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CHICMAX

Shanghai Chicmax Cosmetic Co., Ltd.

上海上美化妝品股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 2145)

PROPOSED ADOPTION OF THE RESTRICTED SHARE UNIT SCHEME (H SHARE)

THE RSU SCHEME

The Board is pleased to announce that the Company has resolved on 21 November 2023 to propose the adoption of the RSU Scheme for the approval by the Shareholders. The RSU Scheme will constitute a share scheme involving issue of new H Shares by the Company under Chapter 17 of the Listing Rules, and the adoption of the RSU Scheme is subject to the approval from the Shareholders. The Company will convene the Second 2023 EGM for the purposes of, among other things, seeking the approval from the Shareholders for the adoption of the RSU Scheme.

The purpose of the RSU Scheme is to enable the ownership of H Shares by its employees and provide incentives. New H Shares will be issued under the RSU Scheme.

A circular containing, among other things, the notice of the Second 2023 EGM and details of the proposed adoption of the RSU Scheme will be dispatched to the Shareholders in accordance with the requirements of the Listing Rules in due course.

INTRODUCTION

The Board is pleased to announce that the Company has resolved on 21 November 2023 to propose the adoption of the RSU Scheme for the approval by the Shareholders. The RSU Scheme will constitute a share scheme involving issue of new H Shares by the Company under Chapter 17 of the Listing Rules, and the adoption of the RSU Scheme is subject to the approval from the Shareholders. The Company will convene the Second 2023 EGM for the purposes of, among other things, seeking the approval from the Shareholders for the adoption of the RSU Scheme.

The key terms of the RSU Scheme are summarised below.

SUMMARY OF THE KEY TERMS OF THE RSU SCHEME

Purpose

The purpose of the RSU Scheme is to attract new talents and retain employees whose contributions are important to the long-term growth and success of the Group, to recognise and reward Employee Participants for their contributions to the Group, to provide Employee Participants with the opportunity to acquire proprietary interests in the Company and to encourage Employee Participants to further contribute to the Company and work towards enhancing the value of the Company and its Shares for the benefit of the Company and its Shareholders as a whole. The RSU Scheme will provide the Company with a flexible means of retaining, incentivising, rewarding, remunerating, compensating and/or providing benefits to Employee Participants.

Employee Participants and the basis of determining the eligibility of the Employee Participants

Employee Participants who may participate in the RSU Scheme include any director (executive Directors or non-executive Directors but does not include independent non-executive Directors), member of the management team, senior management and current employee of the Company or any of its subsidiaries (including any persons who are granted Share Awards under the RSU Scheme as an inducement to enter into employment contracts with these companies). The above is subject to the Board's consideration, in its sole discretion, that the Employee Participants have contributed or will contribute to the Group.

In the case of the Employee Participants, in assessing their eligibility, the Board will consider, in its sole discretion, on a case-by-case basis, the following factors, including but not limited to (i) the individual performance, time commitment, responsibilities or employment conditions according to the prevailing market practice and industry standard; (ii) the length of engagement with the Group; (iii) the individual contribution or potential contribution to the development and growth of the Group; and (iv) the amount of support, assistance, guidance, advice or efforts that has been given or will be given towards the Group's success. The Board or the chief executive officer shall also take into consideration certain relevant matters, in particular, the Employee Participants' performance appraisal score in the preceding financial year of the granting of RSUs shall not be less than 90 points and the Employee Participants are not prohibited from participating in the RSU Scheme as stipulated below.

No one should be considered as an Employee Participant if he/she:

- (a) has been publicly reprimanded or deemed as an inappropriate candidate for similar award schemes or share incentive plans of a listed company by any authorised securities regulatory bodies in the last 12 months;
- (b) has been imposed with penalties or is banned from trading securities by securities regulatory bodies due to material non-compliance with laws or regulations in the last 12 months;
- (c) is in breach of relevant national laws and regulations or the Articles of Association; or
- (d) has caused losses to the Company during his/her term of service due to soliciting bribes, corruption and theft, disclosure of the operation and technology secrets of the Company, infringement of company interest through connected transactions and any acts which cause damage to the reputation and image of the Company, which can be proven with sufficient evidence by the Company.

