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## **Yuanda China Holdings Limited**

**遠大中國控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code : 2789)**

### **ADOPTION OF SHARE AWARD SCHEME**

The Board has adopted the Scheme in which the Selected Employees will be entitled to participate. Pursuant to the Scheme Rules, the Shares will be acquired by the independent Trustee at the cost of the Company and be held in trust for the Selected Employees until the end of each vesting period. Vested Shares will be transferred to the Selected Employees at no cost. The number of Shares to be awarded under the Scheme throughout its duration is limited to 5% of the issued share capital of the Company from time to time.

The Board has adopted the Scheme on the Adoption Date. A summary of the Scheme Rules is set out below:

#### **PURPOSES AND OBJECTIVES**

The specific objectives of the Scheme are:

1. to recognise the contributions by certain Employees and to provide them with incentives in order to retain them for the continual operation and development of the Group; and
2. to attract suitable personnel for further development of the Group.

#### **ADMINISTRATION**

The Scheme shall be subject to the administration of the Board, the Executive Committee acting on behalf of the Board which consists of three independent non-executive directors of the Company, the chief financial officer and chief executive officer of the Company from time to time, and the Trustee in accordance with the Scheme Rules and the Trust Deed.

The Trustee will hold the Shares and the income derived therefrom in accordance with the terms of the Trust Deed.

## **DURATION**

Subject to any early termination as may be determined by the Board pursuant to the Scheme Rules, the Scheme shall be valid and effective for a term of 10 years commencing on the Adoption Date.

## **MAXIMUM LIMIT**

The maximum number of Shares which may be granted to the Selected Employees under the Scheme shall not exceed five percent (5%) of the total issued share capital of the Company from time to time.

The maximum number of Shares which may be awarded to a Selected Employee under the Scheme shall not exceed one percent (1%) of the total issued share capital of the Company from time to time.

## **RESTRICTIONS**

No award shall be made and no instructions to acquire Shares shall be given to the Trustee under the Scheme where any director of the Company is in possession of unpublished inside information in relation to the Group or where dealings by directors of the Company are prohibited under any code or requirement of the Listing Rules and all applicable laws from time to time.

## **OPERATION**

The Board may, from time to time, at its sole and absolute discretion, select any Employee, other than the Excluded Employee, as a Selected Employee for participation in the Scheme. In determining the awarded amount for a Selected Employee, the Board may take into consideration matters including (without limitation), the general financial condition of the Group and the rank and performance of the relevant Selected Employee. The Board is entitled to impose any conditions (including a period of continued service with a specified member of the Group after the date on which an award is made by the Board) as it deems appropriate in its absolute discretion with respect to the entitlement of a Selected Employee to the awarded Shares.

The Board shall within fourteen (14) Business Days (or such longer period as the Trustee and the Executive Committee may agree from time to time having regard to the circumstances of the purchase concerned) after the date on which an award is made by the Board cause to be paid an amount of funds from its resources to the Trustee sufficient for the acquisition of the awarded Shares. The Trustee shall within fourteen (14) Business Days on which the trading of the Shares has not been suspended after receiving such amount of funds apply the same to acquire the maximum number of board lots of Shares at the prevailing market price. The Shares so purchased and any balance of the funds after completion of the purchase shall form part of the trust fund.

## **VESTING AND LAPSE**

A Selected Employee shall be entitled to receive the awarded Shares held by the Trustee in accordance with the vesting schedule upon when the Selected Employee has satisfied all vesting conditions specified by the Board at the time of making the award. Vesting of the Shares will be conditional on the Selected Employee remaining an employee of the Group until and on each of the relevant vesting dates and his/her execution of the relevant documents to effect the transfer from the Trustee.

An award shall automatically lapse when (i) a Selected Employee ceases to be an Eligible Employee for whatever reason, or (ii) the Subsidiary employing the Selected Employee ceases to be a Subsidiary, or (iii) an order for the winding-up of the Company is made or a resolution is passed for the voluntary winding-up of the Company (otherwise than for the purposes of, and followed by, an amalgamation or reconstruction in such circumstances that substantially the whole of the undertaking, assets and liabilities of the Company pass to a successor company), save that in the case when a Selected Employee dies, or retires at his/her normal retirement date or earlier by agreement prior to a vesting date or unless otherwise determined by the Board, all the awarded Shares shall be deemed to be vested on the day immediately prior to his/her death or retirement at his normal retirement date or earlier by agreement with the Company or the Subsidiary. In case there is no claim of the vested awarded Shares by the legal representative of the deceased Selected Employee within two years of the death of the Selected Employee (or such longer period as the Board shall determine from time to time) or the Trust Period (whichever is shorter), such vested awarded Shares shall be forfeited and be held as Returned Shares for the purposes of the Scheme.

In the event (i) a Selected Employee is found to be an Excluded Employee (in this context only applicable to any person in class (ii) of Excluded Employee as defined herein) or (ii) a Selected Employee fails to return duly executed transfer documents for the relevant Shares awarded within the stipulated period, the relevant part of an award made to such Selected Employee shall automatically lapse forthwith and the relevant Shares awarded shall not vest on the relevant vesting date but shall become Returned Shares for the purposes of the Scheme.

