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Lever Style Corporation

利華控股集團

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1346)

ADOPTION OF THE CO-OWNERSHIP SHARE AWARD SCHEME

THE CO-OWNERSHIP SHARE AWARD SCHEME

The Board is pleased to announce that, on 27 October 2021, the Scheme has been adopted by the Board. The purposes of the Scheme are to recognize and reward the contributions of certain Eligible Persons for the growth and development of the Group and to provide them with incentives in order to retain them for the continual operation, development and long-term growth of the Group and to attract suitable personnel for further development of the Group.

LISTING RULES IMPLICATION

The Scheme does not constitute a share option scheme or an arrangement analogous to a share option scheme for the purpose of Chapter 17 of the Listing Rules and is not required to comply with the rules thereunder. No shareholders' approval is required for the adoption of the Scheme.

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PURPOSE OF THE SCHEME

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DURATION

Subject to any early termination as may be determined by the Award Committee pursuant to the rules of the Scheme, the Scheme shall be valid and effective for a term of ten (10) years commencing from the Adoption Date.

ADMINISTRATION

The Scheme shall be subject to the administration of the Award Committee whose decisions on all matters arising in relation to the Scheme including but not limited to (i) interpretation and construction of the terms of the Scheme; (ii) adjustments to the terms governing the conditions for granting of an Award and the vesting of the Awarded Shares; and (iii) administration of the Scheme shall be final, conclusive and binding on all persons who may be affected thereby, provided that such administration shall not prejudice the powers of the Trustee as provided under the Trust Deed.

ELIGIBILITY

Under the rules of the Scheme, the individuals eligible to be granted Award(s) thereunder include any Director (whether executive or non-executive), employee (whether full time or part time) of any member of the Group and any adviser (professional or otherwise), consultant to or expert in any area of business or business development of any member of the Group but excluding any person who is treated as a tax resident of a place where an Award and/or the vesting and transfer of 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 Award Committee or the Trustee (as the case may be) compliance with applicable laws and regulations in such place make it necessary or expedient to exclude such person.

The eligibility of any of the Eligible Persons to receive an Invitation to Participate shall be determined by the Award Committee on the basis of the Award Committee's opinion as to his contribution and/or future contribution to the development and growth of the Group.

The Award Committee may, from time to time, select any Eligible Person(s) for participation in the Scheme by sending to such Eligible Person(s) an Invitation to Participate on the basis of the Award Committee's opinion as to such Eligible Person's contribution and/or future contribution to the development and growth of the Group. The Invitation to Participate shall set out the conditions for receiving an Award and for participation in the Scheme as a Selected Participant, including but not limited to the following conditions:

- (a) that the selected Eligible Person must have purchased and retained certain number of Shares in the Company on or prior to the Cut Off Date, on the basis that the Award Committee would consider the granting of an award of one (1) Share to every three (3) Qualifying Shares held by the selected Eligible Person;

- (b) the number of Shares held or to be held by each selected Eligible Person which would be accepted and recognised by the Award Committee as Qualifying Shares for the purpose of determination of an Award shall:
 - (i) be in multiples of three (3); and
 - (ii) have an aggregate purchase value (based on the value at the date of purchase of the Shares as shown on the bank/broker statement submitted) of not less than the aggregate value of 2 months of Base Salary of the Eligible Person but not more than the aggregate value of 24 months of such Base Salary of the Eligible Person; and
- (c) the selected Eligible Person must be able to produce evidence as required by the Award Committee as set out in such Invitation to Participate.

On or before the Cut Off Date, the selected Eligible Person shall further send to the Award Committee the requisite information together with the second reply slip attached to the Invitation to Participate (including evidence of holding of the Qualifying Shares by valid statements of brokers; and the due diligence documents required by the Trustee as stated on the reply slip). The Award Committee shall then verify and decide on the making of a provisional Award to such Eligible Person of such number of issued Shares, fully paid or credited as fully paid, as the Award Committee shall determine pursuant to the rules of the Scheme and calculated based on the number of acceptable Qualifying Shares held by the selected Eligible Person. Upon such determination by the Award Committee to make a provisional Award, such Eligible Person shall then become a Selected Participant of the Scheme entitled to an Award once his Awarded Shares have been provisionally set aside by the Trustee under the Trust as constituted by the Trust Deed. On the other hand, any Eligible Person who has received an Invitation to Participate but who has failed to return the reply slip or the requisite information on or before the Cut Off Date shall be deemed to have declined to participate and shall therefore receive no Award and shall no longer continue to participate in the Scheme (unless and until further Invitation to Participate, if any, is received by that person), and shall have no rights or claims against the Company or the Trustee as a Selected Participant under the Scheme.