The Employee Participant shall undertake that if any of the above provisions occurs during implementation of the RSU Scheme which would prevent him/her from being considered as an Employee Participant, he/she shall give up his/her rights to participate in the RSU Scheme and shall not be given any compensation.

The grant for each of the Directors, supervisors and chief executive of the Company has not been determined yet. The Company will make appropriate disclosure upon any grant of RSUs to the Directors, supervisors and chief executive of the Company pursuant to the Listing Rules and relevant laws and regulations.

Maximum Number of RSUs

The total number of Shares which may be issued in respect of all options and awards involving issue of new Shares that may be granted under the RSU Scheme and any other share scheme(s) adopted by the Company must not in aggregate exceed 10% of the total number of Shares in issue as at the Adoption Date, being 39,795,790 Shares (the “**Scheme Mandate Limit**”), unless otherwise permitted by the Listing Rules or the Company obtains the approval of its Shareholders to refresh the Scheme Mandate Limit. Share Awards which have lapsed in accordance with the terms of the RSU Scheme without Shares being issued and options and awards lapsed in accordance with any other share scheme(s) of the Company shall not be counted for the purpose of calculating the Scheme Mandate Limit.

Where any grant of options or Share Awards to an Employee Participant except for a Director (other than an independent non-executive Director) or chief executive of the Company (or any of their associates), would result in the Shares issued and to be issued in respect of all options and Share Awards granted to such person (excluding any options and share awards lapsed in accordance with the terms of the RSU Scheme) in the 12-month period up to and including the date of such grant representing in aggregate over 1% of the total number of Shares in issue (the 1% individual limit), such grant must be separately approved by Shareholders in general meeting with such Employee Participant and his/her close associates (or associates if the participant is a connected person) abstaining from voting.

Where any grant of Share Awards (excluding grant of options) to a Director (other than an independent non-executive Director) or chief executive of the Company (or any of their associates) would result in the number of Shares issued and to be issued in respect of all awards involving issue of new Shares already granted under the RSU Scheme and any other share scheme(s) of the Company (excluding any awards lapsed in accordance with the terms of the RSU Scheme or any other share scheme(s) of the Company) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% (or such other higher percentage as may from time to time be specified by the Stock Exchange) of the total number of Shares in issue as at the Date of Grant, such further grant of Share Awards shall be subject to prior approval by the Shareholders (voting by way of poll) in general meeting.

Where any grant of options or Share Awards to a substantial shareholder or an independent non-executive Director of the Company (or any of their respective associates) would result in the number of Shares issued and to be issued in respect of all options and awards involving issue of new Shares already granted under the RSU Scheme and any other share scheme(s) of the Company (excluding any options or awards lapsed in accordance with the terms of the RSU Scheme or any other share scheme(s) of the Company) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% (or such other higher percentage as may from time to time be specified by the Stock Exchange) of the total number of Shares in issue as at the Date of Grant, such further grant of Share Awards shall be subject to prior approval by the Shareholders (voting by way of poll) in general meeting.

Duration

Unless early termination of the RSU Scheme pursuant to the RSU Scheme Rules, the RSU Scheme shall be valid and effective for the Award Period (after which no further RSUs will be granted or accepted), and thereafter for so long as there are any non-vested RSUs granted and accepted hereunder prior to the expiration of the RSU Scheme, in order to give effect to the vesting of such RSU or otherwise as may be required in accordance with the provisions of the RSU Scheme Rules.

Date of Grant

The Date of Grant shall be determined by the Board after the RSU Scheme is considered and passed at the Second 2023 EGM of the Company. The Date of Grant must be a trading day falling within a period in compliance with the applicable Listing Rules, laws and regulations. Directors who are proposed Employee Participants shall abstain from voting at the Board meeting which reviews and approves the Date of Grant.

Grant of RSUs

The Board may, from time to time, select any Employee Participant in accordance with the RSU Scheme Rules and grant Share Award to such Employee Participant during the Award Period conditional upon fulfilment of terms and conditions of the Share Awards.

Each grant of Share Award to any Director or connected person of the Group shall be approved by all of the independent non-executive Directors of the Company and subject to the Listing Rules and any applicable laws and regulations.

