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KINGDOM
KINGDOM HOLDINGS LIMITED
金達控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 528)

ADOPTION OF SHARE AWARD PLAN

The Board is pleased to announce that it has adopted the Share Award Plan on 26 August 2016. The purpose of the Share Award Plan is to incentivize, recognize and reward Eligible Persons for their contribution to the Group, attract and retain personnel, and align the interests of Award Holders with that of the Shareholders to promote the long-term development and financial performance of the Company.

The Board may, from time to time and at its sole discretion, select any Eligible Person to participate in the Share Award Plan and determine the number of Shares to be awarded and the terms and conditions of the Awards. Awards shall be satisfied by Shares acquired in the market at the prevailing market price and no new Shares will be allotted and issued under the Share Award Plan. The Trustee shall hold the Awarded Shares on trust for the Award Holders until the Awarded Shares are vested in the relevant Award Holders according to the Share Award Plan Rules. Upon vesting, the Trustee shall either transfer the vested Awarded Shares at no cost to such Award Holders or sell the vested Awarded Shares at the then prevailing market price by way of market order and remit the net proceeds to the Award Holders in accordance with the direction given by such Award Holders.

Any grant of Award to a Selected Person which would result in the aggregate of (i) the number of Awarded Shares underlying all Awards (whether vested or not); and (ii) the number of Shares issued and to be issued upon exercise of options (whether exercised or outstanding) under any share option scheme adopted by the Company from time to time (including the Share Option Scheme), granted to such Selected Person in the 12-month period up to and including the date of grant of such Award exceeding 1% of the Shares in issue as at the date of grant of such Award shall be subject to the approval of the Shareholders in a general meeting.

The Share Award Plan does not constitute a share option scheme or an arrangement analogous to a share option scheme for the purposes of Chapter 17 of the Listing Rules. It is a discretionary award scheme of the Company.

INTRODUCTION

The Board is pleased to announce that it has adopted the Share Award Plan on 26 August 2016. The purpose and the principal terms of the Share Award Plan are summarized below.

THE SHARE AWARD PLAN

Purpose

The purpose of the Share Award Plan is to incentivize, recognize and reward Eligible Persons for their contribution to the Group, attract and retain personnel, and align the interests of Award Holders with that of the Shareholders to promote the long-term development and financial performance of the Company.

Administration

The Share Award Plan shall be subject to the administration of the Board in accordance with the Share Award Plan Rules and the Trust Deed.

Duration

Subject to early termination by the Board, the Share Award Plan shall be valid and effective for ten years commencing on the date of adoption of the Share Award Plan, being 26 August 2016, and ending on the Business Day immediately preceding the tenth anniversary of the date of adoption of the Share Award Plan.

Share Award Plan Limit

Any grant of Award to a Selected Person which would result in the aggregate of (i) the number of Awarded Shares underlying all Awards (whether vested or not); and (ii) the number of Shares issued and to be issued upon exercise of options (whether exercised or outstanding) under any share option scheme adopted by the Company from time to time (including the Share Option Scheme), granted to such Selected Person in the 12-month period up to and including the date of grant of such Award exceeding 1% of the Shares in issue as at the date of grant of such Award shall be subject to the approval of the Shareholders in a general meeting.

In any financial year of the Company, the maximum number of Shares acquired by the Trustee under the Share Award Plan shall not exceed 5% of the Shares in issue as at the beginning of such financial year.

Operation of the Share Award Plan

The Board may, from time to time and at its sole discretion, select any Eligible Person to participate in the Share Award Plan and determine the number of Shares to be awarded and the terms and conditions of the Awards. Awards shall be satisfied by Shares acquired in the market at the prevailing market price and no new Shares will be allotted and issued under the Share Award Plan. The Board may also, from time to time, give instructions to the Trustee to purchase Shares which the Trustee shall hold as reserve for any future grants of Awards. Acquisition of Shares under the Share Award Plan shall be funded by monies paid by the Company to the Trustee and any income of the Share Award Plan received by the Trustee.

The Trustee shall hold the Awarded Shares on trust for the Award Holders until the Awarded Shares are vested in the relevant Award Holders according to the Share Award Plan Rules.

When the vesting criteria and conditions (if any) have been met, the Awarded Shares shall be vested in the Award Holder. The Board shall notify the Trustee in writing confirming satisfaction of the vesting criteria and conditions (if any) and the number of Awarded Shares to be vested in the Award Holder. Upon receipt of the transfer documents and/or directions given by the Award Holder within the stipulated period, the Trustee shall either transfer the vested Awarded Shares at no cost to such Award Holder or sell the vested Awarded Shares in the market at the then prevailing market price by way of market order and remit the net proceeds to the Award Holders after deducting all applicable tax and expenses.

The Trustee shall not exercise the voting rights in respect of any Shares held under the Share Award Plan.

Restrictions

No Award shall be made to any Selected Person and no instructions shall be given to the Trustee to purchase Shares under the Share Award Plan when the Board is in possession of unpublished inside information in relation to any member of the Group or when dealings by directors are prohibited under any code or requirement of the Listing Rules or any applicable law from time to time.

