

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

Pizu Group Holdings Limited

比優集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8053)

ADOPTION OF SHARE AWARD SCHEME

The Board is pleased to announce that on 8 July 2019, it has resolved to adopt the Scheme to recognise and reward the contribution of Eligible Participants to the growth and development of the Group, to give incentives to Eligible Participants 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 Scheme shall be subject to administration of the Board and the trustee in accordance with the rules of the Scheme and the Trust Deed.

Given that the Scheme does not involve the grant of options over any new Shares of the Company, it does not constitute a share option scheme or an arrangement analogous to a share option scheme for the purpose of Chapter 23 of the GEM Listing Rules. No Shareholders' approval is required to adopt the Scheme.

THE SHARE AWARD SCHEME

The Board wishes to announce that it has adopted the Scheme on 8 July 2019, being the Adoption Date. A summary of terms of the Scheme is set out below:

Purposes and objectives

The purposes of the Scheme are to recognise and reward the contribution of Eligible Participants to the growth and development of the Group, to give incentives to Eligible Participants 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 Scheme shall be valid and effective for a term of five (5) years commencing on the Adoption Date.

Administration

The Scheme shall be subject to the administration of the Board and the trustee in accordance with the rules of the Scheme and the terms of the Trust Deed (as the case may be). The decision of the Board with respect to any matter arising under the Scheme shall be final and binding. The trustee shall hold the Trust Fund in accordance with the rules of the Scheme and the terms of the Trust Deed.

Operation of the Scheme

The Board may select any Eligible Participant (other than Excluded Person) for participation in the Scheme and determine the number of the Awarded Shares to be awarded to the Selected Participants. The Board is entitled to impose any conditions (including a period of continued service within the Group after the Reference Date), as it deems appropriate with respect to the entitlement of the Selected Participant to the Awarded Shares. The Board may from time to time cause to be paid the Reference Amount to the trustee by way of settlement or otherwise contributed by the Group as directed by the Board which shall constitute part of the Trust Fund, for the purchase or subscription of Shares and other purposes set out in the rules of the Scheme and the Trust Deed.

Share Pool

After identifying and approving the Selected Participant(s), the Board shall notify the trustee in writing of, among others, (i) the name of the Selected Participant(s); (ii) the number of Shares to be awarded; (iii) the amount of the Reference Amount; (iv) the Vesting Date and any conditions for vesting (if any); and (v) whether the Awarded Share(s) shall be satisfied by purchase on the open market or off market or otherwise allocated from the Share Pool (as defined below).

In order to satisfy any Awarded Share(s) to be granted under the Scheme from time to time, the trustee shall maintain a share pool (the “**Share Pool**”) which shall comprise the following:

- (a) such Shares as may be purchased by the trustee on or off the market by utilising the funds allocated by the Board out of the Company’s resources and (if cash contribution is to be made by Selected Participants) the funds contributed by Selected Participants;
- (b) such Shares as may be transferred to the trustee by any Shareholders to be held on trust for the Eligible Participants (other than Excluded Persons) for the purpose of the Trust;
- (c) such Shares as may be allotted and issued to the trustee as a holder of Shares, whether by way of scrip dividend or otherwise; and
- (d) such Shares which remain unvested and revert to the trustee due to the lapse of the Awarded Shares.

Purchase of Awarded Shares by the trustee

As soon as practicable after the Reference Date, the Board shall cause the Reference Amount to be paid from the Company's resources and (if the Selected Participants are required to contribute cash consideration) procure the Selected Participants to pay the cash contribution determined by the Board to the trustee to be held on trust for the relevant Selected Participant for the purchase of the Awarded Shares.

The trustee shall, within 20 business days (any such longer period as the Board considers necessary from time to time) on which trading of the Shares has not been suspended after receiving the Reference Amount, apply the Reference Amount (together with cash contribution from Selected Participants, if any) towards the purchase of the Awarded Shares at the prevailing market price on or off market.

If the Reference Amount (together with cash contribution from Selected Participants, if any) paid to the trustee is not sufficient to purchase all the Awarded Shares at the prevailing market price, the trustee shall acquire the maximum number of board lots of Shares that can be acquired with that amount and seek further funds from the Board until all the Awarded Shares are purchased.

When the Selected Participant has satisfied all vesting conditions (if any) specified by the Board at the time of making the Award and become entitled to the Awarded Shares, the trustee shall transfer the relevant Awarded Shares to that Selected Participant.

The Board may from time to time instruct the trustee in writing to purchase Shares on or off market. The trustee shall keep the Board informed from time to time of the number of Shares purchased and the price at which those Shares have been purchased.

