

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.



Analogue Holdings Limited
安樂工程集團有限公司

(Incorporated in Bermuda with limited liability)
(Stock Code: 1977)

**SUPPLEMENTAL ANNOUNCEMENT
IN RELATION TO
CONNECTED TRANSACTION
GRANT OF AWARDED SHARES**

Reference is made to the Announcement in relation to the connected transaction involving the grant of 14,000,000 Awarded Shares to Mr. Chan. The Board wishes to provide the Shareholders and potential investors of the Company with the following additional information in relation to the Announcement and the Share Award Scheme.

KEY TERMS OF THE SHARE AWARD SCHEME

1. Purpose of the Share Award Scheme

The purpose of the Share Award Scheme is to (i) recognise and reward the contribution of certain Eligible Participants to the growth and development of the Group and to give incentives thereto in order to retain them for the continual operation and development of the Group; and (ii) attract suitable personnel for further development of the Group.

2. Selection Criteria

The eligibility of any of the Eligible Participants to an Award shall be determined by the Board from time to time on the basis of the opinion of the Board as to his contribution and/or future contribution to the development and growth of the Group.

3. Satisfaction of Awards

To satisfy the Award, the Company shall transfer to the Trustee the necessary funds from the Company's internal resources and instruct the Trustee to acquire Shares through either on-market and/or off-market transactions at the prevailing market price. The Company shall not instruct the Trustee to acquire any Shares where such action (as applicable) is prohibited under the Listing Rules, the SFO or other applicable laws from time to time.

4. Scheme Limit and Maximum Number of Shares to be Granted

The total number of Awarded Shares made pursuant to the Share Award Scheme shall not exceed 10% of the total number of issued Shares as at the Adoption Date.

The maximum number of Shares which may be subject to an award or awards to a Selected Participant shall not in aggregate exceed 1% of the issued share capital of the Company as at the Adoption Date.

5. Voting Rights

Neither the Selected Participant nor the Trustee may exercise any of the voting rights in respect of any Awarded Shares that have not yet vested.

6. Duration of the Share Award Scheme

The Share Award Scheme shall be valid and effective for a term of 10 years commencing from the Adoption Date, and after the expiry of such 10-year term no further Awards may be made but the rules of the Share Award Scheme shall remain in full force and effect to the extent necessary to give effect to any Awards made prior thereto and the administration of the trust property held by the Trustee.

7. Timing of Awards and/or Instructions to the Trustee

No Award shall be made to Selected Participants and no instructions shall be given to the Trustee to acquire Shares under the Share Award Scheme:

- (a) when inside information has come to the Company's knowledge until such inside information has been published in accordance with the SFO; and
- (b) 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 Listing Rules or any corresponding code or securities dealing restrictions adopted by the Company. In particular, during the period preceding the publication of financial results 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 Listing Rules or any corresponding code or securities dealing restrictions adopted by the Company and up to the date of publication of the relevant financial results.

8. Vesting conditions and/or performance targets

The Board is entitled to impose any condition(s) and/or performance target(s), if any, that must be attained by the relevant Selected Participant before any of the Awarded Shares may be transferred to and vested in such Selected Participant under an Award (including but not limited to a period of continued service within the Group after the Award), and shall inform the Trustee and such Selected Participant the relevant conditions and/or performance targets of the Award and the Awarded Shares.

9. Lapse and Forfeiture of Award

In the event that a Selected Participant does not satisfy the vesting condition(s) and/or performance target(s) set out in the award letter issued to such Selected Participant, the Award does not vest and the Award shall lapse and the Award Shares shall be deemed to be Returned Shares.

In respect of a Selected Participant who dies or retires at his normal retirement date or by agreement with a member of the Group at any time prior to or on the vesting date, all the Awarded Shares of the relevant Selected Participant shall be deemed to be vested on the day immediately prior to his death or the day immediately prior to his retirement with the relevant member of the Group.

In the event that any Selected Participant who is an Employee ceases to be an Employee by virtue of a corporate reorganisation of the Group or the Invested Entity, then any Award made to such Selected Participant shall forthwith lapse and be cancelled.

In the event (i) a Selected Participant is found to be an Excluded Participant 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 Awarded Shares shall not vest on the relevant vesting date but shall become Returned Shares for the purposes of the Share Award Scheme.