GRANT OF AWARDED SHARES

The Award Committee shall issue an Award Notice to the Trustee in writing upon the making of a provisional Award under the Scheme and provide, amongst other things, the following information: (i) the names of the selected Eligible Persons(s) and whether any selected Eligible Person is a connected person; (ii) the number of Shares provisionally awarded to the relevant selected Eligible Persons pursuant to such provisional Award; (iii) the vesting timetable and the Vesting Dates on which the Trustee should vest the legal and beneficial ownership of the Awarded Shares in the relevant selected Eligible Persons once they have become Selected Participants; and (iv) any other conditions as may be imposed by the Award Committee.

Upon the receipt of an Award Notice and satisfactory review of the due diligence documents provided, the Trustee shall set aside the appropriate number of Awarded Shares provisionally awarded to each of the selected Eligible Person pending the vesting and transfer of the Awarded Shares to such selected Eligible Person. The selected Eligible Person shall then become a Selected Participant of the Scheme entitled to an Award. The Trustee shall hold the Awarded Shares so set aside during the Vesting Period for the benefit of the Selected Participants pursuant to the terms of the Trust Deed.

The Award Committee shall then issue Grant Notice(s) to the Selected Participants once the Trustee has notified the Award Committee that the Awarded Shares have been set aside by the Trustee. The Grant Notice shall contain substantially the same information as that set out in the Award Notice referable to each particular Selected Participant. An Award shall be deemed to be irrevocably accepted by a Selected Participant unless the Selected Participant shall within five (5) Business Days after the Reference Date notify the Company in writing that he declines to accept such Award by signing and returning to the Award Committee the reply slip attached to the Grant Notice.

An Award shall be personal to the Selected Participant and shall not be transferable or assignable and no Selected Participant shall in any way sell, transfer, charge, mortgage, encumber or otherwise dispose of or create any security or adverse interest whatsoever in favour of any third party over or in relation to an Award or any part thereof or enter or purport to enter into any agreement to do so on or before any Vesting Dates.

Where any grant of Awarded Shares is proposed to be made to any person who is a connected person of the Company, the Company shall comply with such provisions of the Listing Rules as may be applicable unless otherwise exempted under the Listing Rules.

PURCHASE AND SUBSCRIPTION OF SHARES

The Company may from time to time pay or cause to be paid funds to the Trust as directed by the Board which shall constitute part of the funds held under the Trust and managed by the Trustee for the benefit of the Eligible Persons, for the purchase or subscription (as the case may be) of Shares and other purposes set out in the Scheme and the Trust Deed.

The Trustee shall, pursuant to the directions of the Award Committee, apply such funds towards the purchase of Shares. The directions given by the Award Committee shall include matters such as the price range for the purchase of Shares, the number of Shares to be purchased at any particular time or during any particular period, and the timing of each purchase.

VESTING OF AWARDED SHARES

The Trustee shall vest and transfer to any Selected Participant the legal and beneficial ownership of the Awarded Shares to which such Selected Participant is entitled under the relevant Award as soon as practicable on each of the Vesting Dates as specified in the Grant Notice, provided that the condition(s) to be attained by such Selected Participant as specified in the related Grant Notice have been attained as confirmed by the Award Committee. The Award Committee shall send to the relevant Selected Participant (with a copy to the Trustee) a vesting notice (the “**Vesting Notice**”) specifying that the conditions as specified in the Grant Notice and under this Scheme have been complied with at least thirty (30) Business Days prior to each of the Vesting Dates. Subject to the rules of the Scheme, the Trustee shall transfer the relevant Awarded Shares to the relevant Selected Participant as soon as practicable on or after each Vesting Date and in any event not later than ten (10) Business Days after that Vesting Date.

LAPSE OF AWARDED SHARES

In the event that any Selected Participant ceases to be an Eligible Person by virtue of a corporate reorganisation of the Group, then any Award made to such Selected Participant shall forthwith lapse and be cancelled from the date the Selected Participant ceases to be an Eligible Person.