Vesting

Subject to the terms and conditions of the Scheme and the fulfilment of all vesting conditions (if any) on such Selected Participant as specified in the Scheme and the relevant grant notice, the respective Awarded Shares and the Related Income held by the trustee on behalf of the Selected Participant shall vest in such Selected Participant in accordance with the vesting schedule as set out in the grant notice, provided that the Selected Participant remains at all times after the Reference Date and on the relevant Vesting Date(s) an Eligible Participant of the Group.

The trustee shall cause the Awarded Shares to be transferred to such Selected Participant on the Vesting Date. The Board may at its absolute discretion, grant additional Shares out of the Trust Fund representing all or part of the income or distributions declared by the Company or derived from such Awarded Shares during the period from the date of Award to the Vesting Date to a Selected Participant.

Lapse of Award

In the event (i) a Selected Participant ceases to be an Eligible Participant (excluding cessation caused by the death of a Selected Participant or the retirement of a Selected Participant at his normal retirement date or earlier by agreement with the Company or any its subsidiaries) or (ii) the subsidiary by which a Selected Participant is employed or engaged ceases to be a subsidiary of the Company (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, a solvent amalgamation or reconstruction in such circumstances that substantially the whole of the undertaking, assets and liabilities of the Company pass to a successor company), the unvested Award shall automatically lapse forthwith and all the unvested Awarded Shares and the Related Income shall not vest on the relevant vesting date but shall remain as part of the Trust Fund.

In the event (i) a Selected Participant is found to be an Excluded Person 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 an Award made to such Selected Participant shall automatically lapse forthwith and the relevant unvested Awarded Shares and the Related Income of such Award shall not vest on the relevant vesting date but shall remain as part of the Trust Fund.

If there occurs an event of change of control of the Company, whether by way of offer, merger, scheme of arrangement or otherwise, unless otherwise directed by the Board at its absolute discretion, all the Awarded Shares and the Related Income shall immediately vest in the respective Selected Participant 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.

Rights and restrictions

A Selected Participant shall only have a contingent interest in the Awarded Shares which are referable to him/her subject to the vesting of such Shares on the Vesting Date. A Selected Participant shall have no rights in the Residual Cash.

The trustee shall not exercise the voting rights in respect of any Shares held by it under the Trust (including but not limited to the Awarded Shares, any bonus Shares and scrip Shares).

Restriction

Any Award made under the Scheme shall be personal to the Selected Participant to whom it is made and shall not be assignable 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 either the Contributed Amount or the Awarded Shares referable to him/her pursuant to such Award or the Related Income or any of the returned Shares under the Scheme.

Prior to the vesting of any Awarded Shares, a Selected Participant is not entitled to any rights attaching to the unvested Awarded Shares, including but not limited to voting rights, rights to dividends or distributions.

No payment shall be made to the trustee and no instructions to acquire Shares shall be given to the trustee under the Scheme when 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 and all applicable laws from time to time. The Board may not make an Award to any Director during the periods or times in which the Directors are prohibited from dealing in Shares pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as prescribed by the GEM Listing Rules or any corresponding code or securities dealing restrictions adopted by the Company.

Scheme limit

The Board shall not make any further award of Awarded Shares which will result in the number of Shares awarded by the Board under the Scheme exceeding 200,000,000 Shares (representing about 5.62% of the issued share capital of the Company as at the Adoption Date (the “**Scheme Limit**”)).

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

Alteration of the Scheme

The Scheme may be altered by the prior sanction of a Board resolution, provided that no such alteration shall (i) operate to affect adversely any rights of any Selected Participants in respect of his Awarded Shares which remain unvested except with the consent in writing of the majority of the Selected Participants whose Awarded Shares remained unvested on that date as would be required of the holders of Shares under the articles of association of the Company (as adopted or amended from time to time) for a variation of the rights attached to such Shares; and (ii) not contravene any GEM Listing Rules or any applicable laws and regulations.

Termination

Upon termination of the Scheme, no further grant of Awarded Shares may be made under the Scheme and all the Awarded Shares of the Selected Participants granted under the Scheme shall continue to be held by the trustee and become vested in the Selected Participants according to the conditions of the Award. All Shares (except for any Awarded Shares subject to vesting on the Selected Participants) remaining in the Trust Fund shall be sold by the trustee and all net proceeds of sale and such other funds and properties remaining in the Trust Fund managed by the trustee (after deducting the relevant expenses) will be remitted to the Company forthwith. For the avoidance of doubt, the trustee may not transfer any Shares to the Company nor may the Company otherwise hold any Shares whatsoever.

