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Keep Inc.

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 3650)

GRANT OF RESTRICTED SHARE UNITS UNDER THE POST-IPO SHARE INCENTIVE PLAN

This announcement is made by the Company pursuant to Rules 17.06A, 17.06B and 17.06C of the Listing Rules.

The Board announces that on May 21, 2024, the Company (i) granted 13,197,700 RSUs to the Employee Grantees; and (ii) conditionally granted 4,500,000 RSUs to Director Grantees (i.e., 1,500,000 RSUs to each Director Grantee) in accordance with the terms of the Post-IPO Share Incentive Plan. The conditional grant of RSUs to the Director Grantees is subject to and conditional on approval by the Independent Shareholders at the AGM.

The details of the RSUs granted are set out below:

Grant Date: May 21, 2024

Number of RSUs granted: 17,697,700, among which (i) 13,197,700 RSUs to 417 Employee Grantees; and (ii) 4,500,000 RSUs to Director Grantees (i.e., 1,500,000 RSUs to each Director Grantee) in accordance with the terms of the Post-IPO Share Incentive Plan. Details of the Director Grantees are as follows:

Name	Position(s)	Number of Shares to be granted	Approximate percentage of the total issued Shares as at the date of this announcement
Wang Ning	Executive Director, Chairman, Chief Executive Officer and Founder	1,500,000	0.29%
Peng Wei	Executive Director, Vice President of Online Operations and Co-founder	1,500,000	0.29%
Liu Dong	Executive Director, Vice President of Consumer Fitness Products and Co-founder	1,500,000	0.29%
Total		4,500,000	0.86%

Purchase price of the RSUs granted:	Nil
Closing price of the Shares on the Grant Date:	HK\$8.00/per Share
Vesting period of the RSUs:	<p>The RSUs granted to each Grantee shall vest with August 1, 2024 as the vesting commencement date based on the following schedule:</p> <ul style="list-style-type: none"> • 40% shall vest on the second anniversary of the vesting commencement date. • 20% shall vest on the third anniversary of the vesting commencement date. • 20% shall vest on the fourth anniversary of the vesting commencement date. • 20% shall vest on the fifth anniversary of the vesting commencement date. <p>None of the vesting period of the RSUs granted to the Grantees is less than 12 months after the date of Grant.</p>

Performance targets: ***Grant to Director Grantees***

The Company has in place a standardised performance appraisal system to comprehensively evaluate the performance and the contribution of the Directors to the Group based on a matrix of indicators that vary according to the roles and responsibilities of each of the Director Grantees. The indicators include (i) their business contribution, mainly considering the fulfillment of certain quantitative targets set for financial performance and key operating metrics, and (ii) their organizational contribution, including but not limited to efficiency improvement, corporate culture boosting and talent management, etc. Set out below are the details of the performance indicators of each of the Director Grantees.

Performance indicators	Weight
<i>Wang Ning</i>	
KPI 1: the revenue of the Group	25%
KPI 2: the reduction of the loss of the Group	25%
KPI 3: the number of monthly active members on our platform	20%
KPI 4: the inventory turnover rate for the Group's self-branded fitness products	10%
KPI 5: the improvement of organizational capability, including the Group's training coverage to employees and talents management	10%

Performance indicators	Weight
KPI 6: the optimization of the Company's brand management and other strategic focus	10%
 <i>Peng Wei</i>	
KPI 1: the revenue of the online paid content segment	30%
KPI 2: the reduction of the loss of the online paid content segment	30%
KPI 3: the improvement of organizational capability, especially on the Group's online paid content segment	15%
KPI 4: the number of monthly active member on our platform	15%
KPI 5: the implementation of the Group's overall strategic priorities and plans	10%
 <i>Liu Dong</i>	
KPI 1: the revenue of the self-branded fitness products segment	30%
KPI 2: the reduction of the loss of the self-branded fitness products segment	30%
KPI 3: the improvement of organizational capability, especially on the Group's self-branded fitness products segment	15%
KPI 4: the inventory turnover rate for the Group's self-branded fitness products	15%
KPI 5: the implementation of the Group's overall strategic priorities and plans	10%

The Company will determine whether the relevant Director Grantee meets the performance targets based on his performance appraisal results for the relevant period. The relevant Director Grantee must achieve Grade B and B above in his performance appraisal during the respective vesting period to have the RSUs granted become fully vested. The vesting of the RSUs under the Grant is subject to the above performance indicators and other requirements set out in the respective grant letter entered into between a Director Grantee and the Company, if any. Upon each vesting date, the portion of RSUs that vests shall be subject to a Director Grantee's fulfilment of a specified threshold in their performance evaluations as determined by the Scheme Administrator.

