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EEKA Fashion Holdings Limited

贏家時尚控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3709)

VOLUNTARY ANNOUNCEMENT: ADOPTION OF 2024 SHARE AWARD SCHEME

ADOPTION OF THE 2024 SHARE AWARD SCHEME

The Board is pleased to announce that it has resolved to adopt the 2024 Share Award Scheme with effect from 10 April 2024 to recognise and acknowledge the contributions which the Eligible Participants have made or may make to the Group and to provide them with incentives 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 2024 Share Award Scheme shall be subject to the administration of the Board in accordance with the Scheme Rules and the terms of the Trust Deed. The Trustee and the Trust Holdco will be independent third parties of the Company.

LISTING RULES IMPLICATIONS

The 2024 Share Award Scheme constitutes a share scheme under Chapter 17 of the Listing Rules and shall be subject to the applicable disclosure requirements under Rule 17.12 of the Listing Rules. The 2024 Share Award Scheme was contemplated and adopted to be funded solely by the existing Shares pursuant to Rule 17.01(1)(b) of the Listing Rule and does not constitute a scheme involving the issue of new shares as referred to Rule 17.01(1)(a) of the Listing Rules. Therefore, the adoption of the 2024 Share Award Scheme will not be subject to Shareholders' approval.

ADOPTION OF THE 2024 SHARE AWARD SCHEME

Reference is made to the announcement of the Company dated 2 December 2019 in relation to the adoption of the 2019 Scheme whereby the Board may, among others, purchase the Shares on the market through the trustee for the purposes of awarding to the grantees under the 2019 Scheme. As the maximum number of Shares that may be awarded under the 2019 Scheme is almost reached, the Board is pleased to announce that it has resolved to adopt the 2024 Share Award Scheme with effect from 10 April 2024.

The 2024 Share Award Scheme is a single share award scheme under which no share options can be granted. It will involve the purchase of the existing Shares of the Company through the Trustee or the Trust Holdco on the Stock Exchange or through other means.

The following is a summary of the principal terms and conditions of the 2024 Share Award Scheme:

Purposes and objectives

The purposes of the 2024 Share Award Scheme are to recognise the contributions by certain Eligible Participants and to provide them with incentives 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.

Duration

Subject to any early termination as may be determined by the Board, the 2024 Share Award Scheme shall be valid and effective from the Adoption Date to the 10th anniversary of the Adoption Date after which no Award shall be made and thereafter for so long as there are any non-vested Awarded Shares granted thereunder prior to the expiration of the 2024 Share Award Scheme, in order to give effect to the vesting of such Awarded Shares or otherwise as may be required in accordance with the provisions of the Scheme Rules.

Administration

The 2024 Share Award Scheme shall be subject to the administration of the Board in accordance with the Scheme Rules and the terms of the Trust Deed. The decision of the Board with respect to any dispute arising in connection with the 2024 Share Award Scheme shall be final and binding.

To the extent permissible under the Listing Rules and other applicable laws and regulations, the Board may resolve to delegate to another committee of the Board or to one or more officers of the Company any or all of the authority and responsibility of the Board under the Scheme Rules and the Trust Deed.

The Trustee will be engaged by the Company to assist with the administration of the 2024 Share Award Scheme. The Trustee shall, directly or indirectly, hold the Trust Shares, the Related Income and Residual Cash in accordance with the Scheme Rules and the Trust Deed.

Eligible Participants

As set out in the Scheme Rules, the Eligible Participants include: (i) any directors or employees of any member of the Group or any Affiliate; (ii) any persons who provide services to any members of the Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long-term growth of the Group, provided any such person is not a connected person of the Group; and (iii) such other person as permitted under the Listing Rules from time to time, whom the Board considers, in its sole and absolute discretion, may contribute or have contributed to the Group, but excluding any Excluded Eligible Participant. Although the Scheme Rules allows the granting of Awards to non-employees, the Company currently has no intention to grant any Award to non-employee Eligible Participants.

Operation of the 2024 Share Award Scheme

The Board may, from time to time, at its absolute discretion select any Eligible Participant for participation in the 2024 Share Award Scheme as a Selected Participant. Until so selected, no Eligible Participant shall be entitled to participate in the 2024 Share Award Scheme. The Board may select the Eligible Participant(s) and determine the number of the Awarded Shares for each of them and notify the Trustee of its decision. The Board is entitled to impose any conditions (including, without limitation, the performance, operating and financial targets and other criteria, if any, to be satisfied by the Selected Participant) as it deems appropriate in its sole and absolute discretion before the Awarded Shares can vest.

