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同方康泰產業集團有限公司
Tongfang Kontafarma Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1312)

ADOPTION OF SHARE AWARD SCHEME

The Board is pleased to announce that it has, on 20 September 2016, resolved to adopt the Scheme, pursuant to which the Company may grant Awarded Shares to Selected Employees. The purpose of the Scheme is to recognise the contributions made by the Selected Employees, to provide the Selected Employees with incentives in order to retain them for the continual operation and development of the Group and to attract suitable personnel for the growth and further development of the Group.

The Scheme shall be subject to the administration of the Board in accordance with the Scheme Rules. The Awards to the Selected Employees shall be satisfied by Shares acquired by the Trustee on the Stock Exchange from time to time.

The Board shall not make any further Award which will result in the total number of the Awarded Shares exceeding 10% of the total number of issued Shares as at the Adoption Date and the total number of the Shares to be awarded to a Selected Employee under the Scheme shall not exceed 1% of the total number of issued Shares as at the Adoption Date.

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.

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

Purpose

The directors of the Company believe that the contribution of the Selected Employees is one of the crucial elements to the continuing success of the Group. The adoption of the Scheme will allow the Company to recognise contributions made by the Selected Employees and to provide the Selected Employees with incentives in order to retain them for the continual operation and development of the Group and to attract suitable personnel for the growth and further development of the Group.

Selected Employees under the Scheme include without limitation, the directors, executives, officers and other employees, whether full-time or part-time, of any member of the Group from time to time who the Board considers, in its absolute discretion, has contributed or will contribute to the business development of the Group but exclude any Excluded Employee.

Administration

The Scheme shall be subject to the administration of the Board in accordance with the Scheme Rules. The Board may, from time to time, delegate its power and authority to a committee or sub-committee to administer the Scheme. If a Selected Employee or his/her associate is a member of the Board, such person or his/her associate will abstain from voting on any approval by the Board of an Award to him/her.

The Board may, by passing resolutions, act through any one or more of its members or the company secretary of the Company as its authorised representative to give instructions or notices to the Trustee on all matters in connection with the Scheme and other matters in the routine administration of the Trust.

The Company shall comply with all applicable disclosure regulations and requirements including without limitation those imposed by the Listing Rules from time to time. The Trustee shall during the Trust Period hold the Scheme Shares, the Awarded Shares and their related income and the Residual Cash in accordance with the terms of the Scheme Rules and the Trust Deed. The Board may from time to time issue implementation and operation manual for the Scheme.

Operation

The Awards shall be satisfied by Shares acquired by the Trustee on the Stock Exchange from time to time. The Company may from time to time issue an instruction letter to the Trustee stating the number of the Scheme Shares (in board lots) to be acquired and cause to be paid to the Trustee an amount sufficient for the acquisition of the Scheme Shares. The Trustee shall, within twenty-eight (28) Business Days (or such longer period as the Trustee and the Company may agree from time to time having regard to the circumstances of the purchase concerned) from the date of receipt of the instruction letter issued by the Company to the Trustee, apply such amount to acquire on the Stock Exchange the required number of Scheme Shares at the then prevailing market price and shall hold the Scheme Shares until they are awarded to the Selected Employees as Awarded Shares and vested in the Selected Employees in accordance with the Scheme Rules and the Trust Deed.

The Board may, from time to time, at its sole and absolute discretion, select any Employee, other than the Excluded Employee, as Selected Employee for participation in the Scheme.

The Board is entitled to impose from time to time additional vesting conditions, as it deems appropriate in its sole and absolute discretion with respect to the entitlement of the Selected Employees to the Awarded Shares and Related Income. In this connection, the Board may (but is not obliged to) take into consideration matters including the business prospects and the general financial condition of the Group as well as the working conditions and performance of the Employees. The Company may also impose lock up conditions in relation to the Awarded Shares awarded to the Selected Employees as it deems appropriate.

Restrictions

Prior to the Vesting Date, any Award made shall be personal to the Selected Employee to whom it is made and shall not be assignable and no Selected Employee shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any other person over or in relation to either the Awarded Shares or Related Income referable to him/her pursuant to such Award.

