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Stella International Holdings Limited
九興控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1836)

ADOPTION OF SHARE AWARD PLAN

The Board is pleased to announce that on 16 March 2017, the Board approved the adoption of a share award plan. The purposes of the Plan are to recognize and reward the contribution of Eligible Participants, to give incentives to Eligible Participants in order to retain them for the continual operation and development of the Group and to attract suitable personnel for further development of the Group.

The Plan does not constitute a share option scheme or an arrangement involving the grant of options to participants over new Shares or other new securities of the Company which is analogous to a share option scheme for the purpose of Chapter 17 of the Listing Rules and is not required to comply with the rules thereunder. No Shareholders' approval is required for the adoption of the Plan.

THE SHARE AWARD PLAN

The Board is pleased to announce that on 16 March 2017, the Board approved the adoption of the Plan. A summary of the principal terms of the Plan is set out in this announcement.

Purposes of the Plan

The purposes of the Plan are to recognise and reward the contribution of Eligible Participants to the growth and development of the Group, to give incentives to Eligible Participants in order to retain them for the continual operation and development of the Group and to attract suitable personnel for further development of the Group.

* *For identification purpose only*

Eligibility

Under the rules constituting the Plan, the following classes of participants (excluding the Excluded Participants) (the “**Eligible Participants**”) are eligible for participation in the Plan:

- (a) any employee (whether full time or part time, including any executive director but excluding any non-executive director) of the Company, any Subsidiary or any Invested Entity (an “**Employee**”);
- (b) any non-executive directors (including independent non-executive directors) of the Company, any Subsidiary or any Invested Entity;
- (c) any supplier of goods or services to any member of the Group or any Invested Entity;
- (d) any customer of any member of the Group or any Invested Entity;
- (e) any person or entity that provides design, research, development or other technological support to any member of the Group or any Invested Entity;
- (f) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity;
- (g) any adviser (professional or otherwise) or consultant to any area of business or business development of any member of the Group or any Invested Entity; and
- (h) any other group or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement to the development and growth of the Group,

and, for the purposes of the Plan, the Award may be made to any company wholly owned by one or more of the above participant. The eligibility of any of the Eligible Participants to an Award shall be determined by the Board from time to time on the basis of the Board’s opinion as to his contribution and/or future contribution to the development and growth of the Group.

Shares Pool

In order to satisfy any Award to be granted under the Plan from time to time, the Trustee shall maintain a Shares Pool which shall comprise the following:

- (a) such Shares as may be purchased by the Trustee on the Stock Exchange or off the market by utilising the funds allocated by the Board out of the Company’s resources;

- (b) such Shares as may be subscribed for by the Trustee by utilising the funds allocated by the Board out of the Company's resources, subject to the Company having obtained the requisite Shareholders' approval for the allotment and issue of new Shares, the grant of listing of and permission to deal in such Shares by the Stock Exchange, and compliance with the applicable requirements under the Listing Rules; and
- (c) such Shares as may be (i) transferred to the Trustee from any person (other than the Group) by way of gift, or (ii) purchased by the Trustee on the Stock Exchange or off the market by utilising the funds received by the Trustee from any person (other than the Group) by way of gift; and
- (d) such Shares which remain unvested and revert to the Trustee due to the lapse of the Award.

The Trustee may purchase the Shares on the Stock Exchange at the prevailing market price (subject to such maximum price as may be from time to time prescribed by the Board), or off the market. In the event that the Trustee effects any purchases by off-market transactions, the purchase price for such purchases shall not be higher than the lower of the following: (i) the closing market price on the date of such purchase, and (ii) the average closing market price for the five preceding trading days on which the Shares were traded on the Stock Exchange. No off-market purchases may be made with any connected person of the Company.

Award of Shares

The Board (or the Plan Administrator, as the case may be) shall, subject to and in accordance with these rules of the Plan, be entitled to make an Award out of the Shares Pool to a Selected Participant such number of Shares as it shall determine pursuant to the Plan.

In determining the number of Awarded Shares to be granted to any Selected Participant, the Board shall take into consideration matters including, but without limitation to:

- (a) the present contribution and expected contribution of the relevant selected Employee to the profits of the Group;
- (b) the general financial condition of the Group;
- (c) the Group's overall business objectives and future development plan; and
- (d) any other matter which the Board considers relevant.