If there occurs an event of change in control (as specified in The Codes on Takeovers and Mergers and Share Repurchases from time to time) of the Company, whether by way of offer, merger, scheme of arrangement or otherwise, all the awarded Shares shall immediately vest on the date when such change in control event becomes or is declared unconditional and such date shall be deemed the vesting date.

## **RETURNED SHARES**

The Trustee shall hold Returned Shares as part of the trust fund exclusively for the benefit of all or one or more of the Selected Employees (excluding any Excluded Employee), as the Board in its absolute discretion shall at any time determine. When Returned Shares have been awarded, the Board shall notify the Trustee accordingly.

## **VOTING RIGHTS**

The Trustee shall not exercise the voting rights in respect of any Shares held by it as nominee or under the Trust (if any) (including but not limited to the awarded Shares, the Returned Shares, any bonus Shares and scrip Shares derived therefrom).

## **TERMINATION**

The Scheme shall terminate on the earlier of the tenth anniversary date of the Adoption Date or such date of early termination as determined by the Board provided that such termination shall not affect any subsisting rights of the Selected Employees.

Upon termination, (i) all awarded Shares shall become vested on the Selected Employees so referable on such date of termination save in respect of those lapsed as a result of Total Lapse, subject to the receipt by the Trustee of the transfer documents duly executed by the Selected Employees within the stipulated period, (ii) Returned Shares and such non-cash income remaining in the trust fund shall be sold by the Trustee, as soon as practicable but in any event within fourteen (14) Business Days (on which the trading of the Shares has not been suspended) of receiving notice of such termination of the Scheme (or such longer period as the Trustee and the Board may otherwise determine), and (iii) net sale proceeds of the Returned Shares and such non-cash income together with the residual cash and such other funds remaining in the Trust (after making appropriate deductions in respect of all disposal costs, liabilities and expenses) shall be remitted to the Company forthwith after the sale.

## **DEFINITIONS**

“Adoption Date”	10 April 2013, being the date on which the Company adopted the Scheme;
“Board”	the board of directors of the Company;
“Business Day”	a day (other than a Saturday) on which the Stock Exchange is open for trading and on which banks are open for business in Hong Kong;
“Company”	Yuanda China Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange;
“Employee”	any employee (including without limitation any executive director) of any member of the Group;

“Excluded Employee”	<p>(i) at the time of the proposed grant of an award, any Employee whose service in the Group does not exceed one year from the expiry date of his probationary period as stated in his employment contract with the Group, or</p> <p>(ii) any Employee 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 the awarded 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 Board or the Executive Committee or the Trustee (as the case may be), compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such Employee;</p>
“Executive Committee”	<p>a committee established by the Board consists of three independent non-executive directors of the Company, the chief financial officer and chief executive officer of the Company from time to time, and delegated with the power and authority by the Board to administer the Scheme;</p>
“Group”	<p>the Company, its Subsidiaries and such entities which are considered as subsidiaries of the Company under the applicable accounting standard and policy;</p>
“Listing Rules”	<p>the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;</p>
“Partial Lapse”	<p>shall have the meaning defined in the Scheme Rules;</p>
“Returned Shares”	<p>such awarded Shares which are referable to a Selected Employee and which are not vested and/or forfeited in accordance with the terms of the Scheme (whether as a result of a Total Lapse or a Partial Lapse or otherwise), or forfeited in accordance with the terms of the Scheme, or such Shares being deemed to be Returned Shares in accordance with the terms of the Scheme;</p>
“Scheme”	<p>the Employees’ Share Award Scheme adopted by the Board on 10 April 2013 (as amended from time to time in accordance with the provisions thereof), whereby awards of Shares may be made to Selected Employees (such Shares being purchased by the Trustee) pursuant to the Trust Deed and the Scheme Rules;</p>
“Scheme Rules”	<p>the rules relating to the Scheme adopted by the Board;</p>

“Selected Employee(s)”	Employee(s) selected by the Board pursuant to the Scheme Rules for participation in the Scheme;
“Shares”	shares of HK\$0.10 each in the capital of the Company (or of such other nominal amount as shall result from a subdivision, consolidation, reclassification or reconstruction of the share capital of the Company from time to time);
“Subsidiary(ies)”	a company which is for the time being and from time to time a subsidiary (within the meaning given under section 2 of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong)) of the Company, whether incorporated in Hong Kong or elsewhere;
“Total Lapse”	shall have the meaning defined in the Scheme Rules;
“Trust”	the trust constituted by the Trust Deed;
“Trust Deed”	a trust deed to be entered into between the Company as settlor and the Trustee as trustee (as restated, supplemented and amended from time to time);
“Trust Period”	shall have the meaning defined in the Trust Deed; and
“Trustee”	Bank of Communications Trustee Limited (which is independent and not connected with the Company) and any additional or replacement trustees, being the proposed trustee or trustees for the time being of the trusts to be declared in the Trust Deed.

By order of the Board  
**Yuanda China Holdings Limited**  
**Tian Shouliang**  
*Executive Director*

Hong Kong, 10 April 2013

*As at the date of this announcement, the executive Directors are Mr. Kang Baohua, Mr. Tian Shouliang, Mr. Guo Zhongshan, Mr. Wang Yijun, Mr. Wu Qingguo and Mr. Wang Lihui, and the independent non-executive Directors are Mr. Poon Chiu Kwok, Mr. Woo Kar Tung, Raymond and Mr. Pang Chung Fai, Benny.*