Awards to Connected Persons

Where an offer of Award is proposed to be made to a connected person, the Company will comply with the applicable requirements of Chapter 14A of the Listing Rules.

Rights of Award Holders before Vesting

No Award Holder shall enjoy any right (including but not limited to voting and dividend rights) of a Shareholder until the relevant Awarded Shares are vested in the Award Holder. Any Awarded Shares vested in an Award Holder shall rank *pari passu* in all respects with the existing fully paid Shares in issue on the date on which those Awarded Shares are vested in the Award Holder.

Vesting

Awarded Shares shall be vested in an Award Holder in accordance with the Vesting Date(s) specified in the Award upon satisfaction of the vesting criteria and conditions (if any) specified by the Board in the offer of grant of the relevant Award.

In the event of a general or partial offer, share repurchase offer or scheme of arrangement or other transaction which may result in a change in control of the Company, all unvested Awarded Shares shall immediately become vested on the date on which the offer or arrangement becomes or is declared unconditional in all respects.

Where the Awarded Shares are not vested in accordance with the Share Award Plan Rules (including any lapse or cancellation of Awards), the relevant Awarded Shares will be returned to the pool of Shares held by the Trustee as reserve for any future grants of Awards.

Lapse of Awards

Unless the Board determines otherwise, an Award or part of an Award (as the case may be) that has not been vested will lapse immediately under the following circumstances:

- (a) the Award Holder dies;
- (b) the Award Holder resigns and ceases to be an employee of the Group;
- (c) the Award Holder is terminated for cause, including without limitation serious misconduct, bankruptcy and criminal conviction involving dishonesty;
- (d) as a result of the reorganization of the Company/Group, the Award Holder ceases to be an employee of the Group;
- (e) a resolution is passed for the voluntary winding-up of the Company; or
- (f) an order for the winding-up of the Company is made.

Cancellation of Awards

The Board may, at its sole discretion, cancel any Award that has not vested provided that the Award Holder is compensated by:

- (a) a payment by any member of the Group of an amount equal to the fair value of the cancelled Award as at the date of cancellation;
- (b) a replacement share award the value of which is equivalent to that of the cancelled Award; or
- (c) such other arrangement as the Award Holder and the Board may agree.

Termination

The Share Award Plan shall terminate on the earlier of (i) the expiry of the Share Award Plan; and (ii) such date of early termination as determined by the Board.

Upon termination, all unvested Awarded Shares shall immediately become vested in the Award Holders unless the relevant Award has lapsed or been cancelled in accordance with the Share Award Plan Rules. No further Awards shall be made and the Trustee shall sell all Shares (except for Awarded Shares vested in the Award Holders) and non-cash income held by it under the Share Award Plan and remit the net proceeds thereof to the Company.

LISTING RULES IMPLICATIONS

The Share Award Plan does not constitute a share option scheme or an arrangement analogous to a share option scheme for the purposes of Chapter 17 of the Listing Rules. It is a discretionary award scheme of the Company. No Shareholders' approval is required for the adoption of the Share Award Plan.

DEFINITIONS

In this announcement, the following expressions shall have the following meanings unless the context requires otherwise:

“Award”	an award of Shares by the Board to a Selected Person pursuant to the Share Award Plan, and “Awards” shall be construed accordingly
“Award Holder”	a Selected Person who has accepted an offer of Award in accordance with the Share Award Plan Rules, and “Award Holders” shall be construed accordingly
“Awarded Shares”	Shares the subject of any and all Awards made under the Share Award Plan
“Board”	the board of Directors
“Business Day”	a day (other than Saturday or Sunday) on which the Stock Exchange is open for the business of dealing in securities and on which banking institutions in Hong Kong are open generally for normal banking business
“Company”	Kingdom Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Eligible Person”	any executive or employee (whether full-time or part-time) of the Group, excluding the Directors, and “Eligible Persons” shall be construed accordingly
“Group”	the Company and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time

“Selected Person”	an Eligible Person selected by the Board to participate in the Share Award Plan
“Shares”	ordinary shares of HK\$0.01 each of the Company
“Shareholders”	holders of the Shares
“Share Award Plan”	the share award plan of the Company adopted by the Board on 26 August 2016, as amended from time to time
“Share Award Plan Rules”	the rules relating to the Share Award Plan, as amended from time to time
“Share Option Scheme”	the share option scheme adopted by the Company on 30 May 2016, as amended from time to time
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Trust Deed”	the trust deed entered into between the Company and the Trustee on 26 August 2016 for the administration of the Share Award Plan
“Trustee”	Acheson Limited, a company incorporated in Hong Kong with limited liability which is independent of and not connected with the Company or any of its connected persons
“Vesting Date”	the date on which the Awarded Shares are to vest

By Order of the Board
Kingdom Holdings Limited
Ren Weiming
Chairman

Hong Kong, 26 August 2016

As at the date of this announcement, the executive Directors are Mr. Ren Weiming, Mr. Shen Yueming, Mr. Zhang Hongwen and Ms. Shen Hong; the non-executive Director is Mr. Ngan Kam Wai Albert; and the independent non-executive Directors are Mr. Lau Ying Kit, Mr. Lo Kwong Shun Wilson and Mr. Yan Jianmiao.