Upon the occurrence of any of the following events, the Award shall automatically lapse forthwith and all the Awarded Shares shall not vest on the relevant vesting date but shall become Returned Shares for the purposes of the Share Award Scheme:

- (i) when a Selected Participant ceases to be an Employee other than because of his death or retirement at his normal retirement date or by agreement with the relevant member of the Group;
- (ii) when the Subsidiary or Invested Entity by which a Selected Participant is employed ceases to be a Subsidiary or Invested Entity of the Group;
- (iii) when the Board shall at its absolute discretion determine in respect of a Selected Participant (other than a Selected Participant who is an Employee) that:
 - (a) the Selected Participant or his associate has committed any breach of any contract entered into between the Selected Participant or his associate on one part and any member of the Group or any Invested Entity on the other part;
 - (b) the Selected Participant has committed any act of bankruptcy or has become insolvent or is subject to any winding-up, liquidation or analogous proceedings or has made any arrangement or composition with his creditors generally; or
 - (c) the Selected Participant could no longer make any contribution to the growth and development of any member of the Group or the Invested Entity by reason of the cessation of its relationship with the Group or its Invested Entity or by any other reasons whatsoever; or
- (iv) an order for the winding-up of the Company is made or a resolution is passed for the voluntary winding-up of the Company.

The Trustee shall hold the Returned Shares exclusively for the benefit of all or one or more of the Eligible Participants (excluding any Excluded Participants) as the Board shall in its absolute discretion at any time determine and select in writing as the Selected Participant(s).

LISTING RULES IMPLICATION

The Share Award Scheme does not constitute a share option scheme pursuant to Chapter 17 of the Listing Rules and is a discretionary scheme of the Company. No Shareholders' approval is required for the adoption of the Share Award Scheme.

Pursuant to the Share Award Scheme, Selected Participant covers any Director and other employees of the Company and of its Subsidiaries. As such, if the Board selects a Director or a director of any Subsidiary as the Selected Participant, the grant of the Award Shares to such Director or director of Subsidiary may constitute a connected transaction of the Company. In such case, the Company will comply with the applicable requirements under Chapter 14A of the Listing Rules as and when appropriate.

REASONS FOR AND BENEFITS OF THE GRANT OF THE AWARDED SHARES

The Company would like to further supplement the reasons for and benefits of the grant of the 14,000,000 Awarded Shares to Mr. Chan as follows.

Mr. Chan has served the Group for more than 30 years. He joined the Group in August 1991 and is a managing director of the Company's businesses sectors in Environmental Engineering, Information, Communications and Building Technologies ("ICBT") and Lifts and Escalators. Under the leadership of Mr. Chan, these sectors have continued to account from approximately 31% in 2016 to 40% in 2020 of the total Group revenue. These sectors have achieved a compound annual growth rate of over 9.6% over the period from 2016 to 2020 and it is expected that their operations will continue to grow in the future. In recognition of the achievements of these sectors, the Group has also received numerous accolades and awards in Hong Kong and in China; and the Group has since been able to participate in more than 200 water and waste water treatment plants and projects in China. Mr. Chan is also instrumental in the development of various water and wastewater treatment plants technologies which enhance the Group's competitive edge and enable the Group to explore new business opportunities in overseas markets, particularly in relevant Belt and Road countries.

With the continuous drive for improving environments standards both locally and globally, the Group's Environmental Engineering sector is well suited to compete and take advantage of the increasing demand for quality, safety and efficiency standards related to water treatment works and projects. Mr. Chan is leading the Group's ICBT team to self-develop more competitive products and solutions, including artificial intelligence driven solutions, smart mobility products, and energy optimisation technology to capture business opportunities in this growing business sector. In relation to Lifts and Escalators sector, Mr. Chan has contributed to the Group's acquisition and expansion strategies as part of the Group's global expansion plan. Mr. Chan is also the chair of the Group's innovation committee which drives innovation initiatives and innovative engineering solutions within the Group. The innovation committee spearheads the internal funding support development initiatives in different business segments. Since its establishment in 2018, the Group has invested in more than 20 value-added initiatives across its business segments. The Hong Kong and China governments have identified certain plans and initiatives to invest in, among others, environmental infrastructures, digital infrastructures, upgrading of wastewater treatments plans,

and continuing urbanisation with rising quality and safety standards. Our abovementioned business sectors are well positioned to capture all such opportunities. Mr. Chan with his experience, expertise and connections in such areas is most well suited to lead the Group into the future and to establish long-term substantiable growth in such business sectors.