No grant of any RSU to any selected Employee Participant may be made and no directions or recommendations shall be given to the Trustee with respect to a grant of Share Award under the circumstances below:

- (a) where any Director of the Company is in possession of unpublished inside information in relation to the Company; or where any Director of the Company knows or believes there is inside information which must be disclosed pursuant to the Listing Rules or any applicable laws, rules or regulations; or where dealings by Directors of members of the Group are prohibited under any code, internal written guidelines for securities transactions by employees, or requirement of the Listing Rules or any applicable laws, rules or regulations;
- (b) during the period of 60 days immediately preceding the publication date of the annual results for any financial period of the Company or, if shorter, the period from the end of the relevant financial year up to the publication date of such results; and
- (c) during the period of 30 days immediately preceding the publication date of the quarter or half-year results for any financial period of the Company or, if shorter, the period from the end of the relevant quarter or half-year period of the financial period up to the publication date of such results.

Cancellation of Share Awards

Upon the occurrence of any events triggering the clawback mechanism, the Board may claw back such number of Share Awards granted as the Board may consider appropriate and such Share Awards shall be regarded as cancelled.

Notwithstanding any other provisions of the RSU Scheme or any terms and conditions set forth in the relevant offer letter in respect of the Board's discretion to cancel any Share Awards that have not been vested, any Share Award granted but not vested may be cancelled if the Grantee so agrees. Where the Company cancels Share Awards granted to a Grantee and makes a new grant to the same Grantee, such new grant may only be made under the RSU Scheme with available Scheme Mandate Limit, and that Share Awards so cancelled will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit.

Vesting period

Save for the circumstances described below, the vesting period in respect of any Share Award granted shall be no less than 12 months from (and including) the Date of Grant. Share Awards granted to an Employee Participant may be subject to a shorter vesting period in the following circumstances at the sole discretion of the Remuneration Committee: (i) grants of "make-whole" Share Awards to new joiners to replace the share awards or options forfeited when leaving their previous employers; (ii) grants that are made in batches during a year for administrative or compliance reasons, which include Share Awards that should have been granted earlier if not for such administrative or compliance reasons but ended up having to wait for a subsequent batch. In such case, the vesting period may be shorter to reflect the time from which the Share Award would have been granted; (iii) grants with a mixed or accelerated vesting schedule such as where the Share Awards may vest evenly over a period of 12 months, or where the Share Awards may vest by several batches with the first batch vesting within 12 months of the Date of Grant and the last batch vesting 12 months after the Date of Grant; (iv) grants with performance-based vesting conditions provided in the Scheme or as specified in the Offer documentation in lieu of time-based vesting criteria; and (v) grants with a total vesting and holding period of more than 12 months.

Such discretion gives the Company more flexibility to (i) adapt to exceptional and justified circumstances; or (ii) attract talents or reward exceptional performers with accelerated vesting. Hence, the Board (and the Remuneration Committee in respect of grants of Share Awards to the Directors and/or senior management) is of the view that the shorter vesting period is in line with market practice and is appropriate and aligns with the purpose of the RSU Scheme.

Vesting of the RSUs

The Board may determine the vesting criteria and conditions or periods for the RSUs to be vested.

The vesting of the Share Award granted under the RSU Scheme is subject to the following conditions and any other applicable vesting conditions as set out in the Grant Letter:

- (a) The Employee Participants in the RSU Scheme are any Director (executive Directors or non-executive Directors but does not include independent non-executive Directors), member of the management team, senior management and current employee of the Company or any of its subsidiaries. All Employee Participants would have signed an employment contract with the Company;
- (b) the Employee Participant shall not violate the laws and regulations applicable to the Company and its employment contract, or the above and/or other agreements signed by both parties, or engage in actions that harm the interests of the Company;
- (c) the number of RSUs granted to the Employee Participant, as well as the grant and attribution dates, shall be subject to the RSU Scheme and the Grant Letter issued by the Company to the Employee Participant; and
- (d) RSUs held by an Employee Participant that are vested as evidenced by the Grant Letter may be exercised (in whole or in part) by the Employee Participant serving an exercise notice in writing on the Company. Upon receipt of an exercise notice, the Board and/or the chief executive officer shall direct and procure the Trustee to, within a reasonable time, transfer the H Shares underlying the RSUs exercised (and, if applicable, dividend declared in relation to the RSUs in respect of those Shares as provided in the RSU Scheme Rules) to the Employee Participant, subject to the Employee Participant paying the purchase price (where applicable).