On the happening of, amongst others, the following events:

- (a) a Selected Participant ceasing to be an Eligible Person by reason of the termination of his employment on any one or more of the following grounds:
 - (i) that he has been guilty of misconduct;
 - (ii) that he has committed an act of bankruptcy or has become insolvent or has made an arrangement or composition with creditors generally;
 - (iii) that he has been convicted of a criminal offence involving his integrity or honesty;
or
 - (iv) on any other ground on which an employer would be entitled to terminate his employment forthwith pursuant to applicable laws or under the Selected Participant’s employment contract;
- (b) the company by which a Selected Participant is employed ceasing to be a member of the Group;
- (c) an order for the winding-up of the Company being made;

- (d) the Awarded Shares pursuant to the discretion of the Award Committee or for whatever reason not vesting in the Selected Participant upon the occurrence of acceleration events set out in the rules of the Scheme;
- (e) the Selected Participant having sold, transferred, charged, mortgaged, encumbered or otherwise disposed of or created any security or adverse interest whatsoever in favour of any third party over or in relation to an Award or any part thereof or having entered or purport to enter into any agreement to do so on or before any Vesting Dates;
- (f) the Award Committee resolving that the Selected Participant has failed to satisfy or comply with any terms and conditions as set out in the Scheme or the relevant Grant Notice, including the failure of the Selected Participant to produce the evidence of continued ownership of the Qualifying Shares during any period (unless such failure has been waived by the Award Committee at its absolute discretion),

the Award shall automatically lapse forthwith and all the Awarded Shares which are granted by not yet vested and originally held for the benefit of the Selected Participant shall no longer be so held nor shall vest in such Selected Participant on the subsequent Vesting Dates.

MAXIMUM NUMBER OF SHARES TO BE PURCHASED/SUBSCRIBED AND/OR GRANTED

Unless approved by the Board, the Award Committee shall not make further award of Shares under the Scheme, and the Trustee shall not make any further purchase of Shares, if this will result in the aggregate number of Awarded Shares (whether held by the Trustee or already vested or transferred to the Selected Participants) together with the aggregate number of Shares (other than the Awarded Shares) held by the Trustee taken as a whole exceeding ten (10) per cent of the total issued Shares of the Company at any time (the “**Max Shares Threshold**”). The Award Committee shall not instruct the Trustee to purchase and/or subscribe for any Shares for the purpose of the Scheme if such purchase and/or subscription of Shares will result in the Max Shares Threshold being exceeded.

Unless approved by the Board, the Award Committee shall not grant any Awarded Shares to any Selected Participant if the granting of such Awarded Shares would result in the total number of Shares vested or to be vested in that Selected Participant during any twelve (12) month period exceeding 1 per cent of the total Shares then in issue (save and except that any grant of Awarded Shares to an independent non-executive director of the Company should not result in the total number of Shares vested or to be vested in that person (under this Scheme or otherwise) during any twelve (12) month period exceeding 0.1 per cent of the total Shares then in issue).

VOTING RIGHTS

The Trustee shall not exercise the voting rights in respect of any Shares held under the trust constituted by the Trust Deed, except that the Trustee shall elect, exercise, take up, purchase and/or subscribe for rights, options, warrants, offers or dividends derived from the Shares held under the Trust in accordance with the direction of the Award Committee. The Selected Participants shall not have any right to receive any Awarded Shares set aside for them or any income or rights attached to or derived from the Awarded Shares unless and until the Trustee has transferred and vested the legal and beneficial ownership of such Awarded Shares to and in the Selected Participants in accordance rules of the Scheme.

For the avoidance of doubt, none of the distributions, income or rights (in the form of cash or otherwise) attached to or derived from the Awarded Shares prior to the vesting of such Shares in the Selected Participant shall belong to or shall be transferred to the relevant Selected Participant on the vesting of such Awarded Shares in the Selected Participant.

ALTERATION OF THE SCHEME

The rules of the Scheme may be altered by the prior sanction of a resolution passed by the Board provided that prior written notice is given to the Trustee and no such alteration shall operate to affect adversely any rights of any Selected Participant 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 remain unvested on that date (but, for the avoidance of doubt, excluding for this purpose any such Shares in respect of which that date is a Vesting Date) as would be required of the holders of Shares under the Articles for a variation of the rights attached to such Shares.

TERMINATION

The Scheme shall terminate on the earlier of: (i) the tenth (10) anniversary date of the Adoption Date; or (ii) such date of early termination as determined by the Award Committee, provided that such termination shall not affect any subsisting rights of any Selected Participant.

LISTING RULES IMPLICATION

The Scheme does not constitute a share option scheme or an arrangement analogous to a share option scheme for the purpose of Chapter 17 of the Listing Rules and is not required to comply with the rules thereunder. No shareholders' approval is required for the adoption of the Scheme.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

