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POU SHENG INTERNATIONAL (HOLDINGS) LIMITED

寶勝國際（控股）有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 3813)

SHARE AWARD SCHEME

The Board is pleased to announce that it has adopted the Scheme in which all personnel (including without limitation any Executive Directors) of the Group Company will be entitled to participate. Pursuant to the Scheme Rules, Shares will be acquired in the secondary market by the independent Trustee at the cost of the Company and be held in trust for the Selected Participants until the Shares are vested.

The number of Shares to be awarded under the Scheme throughout its duration is limited to two per cent of the issued share capital of the Company as at the date of grant of an award. The maximum number of Shares which may be granted to a Selected Participant (including vested and non-vested Shares) under the Scheme shall not exceed one per cent of the issued share capital of the Company from time to time.

The Board is pleased to announce that it has adopted the Scheme on the Adoption Date. A summary of some of the key Scheme Rules is set out below.

PURPOSES AND OBJECTIVES

To recognise the contributions by certain persons, including employees of the Group, and to provide incentives to retain them for the continual operation and development of the Group, and to attract suitable personnel for further development of the Group.

Administration

The Scheme shall be subject to the administration of the Board in accordance with the Scheme Rules. The Board may delegate the administration of the Scheme to a scheme execution team comprising of two (2) independent non-executive directors of the Company and one (1) executive director of the Company who is not a director of its controlling shareholder group including Yue Yuen, Pou Chen Corporation, Wealthplus Holdings Limited and Win Fortune Investments Limited.

Duration

Subject to any early termination determined by the Board, the Scheme shall be valid and effective for a term of 10 years commencing on the Adoption Date provided that no contribution to the trust fund will be made by the Company on or after the 10th anniversary date of the Adoption Date.

Maximum Limit

The Board shall not make any further award of Shares which will result in the aggregate number of shares awarded by the Board throughout the duration of the Scheme to be in excess of two per cent of the issued share capital of the Company as at the date of grant. The maximum number of Shares which may be awarded to a Selected Participant under the Scheme shall not exceed one per cent of the issued share capital of the Company from time to time.

Restrictions

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

Operation

Any proposed Award must be recommended by the Remuneration Committee and approved by the Board. Pursuant to the Scheme Rules, the Board shall cause to pay the Trustee the acquisition price and the related expenses from the Company's resources for acquisition of existing Shares in the secondary market for awards to be made to identified Selected Participants or in anticipation of awards to be made to future Selected Participants. The Trustee shall apply the money paid by the Company to purchase the maximum number of board lots of Shares at the prevailing market price. The Trustee shall hold such Shares until they are vested in the Selected Participant(s) in accordance with the Scheme Rules.

When the Selected Participant has satisfied all vesting conditions specified by the Board at the time of making the award and the Company has confirmed that such Selected Participant is entitled to the Shares forming the subject of the award, the Trustee shall transfer the relevant vested Shares to the grantee, or dispose of such awarded Shares in the market and transfer the net proceeds to such grantee within a reasonable time period as agreed between the Trustee and the Board from time to time.

Dividends

A Selected Participant shall have no right to any dividend held under the Trust which shall form part of the Residual Cash or any of the Returned Shares. Any Residual Cash and proceeds from the sale of Returned Shares may be applied towards (i) the fees, costs and expenses in connection with the adoption, administration and/or termination of the Trust and the Scheme; and (ii) the remainder, if any, to be returned to the Company.

Vesting and Lapse

Unless otherwise determined by the Board at its discretion, the awarded Shares shall vest in accordance with the conditions and timetable as set out in the relevant letter of award issued to the Selected Participant. Vesting of the awarded Shares will be conditional on:

- (i) the Selected Participant remaining an employee of a Group Company on a vesting date; and
- (ii) the Board has not determined to vary or cancel such an award for any reason (including but not limited to exceptionally poor performance, misconduct or material breach of the terms of employment or rules or policies of the Company).

An award shall not vest on a Selected Participant if he has retired, resigned or been dismissed as an employee of a Group Company prior to a vesting date.

An award, to the extent not yet vested, shall automatically lapse forthwith and all the awarded Shares shall become Returned Shares when:

- (i) a Selected Participant has taken unpaid leave of absence and does not return to work before the expiry of 24 months from the original vesting date; or
- (ii) a Selected Participant ceases to be an employee of a Group Company; or
- (iii) the company employing the Selected Participant ceases to be a Group Company; 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 (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); or
- (v) a Selected Participant's employment is terminated for cause if the award has not been vested;

save that in the case when a Selected Participant who:

- (i) in the opinion of the Company, suffers a disability as a result of or in connection with performance of his duty during the course of his employment with a Group Company at any time prior to a vesting date and is unable to perform his duties; or
- (ii) has died during his employment with a Group Company,

all the awarded Shares referable to him shall be deemed to be vested, in the case of disability, on the date on which his employment ceases with the relevant Group Company, and in the case of death, on the day immediately prior to his death.