Grant to Employee Grantees

The vesting of the RSUs of the Grant to Employee Grantees is subject to the achievement of certain performance indicators and other requirements set out in the respective grant letter entered into between an Employee Grantee and the Company, including the Company's annual results and an Employee Grantee's individual annual performance. Upon each vesting date, the portion of RSUs that vests shall be subject to an Employee Grantee's fulfilment of a specified threshold in their performance evaluations as determined by the Scheme Administrator.

Clawback mechanism: In the event that:

- (i) a Grantee ceases to be an eligible participant by reason of: (a) termination of the Grantee's employment or contractual engagement with the Group for cause or without notice; (b) termination of the Grantee's employment or contractual engagement with the Group as a result of the Grantee having been charged, penalised, or convicted or an offence involving the Grantee's integrity or honesty;
- (ii) in the reasonable opinion of the Scheme Administrator, a Grantee has committed a serious breach of an internal policy or code of any member of the Group or agreement with any member of the Group, including the breach of a non-compete obligation imposed on the Grantee by the Group, and such breach is considered material;
- (iii) in the reasonable opinion of the Scheme Administrator, a Grantee has engaged in serious misconduct or breaches the terms of the Post-IPO Share Incentive Plan in any material respect; or
- (iv) in the reasonable opinion of the Scheme Administrator, RSUs to the Grantee will no longer be appropriate and aligned with the purpose of the Post-IPO Share Incentive Plan;

then the Board may make a determination at its absolute discretion that: (A) any RSU granted but not yet exercised shall immediately lapse, regardless of whether such RSUs have vested or not, and (B) with respect to any Shares delivered, or actual selling price paid, to the Grantee pursuant to any RSU granted under the Post-IPO Share Incentive Plan the Grantee shall be required to transfer back to the Company or its nominee (1) the equivalent number of Shares, (2) an amount in cash equal to the market value of such Shares or the actual selling price, or (3) a combination of (1) and (2).

Financial assistance: The Company did not provide any financial assistance to the Grantees to facilitate the purchase of Shares under the Post-IPO Share Incentive Plan.

REASONS FOR THE GRANT OF RSUS

The Grant to Employee Grantees and Director Grantees is to (a) provide the Company with a flexible means of attracting, remunerating, incentivising, retaining, rewarding, compensating and/or providing benefits to eligible participants; (b) align the interests of eligible participants with those of the Company and Shareholders by providing such eligible participants with the opportunity to acquire proprietary interests in the Company and become Shareholders; and (c) encourage eligible participants to contribute to the long-term growth, performance and profits of the Company and to enhance the value of the Company and our Shares for the benefit of the Company and Shareholders as a whole. The grant of RSUs is to reward the Grantees' performance and contributions to the Group, align the interests of the Grantees with those of the Group through ownership of Shares, dividends and other distributions paid on Shares and/or increase in value of Shares, and to encourage and retain the Grantees to make contributions to the long-term growth and profits of the Group. Having considered the above, the Board, including all the independent non-executive Directors, considers that the terms of the Grant to Grantees (including Employee Grantees and Director Grantees) are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

In addition, during the 12-month period prior to the Grant, the Company did not grant any share options and/or awards to any of the Director Grantees. To further benefit from long-term incentive tools and strike the balance between cash and share-based compensation, the Group optimizes the composition of director emoluments for the Director Grantees by increasing the portion of long-term share-based incentives while maintaining the current cash payment level. The aforementioned adjustment is also in line with the Group's remuneration policy with the long-term incentive orientation to achieve the respective annual target compensation level for the Director Grantees with reference to the market levels.

The Board (including the independent non-executive Directors, but excluding the Director Grantees, who abstained from voting in respect of the Grant to Director Grantees) and the Remuneration Committee are of the view that the Grant to Director Grantees serves as an incentive for recognition of the Director Grantees' past contributions in driving the continual business operation and development of the Group and to encourage them to further apply their expertise, experience and leadership to the development of the Group in the future.

Each of the Director Grantee is an executive Director. Details of the positions, length of services and responsibilities of the Director Grantees under the Grant to Director Grantees are set out below:

- (a) **Mr. Wang Ning:** the founder of our Company, executive Director, the Chief Executive Officer, and the Chairman of the Board. He founded Keep in 2014 and has served as our Director since April 2015. Mr. Wang is responsible for the overall strategy, business direction and management of our Company.
- (b) **Mr. Peng Wei:** an executive Director, vice president of online operations and co-founder of our Company. He has served as our Director since July 2015 and the vice president of online operations since October 2014. Mr. Peng leads and manages our Keep online platform, including content and user management.
- (c) **Mr. Liu Dong:** an executive Director, vice president of consumer fitness products and co-founder of our Company. He has served as our director since April 2021 and vice president of consumer fitness products since September 2017. Mr. Liu is responsible for the overall strategy and operation of our smart fitness products business unit including smart devices.

