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Anxin-China Holdings Limited
中國安芯控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1149)

ADOPTION OF SHARE AWARD SCHEME

The Board is pleased to announce that it has adopted the Scheme as a means to provide the Selected Employees with incentives in order to retain them for the continual operation and development of the Group and attract suitable personnel for further development of the Group.

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

The Board shall not make any further award of Awarded Shares which will result in the aggregate nominal value of the Shares awarded by the Board under the Scheme exceeding ten per cent. of the issued share capital of the Company at the time of such Award.

The maximum aggregate nominal value of Awarded Shares which may be awarded to a Selected Employee under the Scheme shall not exceed two per cent. of the issued share capital of the Company at the time of such Award.

THE SCHEME

The Board has approved the adoption of the Scheme on 8 April 2013. The Scheme shall be subject to the administration of the Board, the Committee and the Trustee in accordance with the Scheme Rules and the Trust Deed.

The Scheme involves existing Shares and the Board hopes generally to encourage employees of the Group to have, through Shares awarded under the Scheme, a direct financial interest in the long-term success of the Group.

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

PURPOSES

The purposes of the Scheme are to recognise the contribution made by certain employees of the Group and to provide Selected Employees with incentives in order to retain them for the continual operation and development of the Group and attract suitable personnel for further development of the Group.

DURATION AND ADMINISTRATION

Unless terminated earlier by the Board in accordance with the Scheme Rules, the Scheme shall be valid and effective for a term of 10 years commencing on the Adoption Date.

OPERATION

The Board may from time to time cause to be paid a Contributed Amount to the Trust by way of settlement or otherwise contributed by the Company or such other person as directed by the Board which shall constitute part of the Trust Fund, for the purchase of Shares and other purposes set out in the Scheme Rules and the Trust Deed.

The Committee may from time to time instruct and inform the Trustee in writing to purchase Shares and whether the Shares should be (i) purchased on the Stock Exchange, (ii) acquired by subscription from the Company or (iii) purchased on the Stock Exchange by any licensed securities dealers instructed by the Company and subsequently delivered to the Trustee or otherwise (as the case may be) subject to and in accordance with the Listing Rules. Once purchased, the Shares are to be held by the Trustee for the benefit of Employees under the Trust on and subject to the terms and conditions of the Scheme and the Trust Deed. On each occasion when the Committee instructs the Trustee to purchase Shares, it shall specify the maximum amount of funds to be used and the range of prices at which such Shares are to be purchased. The Trustee may not incur more than the maximum amount of funds or purchase any Shares at a price falling outside the range of prices so specified unless with the prior written consent of the Committee.

As soon as practicable after receiving the notice setting out the instructions from the Company and during such period until being notified by the Committee to suspend or cease the purchase, the Trustee shall apply such amount of Residual Cash towards the purchase of such maximum board lot of Shares at the prevailing market price according to the instructions set out in the notice. The Trustee shall also pay the related purchase expenses (including for the time being, the brokerage fee, stamp duty, the Securities and Futures Commission transaction levy, Stock Exchange trading fee) and such other necessary expenses required for the completion of the purchase of the Shares out of the Residual Cash. The Shares so purchased and the remaining balance of any Residual Cash shall form part of the Trust Fund. The Trustee is not obliged to purchase any Shares unless it has received the necessary cleared funds from the Company or has sufficient funds in the Trust to undertake the purchase of such Shares.

The Trustee shall keep the Committee informed from time to time of the number of Shares purchased and the price at which those Shares have been purchased. If, for any reason, the Trustee shall not be able to purchase any or all of the Shares with the maximum amount of funds (where a the range of prices at which such Shares are to be purchased has been specified by the Committee) so specified in the notice within 10 Business Days on which the trading of the Shares has not been suspended on the Stock Exchange after being instructed by the Committee to do so, the Trustee shall notify the Committee in writing. The Committee shall then decide on whether to instruct the Trustee to continue with such purchase.

The Scheme will operate in parallel with the Company's Share Option Scheme adopted on 3 November 2003 which will continue to be valid and exercisable subject to and in accordance with the terms of the Share Option Scheme.

The intention of the Scheme is that Shares will be awarded, with the approval of the Board, to Selected Employees based on, inter alia, the employee's work performance and such other matters that the Board considers relevant.

