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Hengdeli Holdings Limited
亨得利控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 3389)

ADOPTION OF SHARE AWARD SCHEME

The Board is pleased to announce that it has approved the adoption of the Share Award Scheme to recognise the contributions of certain Participants and to provide them with incentive in order to retain them for the continual operation and development of the Group and to attract suitable personnel for the growth and further development of the Group.

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SUMMARY OF THE PRINCIPAL TERMS OF THE SHARE AWARD SCHEME

Purposes and objectives

The specific objectives of the Share Award Scheme are to recognise the contributions by certain Participants and to provide them with incentives in order to retain them for the continual operation and development of the Group and to attract suitable personnel for the growth and further development of the Group.

Duration

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

Administration

The Share Award Scheme shall be subject to the administration of the Board and the Trustee in accordance with the rules of the Share Award Scheme.

Operation of the Share Award Scheme

The Board may select any Participant, other than any Excluded Participant, for participation in the Share Award Scheme and determine the Award Amount for the purchase of the Awarded Shares to be awarded to the Selected Participants by taking into consideration matters including the general financial condition of the Group and the rank and performance of the relevant Selected Participant. The Board is entitled to impose any conditions (including a period of continued service within the Group after the Reference Date), as it deems appropriate in its absolute discretion with respect to the entitlement of the Selected Participant to the Awarded Shares.

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to acquire Shares shall be given to the Trustee under the Share Award Scheme where any Director is in possession of unpublished inside information in relation to the Group or where dealings by Directors are prohibited under any code or requirement of the Listing Rules and all applicable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

The Company shall at any time during the trust period, after the Trustee's receipt of the Reference Amount, provide instructions in writing to the Trustee to apply such amount of the Reference Amount to acquire the Awarded Shares. The Trustee shall hold such Awarded Shares so acquired until they are vested in the Selected Participant in accordance with the rules of the Share Award Scheme, the trust deed and the Vesting Conditions as determined at the sole and absolute discretion of the Board. The Reference Amount and any balance thereof are to be held on trust by the Trustee and be part of the trust fund.

In the event that a Selected Participant is a Director, a substantial Shareholder or a connected person of the Group, such Awards shall constitute connected transactions under Chapter 14A of the Listing Rules and the Company shall comply with the relevant requirements under the Listing Rules.

Vesting and lapse

In respect of a Selected Participant who died or who retired by agreement with a member of the Group at any time prior to or on the Vesting Date, the Board shall have the sole and absolute discretion as to whether such Awarded Shares of the relevant Selected Participant shall be deemed to be vested on the date immediately prior to his death or his retirement.

Subject to the foregoing, in the event that prior to or on the Vesting Date in respect of a Selected Participant, (i) the relevant Selected Participant ceases to be a Participant, or (ii) the subsidiary by which a Selected Participant is employed ceases to be a subsidiary of the Company (or of a member of the Group), 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), the Award shall automatically lapse forthwith and the Awarded Shares shall not vest on the relevant Vesting Date but shall become Returned Shares for the purposes of the Share Award Scheme.

In the event that prior to or on the Vesting Date, (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.

Notwithstanding any other provision provided in the Share Award Scheme, if there occurs an event of change of control of the Company, whether by way of offer, merger, scheme of arrangement or otherwise, the Board shall have the discretion to decide whether the Awarded Shares shall vest or lapse on the date when such change of control event becomes or is declared unconditional.

Rights and restrictions

A Selected Participant shall not have any interest or rights (including the right to vote or receive dividends) in the Awarded Shares prior to the Vesting Date and shall have no rights in the Residual Cash or any of the Returned Shares.

Scheme limit

The Board shall not make any further award of Awarded Shares which will result in the nominal value of the Shares awarded by the Board under the Share Award Scheme exceeding 10% of the issued share capital of the Company as at the Adoption Date. The maximum number of Shares which may be awarded to a Selected Participant under the Share Award Scheme in a 12-month period shall not exceed 0.5% of the total issued share capital of the Company as at the Adoption Date or such number of Shares as determined by the Board from time to time.

Termination

The Share Award Scheme shall terminate on the earlier of the 10th anniversary date of the Adoption Date and such date of early termination as determined by the Board.

Upon all the Awarded Shares of the Selected Participants granted under the Share Award Scheme having vested, the Residual Cash for the Selected Participants and such other funds remaining in the trust fund managed by the Trustee shall be remitted to the Company forthwith.