If the Employee Participant fails to fulfil the vesting conditions applicable to the relevant Share Awards, all the RSUs underlying the relevant Share Awards which may otherwise be vesting during the respective vesting period shall not be vested and become immediately forfeited with respect to such Employee Participant. The Board's decision on whether the vesting conditions are fulfilled and satisfied shall be conclusive and final.

Any Share Award granted hereunder but not yet exercised shall be personal to the Employee Participant to whom it is made and shall not be assignable or transferable and no Employee 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 Share Award.

Purchase price of RSUs

A Grantee to whom a RSU shall be granted under the RSU Scheme is required to pay RMB1.00 (per RSU) as purchase price to the Company to purchase any RSU underlying a Share Award granted, unless otherwise determined by the Board at its sole discretion or as required by applicable law. The purchase price of RMB1.00 is determined with reference to the nominal value of the Shares. Considering that the Employee Participants have contributed or will contribute to the Group, the Board is of the view that the nominal consideration of RMB1.00 (instead of any lower or higher amount) to be paid by each Employee Participant for purchasing each RSU is fair and reasonable and in the interests of the Company and the Shareholders as a whole. The Board considers that such arrangement aligns with the purpose of the RSU Scheme where the Share Awards are intended to be granted to the Employee Participants to reward their contributions to the Group.

Performance targets and clawback mechanism

Vesting of Share Award shall be subject to the performance targets, if any, to be satisfied by the Grantees as determined by the Remuneration Committee from time to time. The Remuneration Committee shall have the authority, after the grant of any Share Award which is performance-linked, to make fair and reasonable adjustments to the prescribed performance targets during the vesting period if there is a change in circumstances, provided that any such adjustments shall be less onerous than the prescribed performance targets and are considered fair and reasonable by the Remuneration Committee. The performance targets may include the attainment of program milestones and market capitalisation milestones by the Group, which may vary among the Grantees. The Remuneration Committee will conduct assessment from time to time by comparing the performance with the pre-set targets to determine whether such targets and the extents to which have been met. If, after the assessment, the Remuneration Committee determines that any prescribed performance targets have not been met, the unvested Share Award shall lapse automatically. For the avoidance of doubt, the performance targets are not applicable to independent non-executive directors of the Company.

The Board believes that the above will provide the Remuneration Committee with more flexibility in setting the performance targets under particular circumstances of each grant and facilitate the Board to offer suitable incentives to attract and retain quality personnel that are valuable to the development of the Group. Further, the Board is of the view that the setting of performance targets can provide ample motivations and incentives for the Grantees to improve their performance and contribute to the Group's overall development and business success. Considering the aforesaid, the Board considers that the performance targets are in line with the purpose of the RSU Scheme and in the interests of the Company and the Shareholders as a whole.

The RSU Scheme will give the Remuneration Committee discretion (but not obligation) to impose that any Share Award shall be subject to a clawback under certain circumstances. Upon occurrence of such circumstances, the Remuneration Committee may (but is not obliged to) claw back such number of Share Awards granted (to the extent not already vested) as the Remuneration Committee may consider appropriate. The Share Awards that are clawed back shall be regarded as cancelled and the Share Awards so cancelled shall be regarded as utilised for the purpose of calculating the Scheme Mandate Limit.

The Board (and the Remuneration Committee in respect of grants of Share Awards to the Directors and/or senior management) is of the view that the clawback mechanism in the RSU Scheme provides a choice for the Board to claw back the equity incentives granted to Employee Participants culpable of misconduct and provides the Board with more flexibility in setting the terms and conditions of the Share Awards under particular circumstances of each grant, which would facilitate the objective to offer meaningful incentives to attract and retain quality personnel that are valuable to the development of the Group, and is in line with the purpose of the RSU Scheme and in the interests of the Company and the Shareholders as a whole.

Voting Rights

The Trustee shall not exercise the voting rights in respect of any Shares held under the Trust (if any). In particular, the Trustee holding unvested Shares, whether directly or indirectly, shall abstain from voting or exercising any voting rights in respect of any Shares held, whether directly or indirectly, under the Trust or as nominee on matters that require approval of the Shareholders under the Listing Rules, unless otherwise required by applicable laws or regulations to vote in accordance with the beneficial owner's direction and such a direction is given.