No Award shall be made by the Board and no instructions to acquire Shares (whether it is Scheme Shares or otherwise) shall be given to the Trustee under the Scheme where any director of the Company is in possession of unpublished inside information in relation to the Group or the Company's securities, or where dealings by directors of the Company are prohibited under any code or requirement of the Listing Rules and all applicable laws, rules and regulations 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:

- (a) 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, until such inside information has been publicly announced in accordance with the applicable laws and the Listing Rules;
- (b) on the publication date of the annual results for any financial period of the Company and during the period of 60 days immediately preceding such publication date or, if shorter, the period from the end of the relevant financial period up to the publication date of the results;
- (c) on the publication date of the quarterly results (if any) and half-year results for any financial period of the Company and during the period of 30 days immediately preceding such publication date or, if shorter, the period from the end of the relevant quarterly or half-year period of the financial period up to the publication date of the results; and
- (d) in any circumstances which is prohibited under the Listing Rules, the SFO or any other law or regulation or where any requisite approval from any governmental or regulatory authority has not been granted.

Lapse of the Award

Pursuant to the Scheme Rules, each unvested Award to the relevant Selected Employee shall automatically lapse forthwith and all the unvested Awarded Shares and Related Income shall not be vested in the relevant Selected Employee but shall become part of the trust fund in the event that any one or more of the following events shall occur before the relevant Vesting Date:

- (a) a Selected Employee ceases to be an Employee, whether by voluntary resignation or dismissal or otherwise or a notice of termination of employment of such Selected Employee has been served (whether by the Selected Employee or any member of the Group) (but other than in the event of death, normal retirement or early retirement by agreement of the Selected Employee as referred to in the Scheme Rules);

- (b) a Selected Employee, either alone or jointly with another person, works as director, manager, agent, consultant, partner, or employee of a Competitor;
- (c) a Selected Employee becomes a shareholder holding five percent (5%) or more of the issued share capital of a Competitor;
- (d) a Selected Employee is found to have given advantages or benefits (whether in monetary term or otherwise and the interpretation of “advantages” and “benefits” shall be determined by the Board at its sole and absolute discretion) to a Competitor;
- (e) the Subsidiary of the Company by which a Selected Employee is employed or engaged ceases to be a Subsidiary of the Company (or of a member of the Group);
- (f) a Selected Employee 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;
- (g) a Selected Employee 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 in Hong Kong or in another jurisdiction;
- (h) a Selected Employee 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; or
- (i) an order for the winding-up of the Company is made or a resolution is passed for the voluntary winding-up of the Company (other 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).

The Selected Employee shall have no claims against the Company or the Trustee for loss of the Awarded Shares and Related Income. For the avoidance of doubt, after the Awarded Shares and the Related Income are vested on a Selected Employee, such Selected Employee shall be entitled to such vested Awarded Shares and Related Income absolutely notwithstanding the occurrence of any of the events set out in (a) to (i) above after the Vesting Date.

The relevant part of an Award made to a Selected Employee shall automatically lapse forthwith and the relevant Awarded Shares and Related Income shall not be vested in such Selected Employee but shall become and for all intents and purposes be deemed to become part of the trust fund for the purposes of the Scheme in the event that any one or more of the following events shall occur before the relevant Vesting Date:

- (a) a Selected Employee is found to be an Excluded Employee; or
- (b) a Selected Employee fails to return duly executed transfer documents prescribed by the Trustee for the relevant Awarded Shares and Related Income within the stipulated period.

Voting Rights of the Trustee

The Trustee shall not exercise the voting rights in respect of any Scheme Shares or Awarded Shares or Related Income held by it as nominee or under the Trust.

Scheme Limit

The Board shall not make any further Award which will result in the total number of Awarded Shares awarded and approved by the Board under the Scheme, to be in excess of 10% of the total number of issued Shares as at the Adoption Date.

The maximum number of Awarded Shares which may be awarded to a Selected Employee under the Scheme shall not exceed 1% of the total number of issued Shares as at the Adoption Date.

As the total number of Shares in issue was 4,950,000,000 Shares as at the Adoption Date, the maximum number of Awarded Shares that may be awarded under the Scheme is 495,000,000 Shares and the maximum number of Awarded Shares that may be awarded to a Selected Employee is 49,500,000 Shares.

Duration and Termination

The Scheme shall be valid and effective from the Adoption Date and shall terminate on the earlier of (if not extended) (i) the tenth (10th) anniversary date of the Adoption Date; and (ii) such date of early termination as determined by the Board provided that such termination shall not affect any subsisting rights of any Selected Employee under the Scheme.

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. The Scheme will run in parallel with the Company's existing share option scheme adopted on 28 April 2011.