DEFINITIONS

“Adoption Date”	25 March 2015, being the date on which the Share Award Scheme is adopted by the Company
“Articles”	the Articles of Association of the Company
“Award”	an award of Shares by the Board to a Selected Participant pursuant to the terms of the Share Award Scheme
“Award Amount”	the sum of money to be paid from the Company’s resources to the Trustee pursuant to the terms of the Share Award Scheme for the acquisition by the Trustee of the Awarded Shares either (i) from the market or the existing Shareholders during a specific period as instructed by the Company in writing; or (ii) from the issue and allotment of Shares at the price to be agreed between the Company and the Trustee, being in each case not less than par value per Share
“Awarded Shares”	such number of Awarded Shares to be awarded to a Selected Participant as determined by the Board pursuant to the terms of the Share Award Scheme
“Board”	the board of Directors
“Company”	Hengdeli Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability and the securities of which are listed on the Stock Exchange
“Directors”	the directors of the Company

“Excluded Participants”	(i) at the time of the proposed grant of an Award, any Participant whose service in the Company or the Subsidiary (as the case may be) does not exceed one year from the expiry date of his probationary period as stated in his employment contract with the Company or the Subsidiary (as the case may be), or (ii) any Participant who is resident in a place where, as determined by the Board or the Trustee (as the case may be), the grant, vesting and/or settlement of the Awarded Shares pursuant to the terms of the Share Award Scheme at the time of the proposed grant, vesting and/or settlement 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 the applicable laws and regulations of such place makes it necessary or expedient to exclude such Participant
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Participants”	(i) any senior management employee, including without limitation the director, executive officer and manager-grade employee, whether full time or part time, employed by the Company and/or its subsidiaries from time to time; and (ii) any consultant employed by the Company and/or its subsidiaries
“Reference Amount”	the sum of (i) the Award Amount, and (ii) the related purchase expenses (including for the time being, the stamp duty) and such other necessary expenses required for the completion of the purchase of the Awarded Shares for the relevant Selected Participant
“Reference Date”	in relation to a Selected Participant, the date of final approval by the Board of the total amount of the Awarded Shares to be awarded to the relevant Selected Participant pursuant to the terms of the Share Award Scheme and the Articles

“Residual Cash”	cash remaining in the trust fund set up by the Trustee in respect of the Share Award Scheme, including interest income derived from deposits maintained with licensed banks in Hong Kong, cash income, sale proceeds and any Reference Amount which has not been applied in the acquisition of the Awarded Shares
“Returned Shares”	such Awarded Shares and related income held by the Trustee upon trust under the Share Award Scheme and which are not vested or so held and/or are forfeited in accordance with the Share Award Scheme and the Articles, or such Shares being deemed, in the Board’s absolute discretion, to be Returned Shares in accordance with the terms of the Share Award Scheme, the Articles and Cayman Islands law
“Selected Participants”	any Participant selected by the Board for the Award in accordance with the Share Award Scheme or (where the context so permits) the legal personal representative of such deceased Selected Participant
“Share Award Scheme”	the share award scheme adopted by the Company on the Adoption Date, a summary of the principal terms of which is set out in this announcement
“Shareholders”	the holders of the Shares
“Shares”	the ordinary shares of HK\$0.005 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Trustee”	Computershare Hong Kong Trustees Limited
“Vesting Conditions”	such conditions and manners as determined by the Board in relation to the vesting of the Awarded Shares
“Vesting Date”	in respect of a Selected Participant, the date on which the Selected Participant’s entitlement to the Awarded Shares accrues in accordance with the terms and conditions as imposed by the Board or is deemed to have accrued pursuant to the rules of the Share Award Scheme

“HK\$” Hong Kong dollars, the legal currency of Hong Kong

“%” per cent.

By order of the Board of
Hengdeli Holdings Limited
Zhang Yuping
Chairman

Hong Kong, 25 March 2015

As at the date of this announcement, the executive directors of the Company are Mr. Zhang Yuping (Chairman), Mr. Huang Yonghua and Mr. Lee Shu Chung Stan, the independent non-executive directors of the Company are Mr. Cai Jianmin, Mr. Wong Kam Fai William and Mr. Liu Xueling and the non-executive director of the Company is Mr. Shi Zhongyang.