It is intended that Shares awarded under the Scheme will be offered to the Selected Employee to take up the relevant Shares for no consideration but subject to certain conditions (including vesting conditions) to be decided by the Board at the time of grant of the Shares awarded under the Scheme. Details of the grant of the Shares awarded under the Scheme will be provided in the offer letters to be issued by the Company to the Awardees and also in the written instructions to the Trustee, subject always to compliance with the Listing Rules, Takeovers Code and any other applicable laws and regulations.

LAPSE OF ENTITLEMENT DUE TO CESSATION OF EMPLOYMENT

An Awardee under the Scheme who ceases for any reason to be an employee of any Group company, whether by voluntary resignation or dismissal or otherwise (but other than in the event of death, normal retirement or early retirement by agreement with the relevant Group company), any unvested Award to such Awardee shall automatically lapse forthwith.

DIVIDENDS

The Trustee will hold all dividends received on the trust fund as income of the trust fund.

EXERCISE OF VOTING RIGHTS IN RESPECT OF THE SHARES AWARDED

The Rules of the Scheme provide that the Trustee shall only exercise the voting rights and powers in respect of any Shares held by it as nominee or under the Trust in accordance with the instructions of the Company until such Shares have been transferred to the relevant Selected Employee.

NO TRANSFER OF RIGHTS IN THE SHARES AWARDED BY AWARDEES

Any Award made under the Scheme is personal to the Awardee to whom it is made and is not assignable. No Awardee shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any other person over or in relation to the Shares referable to him pursuant to such Award before such Award has been vested to him.

EQUITY ISSUES

If there is a rights issue, the Trustee shall sell such amount of the nil-paid rights allotted to it as is appropriate and the net proceeds of sale of such rights shall be held as income of the trust and applied in the subscription of rights shares under the rights issue.

If there is an open offer of new securities, the Trustee shall not subscribe for any new Shares.

If there is a bonus warrant issue, the Trustee shall not subscribe for any new Shares by exercising any of the subscription rights attached to the bonus warrants and shall sell the bonus warrants created and granted to it, the net proceeds of sale of such bonus warrants shall be held as income of the trust.

CHANGE IN CONTROL

In the event of a takeover, merger, scheme of arrangement, share repurchase or other event, in any such case resulting in a change in control of the Company (each a “Change in Control Event”) is proposed to all the holders of the Shares, all the Shares awarded and its related income 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 of those Shares. For this purpose, “control” shall have the meaning as specified in Takeovers Code from time to time.

SCHEME LIMITS

The Board shall not make any further award of Awarded Shares which will result in the aggregate nominal value of the Shares awarded by the Board under the Scheme exceeding ten per cent. of the issued share capital of the Company at the time of such Award.

The maximum aggregate nominal value of Awarded Shares which may be awarded to a Selected Employee under the Scheme shall not exceed two per cent. of the issued share capital of the Company at the time of such Award.

DISCLOSURE OF ON-MARKET TRANSACTIONS

The Company will disclose in its annual report and interim report information relating to the Scheme by analogy with the disclosure requirements (to the extent applicable to the Scheme) under the Listing Rules. The Company will also disclose by way of announcement on the day immediately following the date on which the Trustee effected purchases of Shares on the market, information on the total number of Shares purchased by the Trustee in the previous day, the purchase price per Share or the highest and lowest prices paid for such purchases.

TERMINATION

The Scheme terminates on the earlier of (if not extended) the 10th anniversary of the Adoption Date or such date of early termination as decided by the Board. Any termination will be without prejudice to any subsisting rights of any Awardees under the Scheme.

Upon termination, (i) all the Shares awarded shall become vested on the Selected Employees so referable on such date of termination save for the case of lapse of the Selected Employee's entitlement to the Award under those circumstances as set out in the Scheme, subject to the receipt by the Trustee of the transfer documents prescribed by the Trustee and duly executed by the Selected Employees; (ii) such Shares awarded which are not vested and/or forfeited under the Scheme shall be sold by the Trustee, within twenty eight (28) Business Days (on which the trading of the Shares has not been suspended), or such longer period as the Trustee and the Board may otherwise determine; and (iii) the net proceeds of sale referred to in (ii) above and such other funds remaining in the Trust Fund managed by the Trustee shall be remitted to the Company forthwith.

IMPLICATIONS UNDER THE LISTING RULES

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.