Approval and review

The RSU Scheme shall be subject to the following administrative bodies, in accordance with the RSU Scheme Rules and, where applicable, the Trust Deed:

- (a) the general meeting of the Shareholders, as the organ of authority of the Company, is responsible for the deliberation and approval of the adoption of the RSU Scheme. The general meeting of the Shareholders may authorise the Board and/or the chief executive officer to deal with all matters related to the RSU Scheme to the extent of its authority; and
- (b) the Board and/or the chief executive officer is the institution in charge of the administration of the RSU Scheme in accordance with the RSU Scheme Rules and where applicable, the Trust Deed. A decision of the Board and/or the chief executive officer shall be final and binding on all persons affected. Upon deliberation and approval of the RSU Scheme by the Board, the Board will submit the RSU Scheme to the general meeting of the Shareholders for consideration. The Board and/or the chief executive officer may handle all matters related to the RSU Scheme within the authorisation by the general meeting of the Shareholders.
- (c) Pursuant to the RSU Scheme Rules, the authority to administer the RSU Scheme may be delegated by the Board to the chief executive officer as deemed appropriate at the sole and absolute discretion of the Board.

The independent non-executive Directors of the Company shall also approve the proposal for the grant of Share Awards to a director, chief executive or substantial shareholder of the Company, or any of its respective associates and formulate their opinions on whether the grant of Share Awards is beneficial to the continuing development of the Company, and whether the grant of Awards is detrimental to the interests of the Company and the Shareholders.

Source of funds

For the source of funds for purchasing each Share Award, the Grantee is required to pay RMB1.00.

Alteration or Termination of the RSU Scheme

The RSU Scheme may be altered by a resolution of the Board provided that no such amendment shall operate to affect materially and adversely any subsisting rights of any Employee Participants and such alteration is in compliance with all applicable rules and regulations (including but not limited to the Listing Rules).

The RSU Scheme shall terminate on the earlier of (i) the end of the Award Period except in respect of any non-vested RSUs granted and accepted prior to the expiration of the RSU Scheme, for the purpose of giving effect to the vesting of such RSU or otherwise as may be required in accordance with the provisions of the RSU Scheme; and (ii) such date of early termination as determined by the Board provided that such termination shall not affect any subsisting rights of an Employee Participant under the RSU Scheme.

Administration and general

The RSU Scheme shall be administered by the Board and/or the Trustee (if the Trustee is appointed by the Company) in accordance with the rules of the RSU Scheme and the terms of the Trust Deed. For the Grantees who do not require the service of the Trustee (for example, some Grantees from certain jurisdictions may experience administrative inconvenience in becoming a beneficiary of the Trust), the relevant awards will be administered by the Board (or any persons delegated by the Board) in accordance with the RSU Scheme. The Board may delegate any or all of its powers in relation to the administration and operation of the RSU Scheme to the chief executive officer at its sole discretion. No Trustee has been appointed under the RSU Scheme yet. None of the Directors will be the Trustee of the RSU Scheme or will have any direct or indirect interest in the Trustee of the RSU Scheme (if any). The RSU Scheme may be subject to amendments in order to comply with any requirements of regulatory authorities.

Application(s) will be made by the Company to the Stock Exchange for the approval for the listing of, and permission to deal in, the Shares underlying the RSUs granted from time to time under the RSU Scheme.

As at the date of this announcement, to the best knowledge of the Directors and having made all reasonable enquiries, no Shareholder had any material interest in the proposed adoption of the RSU Scheme. As such, no Shareholder is required to abstain from voting on the resolutions in relation thereto.