If a Selected Participant has taken unpaid leave of absence after an award has been granted and is referable to him, before the vesting date, the Board may at its discretion extend the vesting period of such unvested Award for the period of absence or such other period as may be determined by the Board.

In the event of the death of a Selected Participant, the Trustee shall hold the vested awarded Shares upon trust and to transfer the same to the legal personal representatives of the Selected Participant. Subject as aforesaid, the Trustee shall hold the vested interests or so much thereof not transferred within two years of the death of the Selected Participant (or such longer period as the Trustee and the Board shall agree from time to time) or the Trust Period (whichever is shorter) upon trust to transfer the same to the legal personal representatives of the Selected Participant. If the vested interests would otherwise become bona vacantia, the same shall be forfeited and cease to be transferable and shall be held as Returned Shares. Until transfer is made to the legal personal representatives, the vest interests may be retained, invested and dealt with by the Trustee as if they had remained part of the Trust.

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, unless otherwise determined by the Board, 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 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. Subject to the receipt by the Trustee of duly executed prescribed transfer documents on or before such time as the Trustee may determine, the Trustee shall transfer the awarded Shares to the Selected Participant.

Subject to the treatment of Returned Shares upon termination (as disclosed below), the Trustee shall hold Returned Shares exclusively for the benefit of all or one or more of the Eligible Participants (excluding any Excluded Participant) as it determines in its absolute discretion, after having taken into account the recommendations of the Board. When Returned Shares have been awarded, the Trustee shall notify the Board accordingly.

“Eligible Participant”	any employee (whether full time or part time), executive or officer, director (including any executive, non-executive and independent non-executive director) of a Group Company, who, in the sole discretion of the Board, has contributed or may contribute to the growth and development of the Group
“Excluded Participant”	any Eligible Participant who is resident in a place (a) where the settlement of cash to the Trustee for the acquisition of Shares awarded and 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 Scheme are not permitted under the laws and regulations of such place or (b) where in the view of the Board 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 Eligible Participant
“Group”	the Company and its Subsidiaries, and “Group Company” shall be construed accordingly
“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
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Related Non-cash Income”	all income derived from a Share held upon the Trust in the form of Shares (including but not limited to any bonus Shares and scrip Shares received in respect of the Share). For the avoidance of doubt, excluding any nil paid right, bonus warrant, cash and non-scrip distribution or proceeds of sale of the same or residual cash
“Remuneration Committee”	the remuneration committee of the Company
“Residual Cash”	being cash remaining in the trust fund in respect of an awarded Share (including interest income derived from deposits maintained with licensed banks in Hong Kong, cash income, sale proceeds and any awarded monetary amount which has not been applied in the acquisition of Shares)

“Returned Shares”	such awarded Shares and Related Non-cash Income which are not vested and/or forfeited in accordance with the terms of the Scheme, or such Shares being deemed to be Returned Shares
“Scheme”	the “Pou Sheng International (Holdings) Limited Share Award Scheme” adopted by the Board whereby awards of Shares may be made to Eligible Participants (such Shares being purchased by the Trustee) pursuant to the Trust Deed and the Scheme Rules, in its present form or as amended from time to time
“Scheme Rules”	the rules relating to the Scheme adopted by the Board
“Selected Participant(s)”	Eligible Participant(s) selected by the Board pursuant to the Scheme Rules and Eligible Participant(s) selected by the Trustee after having taken into consideration recommendations of the Board, for participation in the Scheme
“Shares”	ordinary shares of HK\$0.01 each in the capital of the Company (or of such other nominal amount as shall result from a sub-division, consolidation, reclassification or reconstruction of the share capital of the Company from time to time)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary”	a company which is for the time being and from time to time a subsidiary (within the meaning given under section 15 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)) of the Company, whether incorporated in Hong Kong or elsewhere
“Trust”	the trust constituted by the Trust Deed
“Trust Deed”	the trust deed dated 9 May 2014 entered into between the Company as settlor and the Trustee as trustee (as restated, supplemented and amended from time to time)

- “Trust Period” the period beginning with the Adoption Date and ending upon the first to happen of the following, namely:
- (a) of the tenth anniversary of the Adoption Date; or
 - (b) the date when 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); or
 - (c) the date as may be informed by the Company that the Scheme shall be terminated
- “Trustee” the trustee appointed by the Company for the purposes of the Trust, and initially, Computershare Hong Kong Trustees Limited (which is independent and not connected with the Company)
- “Yue Yuen” Yue Yuen Industrial (Holdings) Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange

By Order of the Board
Tsai David, Nai Fung
Chairman

Hong Kong, 9 May 2014

As at the date of this announcement, Mr. Tsai David, Nai Fung is the Chairman and Non-executive Director; Mr. Kwan, Heh-Der is the Chief Executive Officer and Executive Director; Mr. Wu, Pan-Tsu is the Executive Director; Ms. Tsai Patty, Pei Chun and Mr. Li I-nan are the Non-executive Directors; and Mr. Chen Huan-Chung, Mr. Chang Li Hsien, Leslie and Mr. Hsieh, Wuei-Jung are the Independent Non-executive Directors.

Website: www.pousheng.com