Where any Awarded Share is proposed to be awarded to connected persons of the Company, the Company shall comply with the relevant requirements under Chapter 14A of the Listing Rules unless otherwise exempted under the Listing Rules.

Definition

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

“Adoption Date”	20 September 2016, the date on which the Scheme was approved and adopted by the Board;
“associate”	has the meaning ascribed to it under the Listing Rules;
“Award”	an award of Shares (together with any Related Income) by the Board to a Selected Employee pursuant to the terms of the Scheme;

“Awarded Shares”	the Shares to be awarded to a Selected Employee as determined by the Board;
“Board”	the board of directors of the Company;
“Business Day”	any day (excluding a Saturday, Sunday and public holiday) on which the Stock Exchange is open for trading and on which banks are generally open for business in Hong Kong;
“Company”	Tongfang Kontafarma Holdings Limited (formerly known as “Allied Cement Holdings Limited”), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange (Stock Code: 1312);
“Competitor”	any person, the business of which is in substantial competition with the business carried on by any member of the Group as from time to time determined by the Board at its sole and absolute discretion;
“connected person”	has the meaning ascribed to it under the Listing Rules;
“Employee”	any employee, including without limitation, the director, executive, officer and other employees, whether full-time or part-time, of any member of the Group from time to time;
“Excluded Employee”	any Employee who is resident in a place where, as determined by the Board or the Trustee (as the case may be), the grant, vesting and/or settlement of the Awarded Shares and Related Income pursuant to the terms of the Scheme at the time of the proposed grant, vesting and/or settlement 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 the applicable laws and regulations of such place makes it necessary or expedient to exclude such Employee;
“Group”	the Company and its Subsidiaries and “ member of the Group ” shall be construed accordingly;
“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 as amended, modified or supplemented from time to time;
“Related Income”	in relation to the Awarded Shares, all cash dividends and cash distributions, bonus shares and scrip shares received in connection with the relevant Awarded Shares;

“Residual Cash”	the cash remaining in the trust fund held up by the Trustee in respect of the Scheme not derived from the Awarded Shares or the Scheme Shares, including interest income derived from deposits maintained with banks in Hong Kong;
“Scheme”	the share award scheme of the Company approved and adopted by the Board on the Adoption Date, 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, as amended, modified or supplemented from time to time;
“Scheme Shares”	the Shares to be acquired by the Trustee pursuant to the instruction of the Board from time to time for the purpose of the Scheme and kept for the time being in the pool of the trust fund until awarded to the Selected Employees as Awarded Shares;
“Selected Employee”	any Employee selected by the Board for the Award in accordance with the Scheme Rules or (where the context so permits) the legal personal representative of such deceased Selected Employee;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time;
“Shares”	the shares of par value of HK\$0.002 each in the share capital of the Company, or, if there has been a sub-division, reduction, consolidation, reclassification or reconstruction of the share capital of the Company, the shares forming part of the ordinary equity share capital of the Company of such nominal amount as shall result from any such sub-division, reduction, consolidation, reclassification or reconstruction;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subsidiary”	has the meaning ascribed to such term in Section 2 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), whether incorporated in Hong Kong or elsewhere and “ Subsidiaries ” shall be construed accordingly;
“Trust”	the trust constituted by the Trust Deed;

“Trust Deed”	the trust deed to be entered into between the Company and the Trustee (as restated, supplemented and amended from time to time) in respect of, inter alia, the constitution of the employee share award trust pursuant to the Scheme and the appointment of the Trustee for the administration of the Scheme;
“Trust Period”	has the meaning set out in the Trust Deed;
“Trustee”	Acheson Limited, a company incorporated in Hong Kong with limited liability, and any additional or replacement trustees, being the trustee or trustees for the time being of the Trust under the Trust Deed;
“Vesting Date”	shall be the date(s) determined by the Board and set out in the offer letter to a Selected Employee when the Board makes a grant of Award to him/her under the Scheme;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong; and
“%”	per cent.

By order of the Board of
Tongfang Kontafarma Holdings Limited
Huang Yu
Chairman

Hong Kong, 20 September 2016

As at the date of this announcement, the Board comprises three executive directors, namely Mr. Huang Yu (Chairman), Mr. Ng Qing Hai (Managing Director) and Mr. Zhang Yi and three independent non-executive directors, namely Mr. Chan Sze Chung, Mr. Zhang Ruibin and Mr. Zhang Junxi Jack.