The Board may either before or after identification of the Selected Participant(s), cause to be paid to the Trustee or the Trust Holdco such amount as may be required for the purchase of existing Shares from the market or through other means as the Awards for the 2024 Share Award Scheme and for such other purposes as set out in the Scheme Rules and the Trust Deed.

Subject to the Scheme Rules, the Board may from time to time instruct the Trustee in writing to purchase Shares on the Stock Exchange or accept and receive a specified number of Shares from any significant shareholder or any party designated by the Company. Once purchased or received, the Shares are to be held directly or indirectly by the Trustee for the benefit of the Selected Participants under the Trust until they are vested, on and subject to the terms and conditions of the Scheme Rules and the Trust Deed. On each occasion when the Board instructs the Trustee to purchase Shares on the Stock Exchange, it shall specify the maximum amount of funds to be used and the range of prices at which such Shares are to be purchased. The Trustee may not incur more than the maximum amount of funds or purchase any Shares at a price falling outside the range of prices so specified unless with the prior written consent of the Board.

Vesting

Subject to the terms and conditions of the Scheme Rules and the fulfillment of all vesting conditions to the vesting of the Awarded Shares on such Selected Participant as specified in the 2024 Share Award Scheme and the relevant grant instrument, the Awarded Shares held by the Trustee on behalf of the Selected Participant shall vest in such Selected Participant in accordance with the applicable vesting schedule, and the Trustee shall cause the Awarded Shares to be transferred to such Selected Participant in accordance with the terms of Scheme Rules.

Subject to the receipt by the Trustee of the transfer documents prescribed by the Trustee and duly signed by the Selected Participants within the period stipulated in the vesting notice, the Trustee shall transfer the relevant Awarded Shares to the relevant Selected Participant as soon as practicable in accordance with the Scheme Rules.

Lapse of Award

In the event that prior to or on the Vesting Date in respect of a Selected Participant who is an Employee, (i) the relevant Selected Participant ceases to be an Employee of any member of the Group or any Affiliate, whether by reason of death or retirement or otherwise, (ii) the Subsidiary of the Company (or of a member of the Group) by which a Selected Participant is employed ceases to be a Subsidiary of the Company (or of a member of the Group), (iii) 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), or (iv) the Selected Participant has accumulated more than 180 days of leave in the relevant year (excluding statutory maternity leave and statutory holidays under the laws of the People's Republic of China), the Award shall, unless the Board otherwise agrees, lapse forthwith and the Awarded Shares of such Award shall not vest on the relevant Vesting Date but shall become Returned Shares for the purpose of the 2024 Share Award Scheme.

In the event that prior to or on the Vesting Date in respect of a Selected Participant who is not an Employee, (i) the relevant Selected Participant ceases to be an Eligible Participant, whether by reason of death or retirement or otherwise, (ii) if the Selected Participant has committed serious dereliction of duty and misconduct according to the relevant agreement or arrangement with any member of the Group, (iii) has committed any acts of bribery, disclosure of operational or technical secrets of any member of the Group, or damage to the reputation of any member of the Group, or (iv) has committed gross negligence or wilful default in respect of its obligations pursuant to the relevant agreement or arrangement with any member of the Group, the Award shall, unless the Board otherwise agrees, lapse forthwith and the Awarded Shares of such Award shall not vest on the relevant Vesting Date but shall become Returned Shares for the purpose of the 2024 Share Award Scheme.

In the event that prior to or on the Vesting Date (i) a Selected Participant is found to be an Excluded Eligible Participant (in this context only applicable to any person in class (ii) of Excluded Eligible Participant as defined in the definition of Excluded Eligible Participant(s)), or (ii) a Selected Participant fails to return duly executed transfer documents prescribed by the Trustee for the relevant Awarded Shares within the stipulated period, the relevant part of the Award made to such Selected Participant shall, unless the Board otherwise agrees, lapse forthwith and the relevant Awarded Shares shall not vest on the relevant Vesting Date but shall become Returned Shares for the purpose of the 2024 Share Award Scheme.

If there occurs an event of change in control of the Company, whether by way of offer, merger, scheme of arrangement or otherwise, all the Awarded Shares shall immediately vest on the date when such change of control event becomes or is declared unconditional and such date shall be deemed to be the Vesting Date. The Board shall instruct the Trustee in writing the number of Awarded Shares to be vested on each Selected Participant and the Trustee shall send to each Selected Participant a vesting notice together with such prescribed transfer documents required to effect the transfer of the Trust Shares as Award Shares. Subject to the receipt by the Trustee of duly executed prescribed transfer documents within the prescribed time, the Trustee shall transfer the Awarded Shares to such Selected Participant.