Shares may be awarded to Selected Employees who are connected persons of the Group. If Shares are awarded to connected persons of the Group, those awards may constitute connected transactions under Chapter 14A of the Listing Rules and where they do the Company will comply with the relevant requirements under the Listing Rules. If the grant of an award to a director of the Company under the Scheme will form part of the remuneration of the relevant director under his service contract, this grant will be exempted from the reporting, announcement and independent shareholders' approval requirements under rule 14A.31(6) of the Listing Rules. However, any grant to any director or senior management of the Company must first be approved by the Committee.

DEFINITIONS

“Adoption Date”	means the date on which the Scheme is adopted by the Board;
“Awardee”	means those Selected Employees selected by the Board for participation in the Scheme;
“Awarded Share(s)”	in respect of a Selected Employee, such number of Shares awarded by the Board;
“Board”	means the board of directors of the Company at the relevant time;
“Business Day”	means a day (other than a Saturday) on which the Stock Exchange is open for trading and on which banks are open for business in Hong Kong;
“Committee”	the share award committee of the Company, being a sub-committee of the Board delegated with the power and authority to administer the Scheme, comprising Directors and other officers as may be appointed by the Board from time to time;

“Contributed Amount”	cash paid or made available to the Trust by way of settlement or otherwise contributed by the Company and such other person to the Trust as determined by the Board from time to time;
“Employee”	any employee (including without limitation any executive director) of any member of the Group;
“Excluded Employee”	any Employee 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 Board or the Committee or the Trustee (as the case may be), compliance with applicable laws or regulations in such place makes it necessary or expedient to exclude such Employee;
“Group”	means the Company and its subsidiaries and “Group company” means any one of them;
“Listing Rules”	means the Rules Governing the Listing of Securities on the Stock Exchange as amended, modified or supplemented from time to time;
“Offer Date”	means the date of the relevant offer letter issued to an Awardee under the Scheme;
“Residual Cash”	cash in the Trust Fund (including without limitation (i) any Contributed Amount or any remaining amount; (ii) any cash income or dividends derived from Shares held under the Trust; (iii) other cash income or net proceeds of sale of non-cash and non-scrip distribution derived from or in respect of the Shares held under the Trust; and (iv) all interest or income derived from deposits maintained with licensed banks in Hong Kong) which has not been applied in the acquisition of any Shares;

“Scheme”	means the employees’ share award scheme adopted by the Board on Adoption Date as may be amended from time to time;
“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 Employee”	means any senior management employee, including without limitation the director, executive, officer and manager-grade employee, whether full time or part time, of any member of the Group from time to time, save for those excluded employees as determined by the Board or the Trustee (as the case may be);
“Shares”	means ordinary shares of HK\$0.10 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”	means The Stock Exchange of Hong Kong Limited;
“Takeovers Code”	means the Code on Takeovers and Mergers published by the Securities and Futures Commission as may be amended and in force from time to time;
“Trust”	the trust constituted by the Trust Deed;
“Trust Deed”	means the trust deed to be executed between the Company and the Trustee (as restated, supplemented and amended from time to time);

“Trust Fund”

the funds and properties held under the Trust and managed by the Trustee for the benefit of the Employees (other than the Excluded Employees), including without limitation:

- (a) all Shares acquired by the Trustee for the purpose of the Trust out of the Residual Cash and such other scrip income (including but not limited to bonus Shares and scrip dividends declared by the Company) derived from the Shares held upon the Trust;
- (b) any Residual Cash;
- (c) any Awarded Shares or other property to be vested or not vested with the Selected Employee under the terms of the Scheme; and
- (d) all other properties from time to time representing (a), (b) and (c) above; and

“Trustee”

means Bank of Communications Trustee Limited, a company incorporated in Hong Kong, which is independent and not connected with the Group.

By Order of the Board
Anxin-China Holdings Limited
Liu Zhongkui
Chairman and Chief Executive Officer

Hong Kong, 9 April 2013

Website: www.anxin-china.com.hk

As at the date of this announcement, the executive directors of the Company are Mr. Liu Zhongkui, Mr. Wang Bo, Mr. Lin Supeng and Mr. Yang Ma; the non-executive directors of the Company are Mr. Adiv Baruch and Mr. Wang, John Peter Ben and the independent non-executive directors of the Company are Mr. Cheung Chuen, Mr. Xie Baitang and Mr. Chen Feng.