or Share Awards a number of months after the intended grant dates; (c) the Share Options or Share Awards to be granted by the Company are expected to have a mixed vesting schedule where a portion of Share Options or Share Awards will vest within a year and a portion vesting after one year; and (d) the Share Options or Share Awards to be granted by the Company are expected to have more than one vesting dates spanning periods of more than 12 months (for example, the vesting and holding period are more than 12 month);

is of the view that a portion of the Share Awards warrant a vesting period of shorter than 12 months.

While there is no clawback mechanism to recover or withhold the remuneration with regard to the Share Awards granted to the selected Employee Participants, the grants are to reward the past contribution and to incentivise them to continually contribute to the longer term growth of the Group, the Board (including the remuneration committee) is of the view that such grants align with the purpose of the 2023 Share Scheme.

No Shareholder is required to abstain from voting on the relevant resolutions to terminate the Existing Share Option Scheme and to approve the adoption of the 2023 Share Scheme at the Extraordinary General Meeting.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires:

| | |
|---------------------------------|--|
| “2023 Share Scheme” | the Company’s share scheme proposed to be approved and adopted by the Shareholders at the Extraordinary General Meeting |
| “2023 SS Adoption Date” | being the date on which the 2023 Share Scheme becomes unconditional upon fulfilment of all the conditions |
| “Awarded Share(s)” | the Shares to be allotted and issued by the Company to the grantee(s) pursuant to the Share Awards |
| “Board” | board of Directors |
| “Company” | Altus Holdings Limited (Stock code: 8149), a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on GEM |
| “Consultation Conclusions” | the consultation conclusions on the proposed amendments to listing rules relating to share schemes of listed issuers and housekeeping rule amendment published by the Stock Exchange in July 2022 |
| “Director(s)” | the director(s) of the Company |
| “Existing Share Option Scheme” | the Company’s share option scheme adopted and becomes effective on 17 October 2016 (the date on which the Shares commenced listing on GEM) |
| “Extraordinary General Meeting” | the extraordinary general meeting of the Company to be convened to consider and, if appropriate, to approve the relevant resolutions in relation to, among other things, the termination of the Existing Share Option Scheme and the adoption of the 2023 Share Scheme |
| “GEM” | GEM of the Stock Exchange |
| “GEM Listing Rules” | The Rules Governing the Listing of Securities on GEM, as amended from time to time |
| “Group” | the Company and its subsidiaries |
| “Hong Kong” | the Hong Kong Special Administrative Region of the People’s Republic of China |

| | |
|--------------------|---|
| “Listing Approval” | the Stock Exchange’s approval of the listing of, and the permission to deal in, any Shares to be issued pursuant to the vesting of the Awarded Shares and/or the exercise of any Share Options granted under the 2023 Share Scheme up to 81,250,000 Shares, representing 10% of the Shares in issue as at the 2023 SS Adoption Date |
| “Share(s)” | ordinary share(s) of nominal value of HK\$0.01 each in the capital of the Company |
| “Share Award(s)” | the award of new Shares, credited as fully paid, as an incentive bonus pursuant to the 2023 Share Scheme |
| “Share Options” | option(s) to subscribe for Shares granted pursuant to the 2023 Share Scheme |
| “Shareholder(s)” | the holder(s) of the Share(s) |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “HK\$” | Hong Kong dollar(s), the lawful currency of Hong Kong |
| “%” | per cent. |

By order of the Board
Altus Holdings Limited
Arnold Ip Tin Chee
Chairman

Hong Kong, 21 July 2023

As at the date of this announcement, the executive Directors are Mr. Arnold Ip Tin Chee (Chairman), Mr. Chang Sean Pey and Ms. Leung Churk Yin Jeanny; and the independent non-executive Directors are Mr. Chao Tien Yo, Mr. Chan Sun Kwong and Mr. Lee Shu Yin.

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 Listed Company Information” page of the website of the Stock Exchange at www.hkexnews.hk for at least 7 days from the date of its publication. This announcement will also be published on the website of the Company at www.altus.com.hk.