Rights and restrictions

Prior to the vesting of any Awarded Shares, any Award made under the 2024 Share Award Scheme shall be personal to the Selected Participant to whom it is made and shall not be assignable nor transferrable and 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 unvested Awarded Shares referable to him pursuant to such Award or enter or purport to enter into any agreement to do so, unless and until such Awarded Shares are actually vested in and transferred to the Selected Participant.

For the avoidance of doubt, a Selected Participant shall have no rights in the Residual Cash, the Related Income or any of the Returned Shares or any interest or rights (including the right to receive dividends or the right to vote) other than a contingent interest in the Awarded Shares prior to the Vesting Date.

No instructions shall be given by a Selected Participant (including, without limitation, voting rights) to the Trustee in respect of the Awarded Shares that have not been vested, and such other properties of the trust fund managed by the Trustee. The Trustee shall abstain from exercising the voting rights in respect of any Shares held directly or indirectly by it under the Trust (if any) (including but not limited to the Awarded Shares, any bonus Shares and scrip Shares derived therefrom).

No Award shall be made by the Board and no Shares or payment (as the case may be) shall be delivered or made to the Trustee and no instructions to acquire Shares shall be given to the Trustee under the 2024 Share Award Scheme where any Director is in possession of inside information in relation to the Group or where dealings in Shares by directors of the Company are prohibited under any code or requirement of the Listing Rules and all applicable laws from time to time.

Scheme limit

The Board shall not make any further grant of Award such that the total number of Shares granted under the 2024 Share Award Scheme will exceed 10% of the total number of issued Shares as of the Adoption Date. On the basis that the total number of issued Shares as of the Adoption Date is 704,050,195 Shares, the aforesaid 10% limit represents a total of 70,405,019 Shares.

The maximum number of Shares which may be awarded to a Selected Participant under the 2024 Share Award Scheme shall not exceed 1% of the issued share capital of the Company in any 12-month period.

The aforesaid limits shall always be subject to the compliance with the Listing Rules that are in force from time-to-time, including the requirement on maintaining a minimum public float.

Alteration of the 2024 Share Award Scheme

The 2024 Share Award Scheme may be altered in any respect by a resolution of the Board provided that no such alteration shall operate to affect adversely any subsisting rights of any Selected Participant under the 2024 Share Award Scheme. No alteration shall be made to any of the Scheme Rules relating to the matters set out in Rule 17.03 of the Listing Rules to the advantage of the Selected Participants unless such alteration is approved by a special resolution passed at a meeting of the relevant Selected Participants.

Termination

The 2024 Share Award Scheme shall terminate on the earlier of: (i) the 10th anniversary of the Adoption Date or the date the last of the Awarded Shares granted prior to the 10th anniversary of the Adoption Date has been vested and transferred to the relevant Eligible Participant or has lapsed in accordance with these Scheme Rules, whichever date is later; and (ii) such date of early termination as determined by the Board provided that such termination shall not affect any subsisting rights of any Eligible Participant under the 2024 Share Award Scheme.

Upon termination of the 2024 Share Award Scheme, no further grant of Awarded Shares may be made under the 2024 Share Award Scheme and all the Awarded Shares, Trust Shares, the Related Income in the form of Shares, the Returned Shares and all such non-cash income remaining in the trust fund of the Trust shall be sold by the Trustee, and Residual Cash and net proceeds of the aforementioned sale of the Shares and such other funds remaining in the Trust (after making appropriate deductions in respect of all disposal costs, liabilities and expenses in accordance with the Trust Deed) shall be remitted to the Company forthwith after the sale.

For the avoidance of doubt, the Trustee may not transfer any Shares to the Company nor may the Company otherwise hold any Shares whatsoever (other than its interest in the proceeds of the aforementioned sale of the Shares).

LISTING RULES IMPLICATIONS

The 2024 Share Award Scheme constitutes a share scheme under Chapter 17 of the Listing Rules and shall be subject to the applicable disclosure requirements under Rule 17.12 of the Listing Rules. The 2024 Share Award Scheme was contemplated and adopted to be funded solely by the existing Shares pursuant to Rule 17.01(1)(b) of the Listing Rule and does not constitute a scheme involving the issue of new shares as referred to Rule 17.01(1)(a) of the Listing Rules. Therefore, the adoption of the 2024 Share Award Scheme will not be subject to Shareholders' approval.

