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創輝珠寶集團控股有限公司
Chong Fai Jewellery Group Holdings Company Limited
(formerly known as Dominate Group Holdings Company Limited)
(Incorporated in the Cayman Islands with limited liability)
(Stock code: 8537)

ADOPTION OF SHARE AWARD SCHEME

The Board is pleased to announce that it has resolved to adopt the Scheme on 19 March 2021, the purposes of the Scheme are to (i) recognize and reward the contributions or potential contributions made or to be made by the Eligible Persons to the Group, (ii) align the interests of the Eligible Persons with those of the Company, and strive for the future development and expansion of the Group; and (iii) attract high-calibre personnel to join the Group and provide them with incentives to participate in the continual operation and development of the Group.

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.

SHARE AWARD SCHEME

The Board is pleased to announce that, on 19 March 2021, the Company has adopted a share award scheme. A summary of the terms of the Scheme is set out below:

Purposes and objectives

The purposes of the Scheme are to (i) recognize and reward the contributions or potential contributions made or to be made by the Eligible Persons to the Group; (ii) align the interests of the Eligible Persons with those of the Company, and strive for the future development and expansion of the Group; and (iii) attract high-calibre personnel to join the Group and provide them with incentives to participate in the continual operation and 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 eight (8) years commencing on the Adoption Date.

Administration

The Scheme shall be subject to the administration of the Board in accordance with the terms of the Scheme. In addition, as provided for under the Scheme, the Board entered into the Trust Deed with Bank of Communications Trustee Limited and appointed it as the Trustee to assist with the administration and vesting of Awards granted under the Scheme and in accordance with the Trust Deed.

Operation of the Scheme

The Board may from time to time, in its sole discretion, select any Eligible Persons (other than any Excluded Persons) to participate in the Scheme as Selected Participants and determine the number of Award Shares to be awarded to such Selected Participants out of the Shares Pool. The Board shall have the power to impose any conditions on the rights of Selected Participants to the Award Shares when deemed appropriate.

In order to satisfy any Award to be granted under the Scheme from time to time, the Trustee shall maintain a Shares Pool which shall comprise the following:

- (i) such Shares as may be purchased by the Trustee on the Stock Exchange by utilising the funds allocated by the Board out of the Company's resources;
- (ii) such Shares as may be subscribed by the Trustee by utilising the funds allocated by the Board out of the Company's resources, subject to the Company having obtained the requisite Shareholders' approval in general meeting under general mandate or specific mandate for the allotment and issue of new Shares, the grant of listing of and permission to deal in such Shares by the Stock Exchange, and compliance with the applicable requirements under the Listing Rules;

- (iii) such Shares as may be allotted or issued to the Trustee as a holder of Shares, whether by way of scrip dividend or otherwise; and
- (iv) such Shares which remain unvested and revert to the Trustee due to the lapse of the Award.

The Trustee may purchase the Shares on the Stock Exchange at the prevailing market price (subject to such maximum price as may be from time to time prescribed by the Board).

Where any Award is proposed to be made to a Connected Person and the relevant Award of the Award Shares is to be satisfied by an allotment and issue of new Shares, the Award shall be separately approved by the Shareholders in general meeting with such Connected person and his associates abstaining from voting and shall comply with all other requirements of Chapter 20 of the GEM Listing Rules applicable to such Award.

Vesting of Award

The Board may, without the consent of any Selected Participants, subsequent to the granting of an Award, waive any vesting criteria, conditions and/or Lock-up Period applicable to such Award Shares or determine that such criteria, conditions and/or Lock-up Period have been satisfied.

Upon the vesting of an Award, the Board may, in its sole and absolute discretion to direct and procure the Trustee to release the Award Shares to the Selected Participants by transferring the number of Award Shares to the Selected Participants in such manner as determined by the Board from time to time.