In respect of the Grant to Director Grantees, the Board (including the independent non-executive Directors, but excluding the Director Grantees, who abstained from voting in respect of such Grant) and the Remuneration Committee have also considered the following factors, including among others:

- (a) the functions, job responsibilities, duty importance and personnel seniorities of the Director Grantees, and the significant role played by each of them to the Group, especially to the Group's ability to withstand recent challenges brought by the macroeconomic slowdown;
- (b) their abovementioned length of services, contributions and responsibilities, with all of them having been with the Group since its inception;
- (c) their respective annual remuneration level and expected annual remuneration targets, based on their current annual salary and assuming the RSUs under the Grant to Director Grantees fully vest in accordance with the 4-year vesting schedule;
- (d) the Share price of the Company, and the Directors' past remuneration including salary and share-based payments;
- (e) the Group's remuneration policy and remuneration structure; and
- (f) whether the Grant to Director Grantees is sufficient to retain them for the continual operation and development of the Group.

Having considered the above, with respect to the Grant to Director Grantees, the Board, including all the independent non-executive Directors, and excluding each of the Director Grantees, who abstained from voting on the relevant Board resolution to approve the Grant to Director Grantees, considers that the terms of the Grant to Director Grantees are fair and reasonable and in the interest of the Company and the Shareholders as a whole. The Remuneration Committee is of the view that the number of the RSUs to be granted to each of the Director Grantees is fair and reasonable as the number of the RSUs was determined with reference to, among other things, (i) the essential duties and responsibilities in the Group of each of the Director Grantees; and (ii) the value of the Grant to Director Grantees.

LISTING RULES IMPLICATIONS

Pursuant to Rule 17.04(1) of the Listing Rules, any grant of RSUs to a Director, chief executive or substantial Shareholder of the Company, or their respective associates, under the Post-IPO Share Incentive Plan, must be approved by the independent non-executive Directors. On May 21, 2024, the Grant was approved by all the independent non-executive Directors. The independent non-executive Directors considered the terms of the Grant are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

Pursuant to Rule 17.04(2) of the Listing Rules, where any grant of RSUs 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 Shares issued and to be issued in respect of all award shares to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the relevant class of Shares in issue, and pursuant to Rule 17.04(2) of the Listing Rules, where any grant of options or awards to a substantial shareholder of the listed issuer, or any of their respective associates, would result in the shares issued and to be issued in respect of all options and awards granted (excluding any options and awards lapsed in accordance with the terms of the scheme) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the relevant class of shares in issue, such further grant must be approved by the shareholders in a general meeting where such grantee and his/her associates and all core connected persons of the Company must abstain from voting in favour at such general meeting. As the Grant to each of the Director Grantees (one of which being a substantial shareholder of the Company) would result in the Shares issued and to be issued in respect to all awards granted to him in a 12-month period up to and including the date of such grant representing over 0.1% of the Shares in issue, the Grant to Director Grantees is subject to approval by the Independent Shareholders, where the Director Grantees, their respective associates, and all core connected persons of the Company shall abstain from voting in favour of the relevant resolution at the AGM pursuant to the Listing Rules.

Each of the Director Grantees, namely, Mr. Wang Ning, Mr. Peng Wei and Mr. Liu Dong, has abstained from approving the relevant Board resolution on the grant of RSUs to himself under the Grant to the Director Grantees. Save as disclosed, none of the other Directors had any interest in the Grant to Director Grantees and therefore no other Directors abstained from voting on the relevant resolution of the Board in respect of the Grant to Director Grantees.

To the extent that the Company is aware, having made all reasonable enquiries as at the date of this announcement, the Director Grantees, namely, Mr. Wang Ning, Mr. Peng Wei and Mr. Liu Dong, their respective associates, and all core connected persons of the Company who are entitled to exercise control over the voting rights in respect of an aggregate of 103,572,097 Shares representing approximately 19.70% of the total number of Shares in issue as at the date of this announcement, are thus required to abstain from voting in favour on the relevant resolutions in respect of the Grant to Director Grantees.

Details of (i) the identity of each Director Grantees and their associates and core connected persons of the Company who are required to abstain from voting at the AGM as a Shareholder, and (ii) their respective shareholding in the Company as of the date of this announcement are set out below. Each of them controls or is entitled to control over the voting right in respect of such Shares in the Company.