The Group's corporate philosophy is to award shares to valuable and long-term serving employees who have made invaluable contributions to the success of the Group. Such philosophy is in line with objectives of the Share Award Scheme.

In light of the above, the Board is of the view that the Award of 14,000,000 Awarded Shares to Mr. Chan is fair and reasonable in comparison to Mr. Chan's contributions already made to the Group as well as the potential growth of Mr. Chan's area of responsibilities within the Environmental Engineering, Information, Communications and Building Technologies and Lifts and Escalators in the future. The current success and contributions of the Environmental Engineering, Information, Communications and Building Technologies and Lifts and Escalators sectors have demonstrated Mr. Chan's contributions to the Group. Mr. Chan's continual leadership is important to sustain the future development in these sectors for the Group so to maximise value of the Group and hence generate returns to the Shareholders.

Having considered the above, the Directors (including the independent non-executive Directors) are of the view that the grant of a total of 14,000,000 Awarded Shares to Mr. Chan is on normal commercial terms and in the ordinary and usual course of business of the Group; is fair and reasonable; and is in the interests of the Company and its Shareholders as a whole.

DEFINITIONS

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

“Adoption Date”	27 November 2020, being the date on which the Board approved the adoption of the Share Award Scheme
“Announcement”	the announcement of the Company dated 21 January 2022
“Award(s)”	an award(s) granted by the Board to a Selected Participant in accordance with the terms of the Share Award Scheme
“Awarded Shares”	the Shares provisionally awarded to a Selected Participant in an Award
“Board”	the board of the Directors
“Company”	Analogue Holdings Limited (stock code: 1977), a company incorporated in Bermuda with limited liability and the shares of which are listed on the Main Board of the Stock Exchange
“Director(s)”	the director(s) of the Company

“Eligible Participant(s)”	any person belonging to the following classes of participants: <ul style="list-style-type: none"> (a) an Employee; (b) any non-executive directors (including independent non-executive directors) of the Company, any Subsidiary or any Invested Entity; (c) any adviser (professional or otherwise), consultant to or expert in any area of business or business development of any member of the Group or any Invested Entity; and (d) any other group or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement to the development and growth of the Group
“Employee”	any employee (full time employee, including any executive director but excluding any non-executive director) of the Company, any Subsidiary or any Invested Entity
“Excluded Participant”	any person who is resident in a place where the award of the Awarded Shares and/or the award of the Returned Shares and/or the vesting and transfer of Shares pursuant to the terms of the Share Award 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 make it necessary or expedient to exclude such person
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Invested Entity”	any entity in which any member of the Group holds any equity interest
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Chan”	Mr. Chan Hoi Ming, an executive Director
“Returned Shares”	such Awarded Shares which are not vested and/or forfeited in accordance with the terms of the Share Award Scheme, or such Shares being deemed to be Returned Shares
“Selected Participant(s)”	any Eligible Participant(s) for whom Shares have been provisionally set aside pursuant to an Award

“SFO”	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Share Award Scheme”	the share award scheme in its present or any amended form as adopted by the Company on the Adoption Date
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary(ies)”	subsidiary(ies) of the Company from time to time within the meaning of the Companies Ordinance (Cap. 622 of the Laws of Hong Kong)
“Trustee”	the trustee appointed by the Company acting as the independent trustee for the Share Award Scheme
“%”	per cent.

By order of the Board
ANALOGUE HOLDINGS LIMITED
Dr. Poon Lok To, Otto
Chairman

Hong Kong, 16 February 2022

As at the date of this announcement, the executive directors of the Company are Dr. Poon Lok To, Otto, Mr. Law Wei Tak and Mr. Chan Hoi Ming; the non-executive director of the Company is Dr. Mak Kin Wah and the independent non-executive directors of the Company are Mr. Chan Fu Keung, Mr. Lam Kin Fung, Jeffrey and Mr. Wong King On, Samuel.