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ARTGO HOLDINGS LIMITED

雅高控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3313)

ADOPTION OF SHARE AWARD SCHEME

The Board resolved on 20 April 2015 to adopt the Scheme, pursuant to which Shares will be acquired by the Trustee by way of subscription of new Shares (whether pursuant to general mandate or specific mandate granted by the shareholders of the Company or otherwise) and/or purchase of Shares on the market out of cash contributed by the Group and be held in trust for the Eligible Participants until such Awarded Shares are vested in the relevant Selected Participants in accordance with the provisions of the Scheme.

The Scheme shall be subject to the administration of the Executive Committee and the Trustee in accordance with the Scheme Rules and the Trust Deed.

The Executive Committee shall not make any further Award which will result in the total number of the Shares awarded under the Scheme exceeding 10% of the total number of issued shares of the Company at the time of such Award.

The Scheme does not constitute a share option scheme within the meaning of Chapter 17 of the Listing Rules and is a discretionary scheme of the Company. The Scheme will run in parallel with the Company's existing share option scheme.

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The Executive Committee shall not make any further Award which will result in the total number of the Shares awarded under the Scheme exceeding 10% of the total number of issued shares of the Company at the time of such Award. The Executive Committee may make cash contributions to the Trust as it may determine from time to time.

The Company is in the process of identifying appropriate professional trustee to act as the Trustee for purpose of the Scheme. Further announcement will be made as and when the Trustee is formally appointed and the Trust Deed in relation to the Scheme is duly executed between the Company and the Trustee.

Implications under the Listing Rules and Corporate Governance

The Scheme does not constitute a share option scheme within the meaning of Chapter 17 of the Listing Rules and is a discretionary scheme of the Company. The Scheme will run in parallel with the Company's existing share option scheme adopted on 9 December 2013.

In connection with the implementation of the Scheme, the Executive Committee may, from time to time, instruct the Trustee to subscribe for new Shares and/or purchase Shares on the Stock Exchange. Selected Participants under the Scheme include any employee, director (including without limitation any executive, non-executive and independent non-executive Directors), officer, agent, consultant, supplier, customer, adviser, business partner or representative of any member of the Group or any other person as determined by the Executive Committee who the Executive Committee considers, in its absolute discretion, has contributed or will contribute to the business development of the Group but exclude any Excluded Participants.

The Scheme provides, among other things, that if any Award is proposed to be made to any Selected Participant who is a Director (including an independent non-executive Director), such Award must first be approved by all the members of the Remuneration Committee, or in the case where the Award is proposed to be made to any member of the Remuneration Committee, by all of the other members of the Remuneration Committee.

In addition, where any Award is proposed to be made to any Selected Participant who is a connected person within the meaning of the Listing Rules, the Company shall comply with such provisions of the Listing Rules as may be applicable, including any reporting, announcement and/or shareholders' approval requirements, unless otherwise exempted under the Listing Rules.

A summary of the Scheme Rules is set out below in this announcement.

Purpose

The Directors believe that the contribution of the Eligible Participants is one of the crucial elements to the continuing success of the Group. The adoption of the Scheme will allow the Company to reward Eligible Participants for their contributions to the Group, to provide competitive incentive package for retaining and attracting suitable personnel for the further development of the Group and to align the interests of the Eligible Participants with those of the shareholders of the Company.

Administration

The Scheme shall be subject to the administration of the Executive Committee and the Trustee in accordance with the Scheme Rules and the Trust Deed. The decision of the Executive Committee with respect to any matter arising under the Scheme (including the interpretation of any provision of the Scheme Rules) shall be final and binding. The Trustee will hold the shares in accordance with the terms of the Trust Deed.

Scheme Limit

The Executive Committee shall not make any further Award which will result in the total number of the Shares awarded under the Scheme exceeding 10% of the total number of issued shares of the Company at the time of such Award.

The maximum number of Awarded Shares which may be awarded to a Selected Participant under the Scheme shall not exceed 1% of the total number of issued shares of the Company at the time of such Award.