IMPLICATIONS OF GEM LISTING RULES

Given that the Scheme does not involve the grant of options over any new Shares of the Company, it does not constitute a share option scheme or an arrangement analogous to a share option scheme for the purpose of Chapter 23 of the GEM Listing Rules. No Shareholders' approval is required to adopt the Scheme.

DEFINITIONS

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

“Adoption Date”	8 July 2019, being the date on which the Scheme is adopted by the Board
“Award”	an award of Awarded Shares (together with any Related Income) by the Board to a Selected Participant pursuant to the Scheme
“Awarded Share(s)”	in respect of a Selected Participant, such number of Shares determined by the Board to be awarded to Selected Participants
“Board”	the board of directors of the Company and if the context so permits, it shall include such committee or subcommittee or person(s) as from time to time delegated with the power and authority by the board of directors of the Company to administer the Scheme
“Company”	Pizu Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on GEM
“Contributed Amount”	cash paid or made available to the Trust by way of settlement or otherwise contributed by the Company and/or its subsidiaries as permitted under the Scheme and/or by the Selected Participants to the Trust as determined by the Board from time to time
“Director(s)”	the directors of the Company
“Eligible Participant(s)”	any employee or director of any member of the Group

“Excluded Person”	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 Scheme is not permitted under the laws and regulations of such place or where in the view of the Board or the trustee (as the case may be), compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such Eligible Participant
“GEM”	GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“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
“Reference Amount”	the sum of (i) the Contributed Amount for the acquisition or subscription of Awarded Shares; and (ii) the related expenses (including for the time being, the brokerage fee, stamp duty, Securities and Futures Commission transaction levy, Stock Exchange trading fee) and such other necessary expenses required for the completion of the subscription or purchase of all the Awarded Shares
“Reference Date”	in respect of a Selected Participant, the date of final approval by the Board of the total number of Shares to be awarded to the relevant Selected Participant in a single occasion pursuant to the Scheme
“Related Income”	all income derived from a Share held upon the Trust in the form of Shares (including but not limited to, any further Shares purchased by the trustee out of cash income or net proceeds of sale of non-cash and non-scrip distributions declared and distributed by the Company in respect of Shares held upon the Trust, any bonus Shares and scrip Shares received in respect of the Shares), for the avoidance of doubt, excluding any nil paid right, bonus warrant, non-cash and non-scrip distribution or proceeds of sales of the same or Residual Cash

“Residual Cash”	cash in the Trust Fund (including without limitation (i) any Contributed Amount or any remaining amount thereof; (ii) any cash income or dividends derived from Shares held under the Trust; (iii) other cash income or net proceeds of sale of non-cash and non-scrip distribution derived from or in respect of the Shares held under the Trust; and (iv) all interest or income derived from deposits maintained with licensed banks in Hong Kong) which has not been applied in the purchase and/or subscription of any Shares
“Scheme”	the share award scheme adopted by the Board on the Adoption Date, as amended from time to time
“Selected Participant(s)”	Eligible Participant(s) selected by the Board for participation in the Scheme
“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
“Trust”	the trust constituted by the Trust Deed
“Trust Deed”	the trust deed made and 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 Scheme
“Trust Fund”	<p>the funds and properties held under the Trust and managed by the trustee for the benefit of the Eligible Participants (other than the Excluded Persons), including without limitation:</p> <p>(a) all Shares acquired by the trustee for the purpose of the Trust out of the Residual Cash and such other scrip income (including but not limited to bonus Shares and scrip dividends declared by the Company) derived from the Shares held upon the Trust;</p> <p>(b) any Residual Cash;</p>

- (c) any Awarded Shares or other property to be vested or not vested with the Selected Participant under the terms of the Scheme; and
- (d) all other properties from time to time representing (a), (b) and (c) above

“Vesting Date” the date or dates, as determined from time to time by the Board, on which the Awarded Shares (or part thereof) is to vest with the relevant Selected Participant as set out in the vesting schedule in the grant notice in accordance with the Scheme

“HK\$” Hong Kong dollar(s), the lawful currency of Hong Kong

By order of the Board
Pizu Group Holdings Limited
Xiong Zeke
Chairman

Hong Kong, 8 July 2019

As at the date of this announcement, the Board comprises nine Directors. The executive Directors are Mr. Xiong Zeke (Chairman), Mr. Ma Tianyi (Vice Chairman), Mr. Liu Fali (Chief Executive Officer), Mr. Ma Gangling (Chief Operating Officer), Ms. Qin Chunhong and Ms. Ma Ye; and the independent non-executive Directors are Ms. Zhang Lin, Ms. Liu Talin and Ms. Yao Yunzhu.

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 for at least seven days from the date of its publication and on the Company’s website at www.pizugroup.com