Name of Director	Nature of interest	Number of Shares and underlying Shares held	Approximate percentage of shareholding and voting rights in the Company
Mr. Wang Ning ⁽¹⁾	Interest in controlled corporation	78,469,806	14.93%
	Interest in controlled corporation	8,909,312	1.69%
Mr. Peng Wei ⁽²⁾	Interest in controlled corporation	10,621,480	2.02%
Mr. Liu Dong ⁽³⁾	Interest in controlled corporation	5,561,499	1.06%
	Beneficial owner	10,000	0.00%
Total		103,572,097	19.70%

Notes:

- (1) Each of Persistent Courage Holdings Limited and Lightmap Limited holds 78,469,806 and 8,909,312 Shares respectively, and each of them is wholly owned by Arrow Factory Limited, which is controlled by Starmap Trust, a trust controlled by Mr. Wang Ning and in which Mr. Wang is the settlor and sole beneficiary. Accordingly, under the SFO, Mr. Wang Ning through Persistent Courage Holdings Limited, is deemed to be interested in the a total of 87,379,118 Shares.
- (2) Mr. Peng Wei holds his interests in our Company through his controlled corporation, Metropolis Olympia Holdings Limited, which holds 10,621,480 Shares. Metropolis Olympia Holdings Limited is wholly-owned by Pacinson Limited, which in turn is controlled by a trust that is controlled by Mr. Peng Wei and in which Mr. Peng Wei is the settlor and sole beneficiary. Under the SFO, Mr. Peng Wei is deemed to be interested in all the interests in our Company held by Metropolis Olympia Holdings Limited.
- (3) Mr. Liu Dong is beneficially interested in 10,000 Shares, which underlines the outstanding options granted to him under the Pre-IPO Share Incentive Plans. Mr. Liu Dong holds additional interests in our Company through his controlled corporation, Bulldog Group Ltd, which holds 5,561,499 Shares, of which 990,000 of the Shares were awarded to Mr. Liu Dong pursuant to the Pre-IPO Share Incentive Plans and are held by Bulldog Group Ltd as restricted shares (with restrictions on transfer, voting and income) until the relevant vesting and exercise conditions are fulfilled. Bulldog Group Ltd is ultimately wholly controlled by a trust in which Mr. Liu is the settlor and sole beneficiary. Under the SFO, Mr. Liu is deemed to be interested in all the interest in our Company held by Bulldog Group Ltd.

In addition, Futu Trustee Limited, the trustee holding unvested shares of the Pre-IPO Share Incentive Plans, shall abstain from voting on the relevant resolution in respect of the Grant. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, save as disclosed above, no other Shareholders will be required to abstain from voting in favour on the resolution in respect of the Grant to Director Grantees and Employee Grantees of the Group.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, save as disclosed in this announcement in relation to Director Grantees, none of the Grantees is (i) a Director, a chief executive, or a substantial shareholder of the Company, or an associate of any of them; or (ii) a participant with options and awards granted and to be granted exceeding the 1% individual limit under Rule 17.03D of the Listing Rules; or (iii) a related entity participant or service provider with options and awards granted and to be granted in any 12-month period exceeding 0.1% of the total issued Shares.

NUMBER OF SHARES AVAILABLE FOR FUTURE GRANT

As disclosed in the prospectus of the Company dated June 30, 2023, the Company issued a total of 22,212,725 Shares held by Calorie Partner Limited, which shall be used to fund share options and share awards granted under the Post-IPO Share Incentive Plan, and the Company will treat a share option or share award funded by these Shares in a manner complying with Chapter 17 of the Listing Rules. The Listing Committee of the Stock Exchange had granted approval for the listing of, and permission to deal in these 22,212,725 Shares issued pursuant to its Pre-IPO Share Incentive Plans. The Shares underlying the RSUs granted, when allotted and issued, shall rank *pari passu* among themselves and with the other Shares in issue.

As such, upon fulfilment of the vesting schedules, (a) the 4,500,000 RSUs granted to the Director Grantees, if all vested, will represent approximately 0.86% of the total issued Shares as at the date of this announcement, and (b) the 13,197,700 RSUs granted to the Employee Grantees, if all vested, will represent approximately 2.51% of the total issued Shares as at the date of this announcement, and such RSUs will be satisfied through the above-mentioned issued Shares pursuant to the Pre-IPO Share Incentive Plans. Neither new Shares will be issued, nor funds will be raised in connection with the Grant. Accordingly, the Grant will not result in any dilution effect on the shareholding of the existing Shareholders of the Company.