The maximum number of Awarded Shares which may be awarded to a Selected Participant who is an independent non-executive Director shall not exceed 0.1% of the total number of issued shares of the Company at the time of such Award and the aggregate value of which shall not exceed HK\$5,000,000 as at the date of the Award (based on the closing price of the Shares on the Business Day immediately preceding the date of Award).

Restrictions

No Award shall be made by the Executive Committee and no instructions to acquire any Shares shall be given to the Trustee under the Scheme where dealings in the Shares are prohibited under any code or requirement of the Listing Rules and all applicable laws (including the SFO) from time to time. Without limiting the generality of the foregoing, no such instruction is to be given and no such Award is to be made:

- (i) after an event involving inside information in relation to affairs or securities of the Company has occurred or a matter involving inside information in relation to the securities of the Company has been the subject of a decision of the Board, until such inside information has been publicly announced in accordance with the Listing Rules and other applicable laws and regulations;
- (ii) during the period of 60 days immediately preceding the publication date of the annual results of the Company or, if shorter, the period from the end of the relevant financial year up to the publication date of the results;
- (iii) during the period of 30 days immediately preceding the publication date of the half-year results of the Company or, if shorter, the period from the end of the relevant half-year period up to the publication date of the results; or
- (iv) in any circumstance which is prohibited under the Listing Rules, the SFO or any other laws or regulations or where any requisite approval from any governmental or regulatory authority has not been granted.

Operation

The Executive Committee may, from time to time, cause to be paid a Contributed Amount to the Trust by way of settlement or otherwise, which shall constitute part of the trust fund and properties held under the Trust for the benefit of the Eligible Participants, for the subscription of new Shares, purchase of existing Shares and other purposes set out in the Scheme Rules.

In connection with the implementation of the Scheme, the Executive Committee may, from time to time, instruct the Trustee to subscribe for new Shares and/or purchase Shares on the Stock Exchange and to hold them in trust for the benefit of the Selected Participants on and subject to the terms and conditions of the Scheme Rules and the Trust Deed. On each occasion when the Executive Committee instructs the Trustee to subscribe for new Shares and/or purchase Shares on the Stock Exchange, it shall specify the maximum amount of funds to be used and the range of prices at which such Shares are to be subscribed for and/or purchased. The Trustee may not incur more than the maximum amount of funds or subscribe for and/or purchase any Shares at a price falling outside the range of prices so specified unless with the prior written consent of the Executive Committee.

Subject to the Scheme Rules, including but not limited to the restrictions and scheme limits set out above, the Executive Committee may, from time to time, at its absolute discretion select any Eligible Participant (other than any Excluded Participant) for participation in the Scheme as a Selected Participant, and grant such number of Awarded Shares to any Selected Participant at no consideration on and subject to such terms and conditions as it may in its absolute discretion determine.

The Executive Committee is entitled to impose any conditions (including a vesting period on the Award before the Awarded Shares will be vested in the Selected Participant) as it deems appropriate in its absolute discretion with respect to the vesting of the Awarded Shares in the Selected Participant.

Lapse of the Award

Pursuant to the Scheme Rules, in the event that prior to or on the proposed vesting date, a Selected Participant is found to be an Excluded Participant or is deemed to cease to be an Eligible Participant due to the following circumstances, the relevant Award made to such Selected Participant shall automatically lapse forthwith and the relevant Awarded Shares shall not vest in such Selected Participant:

- (i) where such party has committed any act of fraud or dishonesty or serious misconduct, whether or not in connection with his employment or engagement by any member of the Group and whether or not it has resulted in his employment or engagement being terminated by the relevant member of the Group;
- (ii) where such party has been declared or adjudged to be bankrupt by a competent court or governmental body or has failed to pay his debts as they fall due (after the expiry of any applicable grace period) or has entered into any arrangement or composition with his creditors generally or an administrator has taken possession of any of his assets;

- (iii) where such party has been convicted of any criminal offence; or
- (iv) where such party has been convicted of or is being held liable for any offence under or any breach of the SFO or other securities laws or regulations in Hong Kong or any other applicable laws or regulations in force from time to time.