PROPOSED AUTHORISATION TO THE DIRECTORS TO HANDLE MATTERS PERTAINING TO THE RSU SCHEME

In order to ensure the successful implementation of the RSU Scheme, the Board proposed that, subject to the approval of the RSU Scheme by the Shareholders at the Second 2023 EGM, the Shareholders also grant an authorisation to any Directors to do all such acts and to enter into all such transactions, arrangements and agreements as he may in his absolute discretion consider necessary or expedient in order to give effect to the RSU Scheme, including without limitation:

- (a) to administer and operate the RSU Scheme under which RSUs will be granted to eligible participants under the RSU Scheme;
- (b) to modify and/or amend the RSU Scheme from time to time, provided that such modification and/or amendment is/are effected in accordance with the provisions of the RSU Scheme relating to modification and/or amendment and is in compliance with Chapter 17 of the Listing Rules;
- (c) to grant share awards under the RSU Scheme and to allot and issue and/or purchase from time to time such number of Shares as may be required to be allotted and issued and/or purchased in respect of the share awards granted in accordance with the terms and conditions of the RSU Scheme and subject to the Listing Rules;
- (d) to make application at the appropriate time or times to the Stock Exchange for the listing of, and permission to deal in, any Shares that may be allotted and issued underlying the share awards granted in accordance with the terms and conditions of the RSU Scheme;
- (e) to consent, if he so deems fit and expedient, to such conditions, modifications and/or variations as may be required or imposed by the relevant authorities in relation to the RSU Scheme;
- (f) to take all such steps and attend all such matters, approve and execute (whether under hand or under seal) such documents and do such other things, for and on behalf of the Company, as he may in his absolute discretion consider necessary, desirable or expedient to effect and implement the Scheme Mandate Limit; and
- (g) to make any necessary amendments to the Articles of Association of the Company to reflect the change to the total number of issued shares of the Company due to the issue of new shares of the Company pursuant to the RSU Scheme, and to do such other things, for and on behalf of the Company, as he may in his absolute discretion consider necessary, desirable or expedient to effect the amendments to the Articles of Association of the Company, including but not limited to applying to the relevant regulatory authorities for the relevant approval, registration and filing procedures.

REASONS FOR AND BENEFITS OF THE ADOPTION OF THE RSU SCHEME

Please refer to the paragraph headed “Summary of the key terms of the RSU Scheme – Purpose” in this announcement. The Directors are of the view that the adoption of the RSU Scheme will realise the goals set out in that paragraph, and that the terms of the RSU Scheme are on normal commercial terms, which are fair and reasonable, in the interests of the Company and the Shareholders as a whole.

None of the Directors has any material interest in the RSU Scheme.

Second 2023 EGM

Pursuant to the laws of the PRC and the Articles of Association, the adoption of the RSU Scheme; and authorisation to the Board and/or the chief executive officer to handle matters pertaining to the RSU Scheme are subject to the approval of the Shareholders at the Second 2023 EGM by way of special resolutions.

A circular of the Company containing, among other things, further details of the RSU Scheme and a notice of the Second 2023 EGM, is expected to be despatched to the Shareholders on or before 24 November 2023.

DEFINITIONS

In this announcement, unless otherwise defined, terms used herein shall have the following meanings:

“Adoption Date”	14 December 2023, being the date on which the RSU Scheme is approved and adopted by the Shareholders at the Second 2023 EGM of the Company;
“Articles of Association”	the articles of association of the Company, as amended from time to time;
“associate(s)”	has the meaning ascribed to it under the Listing Rules;
“Award Period”	the period commencing on the date on which the Shareholders approved the RSU Scheme, and ending on the Business Day immediately prior to the tenth (10th) anniversary of the date on which the Shareholders approved the RSU Scheme;
“Board”	the board of the Directors of the Company or a committee thereof duly appointed for the purpose of administering the Scheme;
“Business Day”	any day on which the Stock Exchange is open for the business of trading in securities;
“China” or “PRC”	the People’s Republic of China, for the purpose of this circular and for geographical reference only, except where the context requires, references in this circular to “China” and the “PRC” do not apply to Hong Kong, Macau Special Administrative Region and Taiwan region;