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| “Adoption Date” | 27 October 2021, being the date on which the Scheme is adopted by the Board; |
| “Articles” | the articles of association of the Company as adopted or amended from time to time; |
| “Award” | a provisional award of Shares to a Selected Participant made in accordance with the rules of the Scheme; |
| “Award Committee” | a duly authorized committee, comprising certain executive directors of the Company, delegated with the power and authority by the Board to administer the Scheme; |
| “Award Notice” | the notice to be sent by the Award Committee to the Trustee upon the making of an Award; |
| “Awarded Shares” | the Share(s) provisionally awarded to the Selected Participant(s) pursuant to the Award(s) made under the Scheme; |
| “Base Salary” | the monthly base salary (gross salary before tax, excluding any allowances, subsidies, bonuses, commissions, etc) of the Eligible Person who is an employee (whether full time or part time, including any executive director but excluding any non-executive director) of a member of the Group in the month the Invitation to Participate is sent to such selected employee, provided that where the Eligible Person invited to participate is (i) a consultant of the Company, the monthly consulting fee stated in the relevant consulting agreement(s) with the consultant shall apply, or (ii) a non-executive director of the Company, the average monthly fees (that is, 1/12 of the annual director’s fees) of such director during the financial year in which the Invitation to Participate is sent shall apply; |
| “Board” | board of Directors; |

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| “Business Day” | any day (other than Saturday or Sunday) on which the Stock Exchange is open for the business of dealing in securities and on which banking institutions in Hong Kong are open generally for normal banking business; |
| “Company” | Lever Style Corporation, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1346); |
| “connected person(s)” | has the meaning ascribed thereto under the Listing Rules and the word “connected” shall be construed accordingly; |
| “Cut off Date” | the date stated on each Invitation to Participate which is the last date the selected Eligible Person may submit the required information to the Award Committee in order to be eligible to an Award in accordance with the rules of the Scheme; |
| “Director(s)” | the directors(s) of the Company; |
| “Eligible Persons” | include (i) any employee (whether full time or part time) of any member of the Group (ii) any Director (whether executive or non-executive) and (iii) any adviser (professional or otherwise), consultant to or expert in any area of business or business development of any member of the Group but excluding any person who is treated as a tax resident of a place where an Award and/or the vesting and transfer of 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 Award Committee or the Trustee (as the case may be) compliance with applicable laws and regulations in such place make it necessary or expedient to exclude such person; |
| “Grant Notice” | the notice to be sent by the Award Committee to the Selected Participant upon the making of an Award; |
| “Group” | the Company and its subsidiaries; |
| “Invitation to Participate” | the invitation letter to be sent by the Award Committee to the Eligible Persons selected by the Award Committee; |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange; |

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| “Qualifying Shares” | the number of Shares purchased and held by a selected Eligible Person which are recognised and accepted by the Award Committee as fulfilling the conditions for receiving an Award and which form the basis for calculation of the number of Awarded Shares to be awarded to that Eligible Person under the Scheme; |
| “Reference Date” | in respect of each Selected Participant, the date of the issue of the Grant Notice to that Participant, being the date the Award Committee notifies each Selected Participant of the total number of Shares to be provisionally awarded to that Selected Participant in a single Award in accordance with the Scheme; |
| “Scheme” | the co-ownership share award scheme adopted by the Company on the Adoption Date; |
| “Selected Participant” | any Eligible Persons selected by the Award Committee for participation in the Scheme who have fulfilled the conditions to receive an Award and for whom Awarded Shares have been provisionally set aside by the Trustee pursuant to an Award; |
| “Shares” | ordinary shares of HK\$0.01 each in the share capital of the Company; |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited; |
| “Trust” | the Lever Style Co-Ownership Shares Award Trust; |
| “Trust Deed” | the trust deed constituting the Trust, as restated, supplemented and amended from time to time; |
| “Trustee” | Tricor Trust (Hong Kong) Limited or any additional or replacement trustee in relation to the Scheme; |
| “Vesting Date(s)” | in relation to any Selected Participant, any of the dates on which the legal and beneficial ownership of any of part of the Awarded Shares are vested in and shall be transferred to such Selected Participant pursuant to an Award; and |

“Vesting Period”

in relation to any Selected Participant with respect to an Award, the period commencing on the Reference Date and ending on the final date on which the legal and beneficial ownership of the final portion of the Awarded Shares to be vested in and transferred to such Selected Participant pursuant to that Award (both dates inclusive).

On behalf of the Board
Lever Style Corporation
Szeto Chi Yan Stanley
Chairman and Executive Director

Hong Kong, 27 October 2021

As at the date of this announcement, the Board comprises (i) Mr. Szeto Chi Yan Stanley (Chairman), Dr. Chan Yuk Mau Eddie, Mr. Lee Yiu Ming and Mr. Jonathan Lee Seliger as executive Directors; (ii) Mr. Kim William Pak as the non-executive Director; and (iii) Mr. See Tak Wah, Mr. Auyang Pak Hong Bernard, and Mr. Lee Shing Tung Tommy as the independent non-executive Directors.