The Board (or the Plan Administrator, as the case may be) will make Award of Shares only to the extent of unallocated Shares (i.e. Shares not being subject to any Award) available under the Shares Pool. The Board (or the Plan Administrator, as the case may be) shall notify the Trustee in writing upon the making of an Award under the Plan by giving the Trustee an award notice. The Trustee shall then set aside such number of Shares awarded from the Shares Pool and hold the same (excluding any dividends declared in respect of such Shares) on trust pending the vesting of the same to the Selected Participant.

The making of an Award to any connected person of the Company must be approved by a majority of the independent non-executive Directors at the relevant time and shall be subject to compliance with the applicable Listing Rules.

No Award may be made by the Board (or the Plan Administrator, as the case may be) during the periods as prescribed under the paragraph “Black-out Period” below.

Voting rights of the Shares in the Shares Pool

The Trustee shall not exercise the voting rights in respect of the Shares held under trust, including without limitations the Shares provisionally awarded under the Plan and Shares in the Shares Pool. The Selected Participants shall not have any right to receive any Awarded Shares set aside for them unless and until the Trustee has transferred and vested the legal and beneficial ownership of such Awarded Shares to and in the Selected Participants.

Equity issue

During the period after an Award has been made and before the Shares are vested in the Selected Participant, if the Company offers to Shareholders new Shares for subscription by way of rights, options or warrants and no amount is required to be payable by the Shareholders, the Trustee may, at its discretion and after consulting the Board, either sell or take steps to exercise any nil-paid rights, options or warrants allocated to it in respect of the Awarded Shares. The net proceeds of such sale (if so sold) shall be applied to subscription for and/or purchase of Shares for the Shares Pool. On the other hand, if the Company offers to the Shareholders new Shares for subscription by way of rights, options, warrants or open or preferential offer and consideration is required to be paid, the Trustee may, at its discretion and after consulting the Board, either decline to or take steps to take up, purchase and/or subscribe for such rights, options, warrants or open or preferential offer.

Vesting of the Awarded Shares

The Board (or the Plan Administrator, as the case may be) may from time to time, at its discretion, determine the earliest Vesting Date and any condition(s) or performance target(s) to be attained by the relevant Selected Participant, if any, subject to and upon which the Awarded Shares held by the Trustee upon trust and which are referable to a Selected Participant shall vest in that Selected Participant. Where the Vesting Date falls on a date when the Board is restricted from making any Award, the Vesting Date shall be postponed accordingly.

At any time prior to a Vesting Date:

- (a) if the Selected Participant is an Employee, and in the event of his ceasing to be an Employee by reason of his death before the Vesting Date, then unless the Board otherwise determines, all the Awarded Shares of the Selected Participant (to the extent not already vested) shall be deemed to be vested on the day immediately prior to his death; or
- (b) if the Selected Participant is an Employee and in the event of his ceasing to be an Employee by reason of his illness, disability or retirement in accordance with his contract of employment before the Vesting Date, then unless the Board otherwise determines, all the Awarded Shares of the Selected Participant (to the extent not already vested) shall be deemed to be vested on the last day on which the Selected Participant was at work with the Group or the Invested Entity (whether salary is paid in lieu of notice or not); or
- (c) if the Selected Participant is an individual who is not an Employee, and in the event of his ceasing to be an Eligible Participant by reason of his death before the Vesting Date, then unless the Board otherwise determines, all the Awarded Shares of the Selected Participant (to the extent not already vested) shall deem to be vested on the day immediately prior to his death; or
- (d) if the Selected Participant is an individual who is not an Employee, and in the event of his ceasing to be an Eligible Participant by reason of his illness or disability in accordance with any contract entered into between the Selected Participant or his associate on one part and any member of the Group or any Invested Entity on the other part before the Vesting Date, then unless the Board otherwise determines, all the Awarded Shares (to the extent not already vested) shall deem to be vested on the date on which the Selected Participant ceases to be an Eligible Participant.