Lapse of Awards

Where the Selected Participant is an employee of the Company, unless otherwise determined by the Board, if any of the following circumstances occurs to a Selected Participant at any time prior to the relevant date of vesting, the unvested Awards shall automatically lapse and be reverted to the Trustee and made available for regrant to other Selected Participants or the Trustee shall dispose of such designated number of the Lapsed Shares in open market if instructed by the Board and the net sale proceeds thereof shall be returned to the Company forthwith, such Lapsed Shares will not be counted for the purpose of the Scheme limit:

- (i) is found to be an Excluded Person or resigns or is deemed to cease to be an employee of the Company;
- (ii) no longer within the scope under the Scheme due to his demotion for the reasons of failure to reach the passing grade in performance appraisal, negligence or incompetence in performance his duties;

- (iii) changed his work position due to the acceptance and solicitation of a bribe, corruption, theft, divulgence of the operational and technological secrets of the Company, has actions which are prejudicial to the Company's interests or breach of laws or reputations, related party transactions, all of which infringe the benefits and reputation of the Company and bring material adverse effect to the image of the Company, or the Company terminates his employment for any of the above reasons;
- (iv) retires due to reaching the statutory retirement age or at an earlier retirement age with prior written consent given by the Company; and
- (v) (where a Selected Participant is also a Director or a member of the senior management of the Company) prohibited from acting as a director or a member of the senior management as by the applicable laws or regulations.

Unless otherwise determined by the Board, if any of the following circumstances occurs to a Selected Participant at any time prior to the relevant date of vesting, the unvested Awards shall automatically lapse and be reverted to the Trustee and be made available for regrant to other Selected Participants or the Trustee shall dispose of such designated number of the Lapsed Shares in open market if instructed by the Board and the net sale proceeds thereof shall be returned to the Company forthwith, such Lapsed Shares will not be counted for the purpose of the Scheme limit:

- (i) becomes a shareholder of the Company holding over 5% of the shares of the Company or the de facto controller of the Company and their spouses, parents or children;
- (ii) has been publicly censured or declared as an ineligible candidate by securities regulatory institutions in the last three years;
- (iii) has been imposed with administrative penalties by securities regulatory institutions during the last three years due to material non-compliance of laws or regulations;
- (iv) is prohibited from participating in the Scheme by the applicable laws or regulations;
- (v) has committed material breach of any contract entered into between the Selected Participant on the one hand and members of the Group on the other hand or any other material violation of relevant requirements of the Company or caused material damage to the interest of the Company as determined by the Board;
- (vi) is deemed to cease to be an Eligible Person as a result of such person (a) has committed any act of fraud or dishonesty or serious misconduct, whether or not in connection with his employment by any member of the Group and whether or not it has resulted in his employment being terminated by the relevant member of the Group; (b) has been declared or adjudged to be bankrupt by a competent court or governmental body or has failed to pay his debts as they fall due (after the expiry of any applicable grace period) or has entered into any arrangement or composition with his creditors generally or an administrator has taken possession of any

of his asset; (c) having a petition presented or a proceeding commenced or an order made or an effective resolution passed for the winding-up, insolvency, administration, reorganisation, reconstruction, dissolution (as the case may be) of such person; (d) has been convicted of any criminal offence; or (e) has been convicted of or is being held liable for any offence under or in breach of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) or other securities laws or regulations in Hong Kong or any other applicable laws or regulations in force from time to time.

Rights and restrictions

For avoidance of doubt, the Selected Participants shall not have rights in the remaining cash, related income, the Award Shares or the Lapsed Shares or any interests or rights (including the right to receive dividends) in the assets or funds held in the Shares Pool prior to the vesting date of the Award Shares.

The Trustee shall not exercise the voting rights in respect of any Shares held in the Shares Pool (including but not limited to the Award Shares, the Lapsed Shares, bonus Shares or scrip Shares).

Any Award Shares granted under the Scheme which has not vested, shall be personal to the Selected Participant to whom it is made and shall not be assignable or transferable 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 Award or the underlying Award Shares, or enter into any agreement to do so.

No Award shall be made to Selected Participants and no directions or recommendation to acquire Shares shall be given to the Trustee if material information in relation to the Company, its Subsidiaries have not yet been disclosed to the Shareholders or if dealings by the Company or its directors are prohibited under the GEM Listing Rules or the applicable laws and regulations.

Scheme limit

The maximum number of Award Shares which may be awarded under the Scheme shall be 75 million Shares, representing approximately 10% of the total number of issued Shares of the Company as at the Adoption Date. The Board shall not instruct the Trustee to subscribe for and/or purchase any Shares for the purpose of the Scheme when such subscription and/or purchase will result in such threshold being exceeded.

The maximum number of Shares which may be awarded to a Selected Participant shall not exceed 1 per cent (1%) of the total number of issued Shares of the Company as at the Adoption Date.