After the Grant to Director Grantees and Employee Grantees, as at the date of this announcement, an aggregate of 33,906,499 Shares will be available for further grant under the Scheme Mandate Limit, and 2,500,000 Shares will be available for future grants under the Service Provider Sublimit.

GENERAL

Ordinary resolutions will be proposed at the AGM for the Shareholders to consider and, if thought fit, approve the conditional Grant of RSUs to Director Grantees, namely the grant of 1,500,000 RSUs to each of Mr. Wang Ning, Mr. Peng Wei and Mr. Liu Dong pursuant to the Post-IPO Share Incentive Plan.

A circular containing, among other things, (i) further information on the proposed grant of RSUs to Director Grantees; and (ii) a notice convening the AGM, are expected to be despatched to the Shareholders in due course.

DEFINITION

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires:

“AGM”	the annual general meeting of the Company to be held on Wednesday, June 19, 2024
“associate(s)”	shall have the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“chief executive(s)”	has the meaning as defined under the Listing Rules
“Company”	Keep Inc., an exempted company with limited liability incorporated in the Cayman Islands on April 21, 2015
“Director(s)”	the director(s) of the Company
“Director Grantee(s)”	the Director grantee(s) of RSUs in accordance with the Post-IPO Share Incentive Plan under the conditional Grant, namely Mr. Wang Ning, Mr. Liu Dong and Mr. Peng Wei, each being an executive Director
“Employee Grantee(s)”	417 employees of the Group (not including any Directors, chief executive, substantial shareholder or senior management of the Company), who were granted the RSUs in accordance with the Post-IPO Share Incentive Plan on the Grant Date

“Grant”	the (i) conditional grant of 4,500,000 RSUs to Director Grantees and (ii) the grant of 13,197,700 RSUs Employee Grantees in accordance with the Post-IPO Share Incentive Plan on May 21, 2024
“Grantee(s)”	each or all of Director Grantees and Employee Grantees
“Grant Date”	May 21, 2024 (subject to Independent Shareholders’ approval as to the Grant to Director Grantees)
“Group”	the Company and its subsidiaries and consolidated affiliated entities from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Independent Shareholder(s)”	any Shareholder who is not required to abstain from voting on the relevant resolution in relation to the conditional Grant of RSUs to Director Grantees under the Post-IPO Share Incentive Plan at the AGM
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Pre-IPO Share Incentive Plans”	the Amended and Restated 2016 Employee’s Stock Option Plan adopted in June 2021 and the Amended and Restated 2021 Employee’s Stock Option Plan adopted in June 2021, as amended from time to time, the principal terms of which are set out in “Statutory and general information – Pre-IPO Share Incentive Plans” in Appendix IV to the prospectus of the Company dated June 30, 2023
“Post-IPO Share Incentive Plan”	the post-IPO share incentive plan adopted by our Company immediately before July 12, 2023, as amended from time to time, the principal terms of which are set out in “Statutory and general information – Post-IPO Share Incentive Plan” in Appendix IV to the prospectus of the Company dated June 30, 2023
“Remuneration Committee”	the remuneration committee of the Board
“RSU(s)”	restricted share unit(s) granted under the Post-IPO Share Incentive Plan
“Scheme Administrator”	the Board and/or any committee of the Board or other person(s) to whom the Board has delegated its authority in accordance with the Post-IPO Share Incentive Plan

“Scheme Mandate Limit”	the total number of Shares which may be issued pursuant to all awards to be granted under the Post-IPO Share Incentive Plan and awards to be granted under any other share schemes of the Company is 10% of the Shares in issue on the date the Shares commence trading on the Stock Exchange (i.e. 52,567,199 Shares). For the avoidance of doubt, the Scheme Mandate Limit does not include Shares issued or to be issued pursuant to awards granted before the adoption date under the Company’s pre-IPO share schemes
“service provider(s)”	shall have the same meaning as set out in Rule 17.03A of the Listing Rules and permitted under the Post-IPO Share Incentive Plan
“Service Provider Sublimit”	the total number of Shares which may be issued pursuant to all awards to be granted to service providers under the Post-IPO Share Incentive Plan is 2,500,000 Shares
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise from time to time
“Share(s)”	ordinary share(s) in the share capital of the Company
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the meaning ascribed to it by the Listing Rules
“%”	per cent

By order of the Board

Keep Inc.

Wang Ning

Chairman, Executive Director and Chief Executive Officer

Hong Kong, May 21, 2024

As at the date of this announcement, the executive Directors are Mr. Wang Ning, Mr. Peng Wei and Mr. Liu Dong; the non-executive Director is Mr. Li Haojun; and the independent non-executive Directors are Ms. Ge Xin, Mr. Shan Yigang and Mr. Wang Haining.