Black-out Period

The Board may not (whether via the Plan Administrator or otherwise) make any Award, and may not give any instruction to the Trustee to acquire Shares for the purpose of increasing the Shares in the Shares Pool, when inside information has come to the Company's knowledge until such inside information has been published in accordance with the Securities and Futures Ordinance. In particular, during the period preceding the publication of financial results in which the Directors are prohibited from dealing in Shares pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as prescribed by the Listing Rules or any corresponding code or securities dealing restrictions adopted by the Company and up to the date of publication of the relevant financial results, no Award may be made and no instruction may be given by the Board to the Trustee to acquire Shares for the purpose of increasing the Shares in the Shares Pool (whether via the Plan Administrator or otherwise).

The Board may not (whether via the Plan Administrator or otherwise) make any Award to any Eligible Participant or give any instruction to the Trustee to acquire Shares for the purpose of increasing the Shares in the Shares Pool during the periods or times in which the Directors are prohibited from dealing in Shares pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as prescribed by the Listing Rules or any corresponding code or securities dealing restrictions adopted by the Company.

Lapse of Award

In the event that the Selected Participant ceases to be an Eligible Participant as a result of any Subsidiary or Invested Entity of the Company ceasing to be a Subsidiary or Invested Entity of the Company, then any Award made to such Selected Participant, to the extent not already vested, shall forthwith lapse and be cancelled.

An Award (or, as the case may be, the relevant part of an Award) shall, under the following circumstances and subject to the terms of the Plan, automatically lapse forthwith and all the Shares awarded (or, as the case may be, the relevant Shares awarded) shall become Returned Shares:

- (a) save for the circumstances as referred to in the paragraph headed "Vesting of the Awarded Shares" above, the Selected Participant (who is an Employee) ceases to be an Employee for whatever reason;

- (b) the Board shall at its absolute discretion determine in respect of a Selected Participant (other than a Selected Participant who is an Employee) that (a) the Selected Participant or his associate has committed any breach of any contract entered into between the Selected Participant or his associate on one part and any member of the Group or any Invested Entity on the other part as the Board may in its absolute discretion determine; or (b) the Selected Participant has committed any act of bankruptcy or has become insolvent or is subject to any winding-up, liquidation or analogous proceedings or has made any arrangement or composition with his creditors generally; or (c) the Selected Participant could no longer make any contribution to the growth and development of any member of the Group or the Invested Entity by reason of the cessation of its relationship with the Group or its Invested Entity or by any other reasons whatsoever;
- (c) an order for the winding-up of the Company is made or a resolution is passed for the voluntary winding-up of the Company;
- (d) a Selected Participant is found to be an Excluded Participant; or
- (e) a Selected Participant fails to return the duly executed transfer documents prescribed by the Trustee for the relevant Shares awarded under the Plan within the stipulated period.

Maximum number of Shares to be purchased and/or subscribed

In any given financial year of the Company, the maximum number of Shares to be subscribed for and/or purchased by the Trustee by utilising the funds to be allocated by the Board out of the Company's resources for the purpose of the Plan shall not exceed 2.5% of the total number of issued Shares as at the beginning of such financial year. None of the Board or the Plan Administrator shall instruct the Trustee to subscribe for and/or purchase any Shares for the purpose of the Plan when such purchase and/or subscription will result in such threshold being exceeded.

Rights attaching to the Awards and the Award Shares

An Award shall be personal to the Selected Participant and shall not be transferable or assignable and no Selected Participant shall in any way sell, transfer, charge, mortgage, encumber or otherwise dispose of or create any security or adverse interest in favour of any third party over or in relation to an Award.

The Selected Participants shall not have any right to receive any Awarded Shares set aside for them under any Award unless and until the Trustee has transferred and vested the legal and beneficial ownership of such Awarded Shares to and in the Selected Participants in accordance with the terms of the Plan. All dividends and other distributions, the sale proceeds of nil-paid rights, options or warrants allocated to the Trustee or other scrip dividends, in respect of any unvested Awarded Shares, shall be treated and dealt with as income of the trust fund under the Trust Deed generally upon termination of the Plan.

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

Alteration of the Plan

The Plan may be altered by the prior sanction of a Board resolution together with the prior written consent of the Trustee, provided that no such alteration shall operate to affect adversely any rights of any Selected Participant in respect of his Awarded Shares which remain unvested except with the consent in writing of the majority of the Selected Participants whose Awarded Shares remained unvested on that date as would be required of the holders of Shares under the articles of association of the Company (as adopted or amended from time to time) for a variation of the rights attached to such Shares.