Alteration of the Scheme

The Scheme may be amended in any respect by a resolution of the Board provided that no such amendment shall operate to affect materially and adversely any subsisting rights of any Selected Participants.

Termination

This Scheme shall terminate on the earlier of: (i) the eighth 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 Participant.

On the business day following the settlement, forfeiture or cancellation (as the case may be) of the last outstanding Award made or that may be made under this Scheme (whichever is earlier), the Trustee shall sell all of the Shares remaining in the Shares Pool within one (1) year after the termination of the Scheme (or such longer period as the Company may otherwise determine), as agreed to between the Trustee and the Company, upon receiving notice of such settlement, forfeiture or cancellation (as the case may be), and remit all cash and net proceeds of such sale and such other funds remaining in the Shares Pool (after making appropriate deductions in respect of all disposal costs, expenses and other existing and future liabilities in accordance with the Trust Deed) to the Company.

For avoidance of doubt, the Trustee shall not transfer any Award Shares to the Company nor may the Company otherwise hold any Award Shares whatsoever (other than the proceeds arising from the sale of such Shares (after making appropriate deductions in respect of all disposal costs, expenses and other existing and future liabilities in accordance with the Trust Deed)).

GEM LISTING RULES IMPLICATIONS

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 the following expressions have the following meanings unless the context requires otherwise:

“Adoption Date”	19 March 2021, being the date on which the Scheme is adopted by the Company
“Award”	an award of Award Shares by the Board to a Selected Participant pursuant to the Scheme

“Award Share(s)”	in respect of Selected Participants, such number of Shares determined by the Board to be granted to Selected Participants on an Award
“Board”	the board of Directors of the Company or any of its duly authorized committees
“Company”	Chong Fai Jewellery Group Holdings Company Limited (創輝珠寶集團控股有限公司), a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the GEM
“Connected person”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Eligible Person(s)”	includes (i) any individual or businesses that purchases the goods and services from the retail stores or online sales services or its subsidiaries or its consignment sales agent operated by the Company whom the Board or its delegate(s) consider, in their sole discretion, to have contributed or will contribute to the Group; (ii) any individual, being a full-time employee, Director (including executive, non-exclusive and independent non-executive Directors) whom the Board or its delegate(s) considers, in their sole discretion, to have contributed or will contribute to the Group; and (iii) any individual or business whom the Board or its delegate(s) considers, in their sole discretion, to have contributed or will contribute to the Group
“Excluded Person(s)”	any person who is resident in a place where the award of the Award Shares and/or the vesting and transfer of the Award Shares pursuant to the terms of the Scheme is not permitted under the laws or regulations of such place or where in the view of the Board or the Trustee (as the case may be), compliance with applicable laws or regulations in such place makes it necessary or expedient to exclude such person
“GEM”	the 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
“Lapsed Shares”	such Award Shares which are not vested and/or are forfeited in accordance with the terms of the Scheme, or such Shares deemed to be Lapsed Shares in accordance with the terms of the Scheme

“Lock-up Period”	the period during which vesting of the Award Shares granted to the Selected Participants under the Scheme is prohibited
“Scheme”	the share award scheme adopted by the Board on the Adoption Date, as amended from time to time
“Shares Pool”	the pool of Shares from which the Award shall be made
“Selected Participant(s)”	any Eligible Person approved for participation in the Scheme and who has been granted any Award pursuant to the Scheme
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholders”	the holders of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiarie(s)”	a company which is for the time being and from time to time a subsidiary (within the meaning given under section 15 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)) of the Company, whether incorporated in Hong Kong or elsewhere;
“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”	an independent third party professional trustee to be appointed by the Company for the purpose of the administration and vesting of Awards granted under the Scheme, and any additional or replacement trustees
“%”	per cent

By order of the Board
Chong Fai Jewellery Group Holdings Company Limited
FU Chun Keung
Chairman and Chief Executive Officer

Hong Kong, 19 March 2021

As at the date of this announcement, the executive Directors are Mr. Fu Chun Keung, Ms. Cheung Lai Yuk and Ms. Fu Wan Ling; and the independent non-executive Directors are Mr. Chan Chi Ming Tony, Mr. Chan Cheong Tat and Mr. Wong Wing Keung Meyrick.

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 GEM website at www.hkgem.com for at least 7 days from the date of its publication and on the website of the Company at www.chongfaiholdings.com.