“close associate(s)”	has the meaning ascribed to it under the Listing Rules;
“Company”	Shanghai Chicmax Cosmetic Co., Ltd. (上海上美化妝品股份有限公司), a joint stock company established in the PRC with limited liability whose H Shares are listed on the Stock Exchange (stock code: 2145);
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“connected transaction(s)”	has the meaning ascribed thereto in the Listing Rules;
“controlling shareholder(s)”	has the meaning ascribed thereto in the Listing Rules;
“Date of Grant”	the date on which the Board resolves to make an Offer of that Share Award to the Employee Participant, being the date of the Grant Letter, which date must be a business day;
“Directors”	the directors of the Company;
“Domestic Share(s)”	ordinary shares in the share capital of the Company, with a nominal value of RMB1.00 each, which are subscribed for and paid up in Renminbi and are unlisted shares which are currently not listed or traded on any stock exchange;
“Employee Participant(s)”	any director (executive directors or non-executive directors but does not include independent non-executive directors), member of the management team, senior management and current employee of the Company or any of its subsidiaries (including any persons who are granted Share Awards under the Scheme as an inducement to enter into employment contracts with these companies), in each case provided that the Board considers, in its sole discretion, have contributed or will contribute to the Group;
“Grant Letter”	letter or notice (including but not limited to, by mail, e-mail or by notification via any electronic means) to each Employee Participant in such form as the Board may from time to time determine, specifying the Date of Grant, the manner of acceptance of the Share Award, the purchase price of each RSU and/or the number of RSU underlying the Share Award, the vesting criteria and conditions, and the vesting date and such other details, terms and conditions as the Board may consider necessary and in compliance with the RSU Scheme;

“Grantee”	any Employee Participant who accepts an Offer in accordance with the terms of the RSU Scheme, or (where the context so permits) any person who is entitled in accordance with applicable laws of succession to any such Share Award in consequence of the death of the original Grantee, or the legal personal representative of such person;
“Group”	our Company, Subsidiaries from time to time;
“H Share(s)”	overseas listed foreign invested share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, listed on the Main Board of the Stock Exchange;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“inside information”	has the meaning ascribed to it under the Listing Rules;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as amended or supplemented from time to time;
“Offer”	the offer of the grant of a Share Award made in accordance with the RSU Scheme;
“Remuneration Committee”	the remuneration and appraisal committee of the Board;
“Restricted Share Unit” or “RSU(s)”	a restricted share unit conferring the Grantee a conditional right upon vesting of the RSU to obtain, as determined by the Board in its absolute discretion, either a Share or an equivalent value in cash with reference to the market value of a Share on or around the vesting date of such RSU as determined by the Board in its absolute discretion, less any tax, fees, levies, stamp duty and other charges applicable;
“RMB”	Renminbi, the lawful currency of the PRC;
“RSU Scheme” or “Scheme”	the restricted share unit scheme adopted by the Company in accordance with the RSU Scheme Rules;
“RSU Scheme Rules”	the rules relating to the RSU Scheme as amended from time to time;
“Scheme Mandate Limit”	has the meaning ascribed thereto in the Scheme;
“Second 2023 EGM”	an extraordinary general meeting of the Company or any adjournment thereof to approve, among others, the proposed adoption of the RSU Scheme and relevant authorisations in relation to the RSU Scheme;

“Share(s)”	share(s) in the capital of the Company with a nominal value of RMB1.00 each, comprising Domestic Share(s) and H Share(s);
“Shareholder(s)”	the shareholder(s) of the Company;
“Share Award(s)”	any award of H Shares granted pursuant to the RSU Scheme;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subsidiary” or “Subsidiaries”	has the meaning ascribed to it under the Listing Rules;
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules;
“Trust”	the trust constituted or to be constitute by the Trust Deed to service the RSU Scheme;
“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 RSU Scheme;
“Trustee”	the trustee or trustee(s) (which is/are independent of and not connected with the Company) appointed or to be appointed by the Company for the administration of the Scheme or any additional or replacement trustee(s); and
“%”	per cent

By Order of the Board
Shanghai Chicmax Cosmetic Co., Ltd.
 上海上美化妝品股份有限公司

Mr. Lyu Yixiong

Chairman of the Board, Executive Director and Chief Executive Officer

Shanghai, the PRC
 23 November 2023

As at the date of this announcement, the Board comprises Mr. Lyu Yixiong, Ms. Luo Yan (羅燕), Mr. Feng Yifeng and Ms. Song Yang as executive Directors; Ms. Li Hanqiong and Mr. Sun Hao as non-executive Directors; Mr. Leung Ho Sun Wilson, Ms. Luo Yan (羅妍) and Mr. Liu Yi as independent non-executive Directors.