Duration of the Plan and termination of the Plan

The Plan shall be valid and effective for a period of 10 years commencing from 16 March 2017 but may be terminated earlier as determined by the Board.

Upon termination of the Plan, if the Trustee holds any Share which has not been set aside in favour of any Selected Participant or retains any unutilised funds previously received for the purpose of increasing the Shares in the Shares Pool, then the Trustee shall sell such Shares and remit the proceeds of sale (after making appropriate deductions in respect of stamp duty and other costs, liabilities and expenses in accordance with the Trust Deed) together with such unutilised funds to the Company. Subject to the decision of the Board, all the Shares already awarded under an Award shall become vested on the Selected Participant so referable on the Vesting Date upon termination of the Plan.

IMPLICATIONS UNDER THE LISTING RULES

The Plan does not constitute a share option scheme or an arrangement involving the grant of options to participants over new Shares or other new securities of the Company which is analogous to a share option scheme for the purpose of Chapter 17 of the Listing Rules and is not required to comply with the rules thereunder. No Shareholders' approval is required for the adoption of the Plan.

DEFINITIONS

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

“associate”	has the meaning ascribed to it under the Listing Rules
“Award”	a provisional award of Awarded Shares made in accordance with the Plan
“Awarded Shares”	the Share(s) provisionally awarded to a Selected Participant pursuant to an Award
“Board”	the board of Directors
“Company”	Stella International Holdings Limited (九興控股有限公司*), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the main board of the Stock Exchange
“connected person”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Eligible Participant(s)”	has the meaning ascribed to it under the paragraph headed “The Share Award Plan – Eligibility” in this announcement
“Employee(s)”	has the meaning ascribed to it under the paragraph headed “The Share Award Plan – Eligibility” in this announcement
“Excluded Participant(s)”	any person 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 Shares pursuant to the terms of the Plan 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 applicable laws and regulations in such place make it necessary or expedient to exclude such person
“Group”	the Company and its Subsidiaries

“Invested Entity”	any entity in which any member of the Group holds any equity interest
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Plan”	the share award plan of the Company, which has become effective on 16 March 2017, as altered from time to time
“Plan Administrator”	such person(s) who (or, where appropriate, company(ies) (including its officer(s) and/or staff) which) has been delegated by the Board with the relevant power and authority to render support to the Board in connection with the implementation of the Plan
“Remuneration Committee”	the remuneration committee of the Board for the time being
“Returned Shares”	such Awarded Shares which are not vested and/or forfeited in accordance with the terms of the Plan, or such Shares being deemed to be Returned Shares
“Selected Participants”	any Eligible Participant for whom Shares have been provisionally set aside pursuant to an Award
“Shares”	shares of HK\$0.10 each in the capital of the Company
“Shareholders”	holders of the Shares
“Shares Pool”	the pool of Shares from which the Award shall be made
“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 of Division 4 of Part 1 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)) of the Company, whether incorporated in Hong Kong or elsewhere

“Trust Deed”	the trust deed to be entered into between the Company as settlor and the Trustee as trustee in respect of Shares and other trust fund (if any) held or to be held by the Trustee subject to the terms thereof, as amended from time to time
“Trustee”	such trustee or trustee as shall be from time to time appointed by the Company for the administration of the Shares and other trust fund to be held by the Trustee for the implementation of the Plan pursuant to and in accordance with the terms of the Trust Deed
“Vesting Date”	In relation to any Selected Participant, the date on which the legal and beneficial ownership of the Awarded Shares are transferred to and vested in such Selected Participant pursuant to an Award

By order of the Board
Stella International Holdings Limited
Chiang Jeh-Chung, Jack
Chairman

Hong Kong, 16 March 2017

As at the date of this announcement, the executive Directors are Mr. Chiang Jeh-Chung, Jack, Mr. Chao Ming-Cheng, Eric, Mr. Chen Li-Ming, Lawrence and Mr. Chi Lo-Jen and the independent non-executive Directors are Mr. Chen Johnny, Mr. Bolliger Peter, Mr. Chan Fu Keung, William, BBS, Mr. Yue Chao-Tang, Thomas and Mr. Lian Jie.