Voting Rights of the Trustee

The Trustee will not be permitted to attend and vote at any general meeting of the Company in respect of any Shares held by it under the Trust (if any) (including but not limited to the Awarded Shares, any bonus Shares and scrip Shares derived therefrom) and the Trustee will not be obligated to take instructions from the Board in relation to the voting of the Shares held by the Trustee under the Trust.

Duration and Termination

The Scheme came into effect on the Adoption Date, and shall terminate on the earlier of (i) the tenth anniversary date of the Adoption Date; and (ii) such earlier date as determined by a resolution of the Board. Termination of the Scheme shall not affect any subsisting rights of any Selected Participant under the Scheme.

Definition

Unless otherwise defined, the following expressions in this announcement have the following meanings:

“Adoption Date”	20 April 2015, being the date on which the Board adopted the Scheme Rules for the establishment of the Scheme;
“Award”	an award of Awarded Shares by the Executive Committee pursuant to the Scheme Rules to a Selected Participant;
“Awarded Share(s)”	in respect of a Selected Participant, such number of Shares awarded by the Executive Committee;
“Board”	the board of directors of the Company;
“Business Day”	a day (other than Saturday) on which the Stock Exchange is open for trading and on which banks are open for business in Hong Kong;
“Company”	ArtGo Holdings Limited (雅高控股有限公司), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Stock Exchange (Stock Code: 3313);

“Contributed Amount”	cash paid or made available to the Trust by way of settlement or otherwise contributed by the Company or any Subsidiary to the Trust as determined by the Executive Committee from time to time;
“Director(s)”	director(s) of the Company;
“Eligible Participant(s)”	any employee, director (including without limitation any executive, non-executive and independent non-executive Directors), officer, agent, consultant, supplier, customer, adviser, business partner or representative of any member of the Group or any other person as determined by the Executive Committee who the Executive Committee considers, in its absolute discretion, has contributed or will contribute to the business development of the Group;
“Executive Committee”	a committee of the Board delegated with the power and authority to administer the Scheme, comprising executive Directors appointed by the Board from time to time;
“Excluded Participant(s)”	any Eligible Participant who is resident in a place where the award of the Awarded Shares and/or the vesting and transfer of the Awarded Shares pursuant to the terms of the Scheme is not permitted under the laws or regulations of such place or where in the view of the Executive Committee (as the case may be), compliance with applicable laws or regulations in such place makes it necessary or expedient to exclude such Eligible Participant;
“Group”	the Company and its Subsidiaries from time to time and “member of the Group” means any one of them;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Remuneration Committee”	the remuneration committee of the Company;
“Scheme”	the “Share Award Scheme of ArtGo Holdings Limited” constituted by the Scheme Rules, in its present form or as amended from time to time in accordance with the provisions of the Scheme Rules;

“Scheme Rules”	the rules relating to the Scheme adopted by the Board in its present form or as may be amended from time to time;
“Selected Participant(s)”	Eligible Participant(s) (other than the Excluded Participant (s)) selected by the Executive Committee pursuant to the Scheme Rules for participation in the Scheme;
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong);
“Share(s)”	ordinary shares of HK\$0.01 each in the share 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(ies)”	has the meaning ascribed to it in the Listing Rules;
“Trust”	the trust to be constituted by a Trust Deed to be executed between the Company and the Trustee;
“Trust Deed”	a trust deed to be entered into between the Company and the Trustee (as restated, supplemented and amended from time to time) in respect of the appointment of the Trustee for the administration of the Scheme.
“Trustee”	the trustee to be appointed by the Company for purposes of the Scheme.

By order of the Board
ArtGo Holdings Limited
Liu Chuanjia
Chairman and Executive Director

Xiamen, The People’s Republic of China, 20 April 2015

As at the date of this announcement, the executive Directors are LIU Chuanjia, WU Wenzhen, LI Dingcheng and HAN Yingfeng, the non-executive Director is WU Yun, and the independent non-executive Directors are LIU Jianhua, WANG Hengzhong and JIN Sheng.