DEFINITIONS

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

“2019 Scheme”	the share award scheme adopted by the Company on 2 December 2019
“2024 Share Award Scheme”	the share award scheme adopted by the Company on the Adoption Date, as amended from time to time
“Account”	the bank account opened in the name of the Trustee to be operated solely for the purposes of operating the 2024 Share Award Scheme and the funds thereof to be held on trust by the Trustee for the Selected Participants
“Adoption Date”	10 April 2024, being the effective date of the adoption of the 2024 Share Award Scheme

“Affiliate”	(a) any direct or indirect holding company of the Company; (b) any direct or indirect Subsidiary of any company included in (a); (c) a company controlled by the Company; and (d) any associated company of the Company or any company included in (a), but excluding any members of the Group
“Award”	an award of Shares by the Board to a Selected Participant pursuant to the 2024 Share Award Scheme
“Awarded Share(s)”	in respect of a Selected Participant, such number of Shares determined by the Board and granted to such Selected Participant
“Board”	the board of directors of the Company or such committee or such sub-committee or person(s) delegated with the power and authority by the board of directors of the Company to administer the 2024 Share Award Scheme
“Business Day”	a day (other than Saturday, Sunday and public holiday) on which the Stock Exchange is open for trading and on which banks are open for business in Hong Kong
“Company”	EEKA Fashion Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the main board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Employee(s)”	any employee (excluding any Excluded Eligible Participant), director, officer, of any member of the Group or any Affiliate
“Excluded Eligible Participant(s)”	(i) at the time of the proposed grant of an Award, any Employee whose service in the Group does not exceed 1 year from the expiry date of his probationary period as stated in his employment contract with the Group, or (ii) any Eligible Participant who is resident in a place where the award of the Awarded Shares and/or the vesting and transfer of the Awarded Shares pursuant to the terms of the 2024 Share Award Scheme is not permitted under the laws and regulations of such place or where in the view of the Board or the Trustees (as the case may be), compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such Eligible Participant
“Eligible Participant”	any person as determined by the Board to be eligible to participate in the 2024 Share Award Scheme pursuant to the Scheme Rules, which include such persons set out in the paragraph headed “Eligible Participants”
“Group”	the Company and its subsidiaries from time to time

“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
“Related Income”	all income derived from a Share (net of all expenses or charges incurred in relation to the receipt or payment of such income) held upon the Trust in the form of Shares (including but not limited to, any bonus Shares or scrip Shares received in respect of the Share) or money and, for the avoidance of doubt, excludes any Residual Cash
“Residual Cash”	being cash remaining in the Account or the trust fund of the Trust (including interest income derived from deposits maintained with licensed banks in Hong Kong) which has not been applied in the acquisition or subscription of Trust Shares or Awarded Shares
“Returned Shares”	such Awarded Shares or Related Income which are not vested and/or forfeited in accordance with the terms of the 2024 Share Award Scheme, or such Shares being deemed to be Returned Shares in accordance with the Scheme Rules and the Trust Deed
“Scheme Rules”	the rules of the Share Award Scheme, as may be amended from time to time
“Selected Participant”	Eligible Participant(s) selected by the Board pursuant to the Scheme Rules for participation in the Share Award Scheme (or his/her legal personal representative or lawful successor as the case may be)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary”	has the meaning ascribed to it under the Companies Ordinance (Cap. 622 of the Laws of Hong Kong)
“Trust”	the trust constituted by the Trust Deed
“Trust Deed”	the trust deed to be entered into between the Company and the Trustee (as restated, supplemented and amended from time to time) in respect of the appointment of the Trustee for the administration of the 2024 Share Award Scheme
“Trust Holdco”	Blissful Day Group Limited, a company incorporated in the British Virgin Islands which is wholly owned by the Trustee as trustee of the Trust

“Trust Shares”	any Shares purchased by the Trustee on the market out of cash arranged to be paid by the Company out of the Company’s funds to the Trustee, together with in each case any scrip Shares or bonus Shares referable to those Shares, for the purposes of settlement of the Awarded Shares
“Trustee”	CMB Wing Lung (Trustee) Limited, and any additional or replacement trustees, being the trustee to be appointed by the Company for the time being for the administration of the 2024 Share Award Scheme
“Vesting Date”	in respect of a Selected Participant, the date on which his entitlement to the Awarded Shares accrues in accordance with the conditions as imposed by the Board or is deemed to have accrued in accordance with the 2024 Share Award Scheme
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong

By order of the Board
EEKA Fashion Holdings Limited
JIN MING
Chairman

Hong Kong, 10 April 2024

As at the date of this announcement, the Board comprises Mr. Jin Ming, Ms. He Hongmei and Mr. Jin Rui as executive Directors; and Mr. Zhong Ming, Mr. Zhou Xiaoyu and Mr. Zhang Guodong as independent non-executive Directors.