

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



Lam Soon (Hong Kong) Limited

(Incorporated in Hong Kong with limited liability)

(Stock Code: 411)

CONNECTED TRANSACTIONS - GRANT OF SHARE OPTIONS

On 28 June 2013, the Company granted Options in respect of a total of 14,600,000 Shares to the Group Managing Director of the Company and eligible executives including directors of certain LSHK's subsidiaries pursuant to the Scheme.

The grant of options in respect of up to 9,200,000 Shares to the Group Managing Director and directors of certain LSHK's subsidiaries constituted connected transactions for LSHK under Chapter 14A of the Listing Rules. Details of such grant of Options will be included in the relevant annual report and accounts of LSHK in compliance with Rule 14A.45 of the Listing Rules.

GRANT OF OPTIONS

The Board of the Company announces that the Company granted Options in respect of a total of 14,600,000 Shares on 28 June 2013 pursuant to the Scheme to the Group Managing Director of the Company and eligible executives including directors of certain LSHK's subsidiaries as follows:-

<u>Name of Grantee</u>	<u>No. of Shares under the Options</u>
(i) Joseph LEUNG, Group Managing Director	5,000,000
(ii) Directors of LSHK's subsidiaries	4,200,000
(iii) Other eligible executives	<u>5,400,000</u>
Total	<u>14,600,000</u>

The vesting of the Options is subject to the achievement of the prescribed financial and performance targets and the contribution criteria to be met by the Grantees for the financial periods from 1 July 2012 to 30 June 2014 and from 1 July 2014 to 30 June 2017. At the end of the relevant performance period, the Board Remuneration Committee of the Company shall determine, at its discretion, the extent of achievement of the financial and performance targets and contribution criteria set out for that period, and decide on the vesting of the Options and the number of Shares comprised in the vested Options. Thereafter, the Grantees shall be notified of the vesting of the Options and shall be able to exercise the vested Options within an exercise period of up to 30 months following the vesting of the Options.

The exercise price for each Share under the Options is HK\$4.62, which was determined based on the highest of (i) the average closing price of a Share as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the Date of Grant; (ii) the closing price of a Share as stated in the Stock Exchange's daily quotations sheet on the Date of Grant; and (iii) the nominal value of a Share. The market price of the Shares on the Date of Grant was HK\$4.58. Based on the exercise price, the aggregate consideration payable by the Connected Grantees to acquire the Shares upon exercise of the Options will be HK\$42,504,000.

RATIONALE

The purposes of granting Options to the Grantees pursuant to the Scheme include aligning the Grantees' long-term interests with those of the Shareholders, to encourage and motivating them to assume greater responsibility for performance of the businesses they manage as well as to attract and retain high caliber executives that are valuable to the Company.

In view of the potential benefits to LSHK and the Shareholders, the Directors (including the independent non-executive Directors) consider that the terms and conditions of the grant of Options are on normal commercial terms, and it is fair and reasonable and in the interests of LSHK and the Shareholders as a whole.

CONNECTED TRANSACTIONS

The Group Managing Director of the Company and directors of LSHK's subsidiaries are connected persons of LSHK under the Listing Rules. The Scheme allows the grant of Options over newly issued and/or existing LSHK Shares. The grant of Options to the Connected Grantees constituted connected transactions for the Company under Chapter 14A of the Listing Rules.

Since the applicable percentage ratios under the Listing Rules in respect of the grant of Options to the Connected Grantees on the Date of Grant exceed 0.1% but are less than 5%, such grant of Options is only subject to the announcement requirements under Chapter 14A of the Listing Rules. Details of such grant of Options will be included in the Company's next published annual report and accounts in compliance with Rule 14A.45 of the Listing Rules.

INFORMATION ON LSHK

LSHK's principal activity is investment holding. The principal activities of LSHK's subsidiaries include manufacturing, trading and processing of edible oil, detergent products, flour products in Hong Kong, the People's Republic of China and Macau.

SHAREHOLDERS' APPROVAL

The grant of Options to Mr. Joseph LEUNG, the Group Managing Director of the Company, was approved by the independent non-executive directors of the Company in accordance with the Rule 17.04(1) of the Listing Rules.

Pursuant to the relevant provisions of the Listing Rules, the total number of Shares to be acquired by an individual upon exercise of options granted to that individual (including both exercised and outstanding options) in any 12-month period should not exceed 1% (i.e. approximately 2.43 million Shares) of the Shares in issue. While the grant of Options for 2.43 million Shares to the Group Managing Director of the Company is within this limit, the Options for the remaining 2.57 million Shares (the "Excess Grant") were granted conditional upon the approval of Shareholders in general meeting as required under the Listing Rules and the terms of the Scheme.

The Board proposes to seek Shareholders' approval on the Excess Grant at the forthcoming 2013 annual general meeting or such other general meeting of the Company, whichever is earlier.

DEFINITIONS

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

“Board”	the board of directors of the Company
“Company or LSHK”	Lam Soon (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange
“Connected Grantees”	Group Managing Director of the Company and directors of LSHK’s subsidiaries
“Date of Grant”	28 June 2013
“Directors”	the directors of the Company
“Grantee(s)”	The Group Managing Director of the Company and eligible executives including directors of certain LSHK’s subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of the Hong Kong Special Administrative Region of the People’s Republic of China
“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
“Macau”	the Macao Special Administrative Region of the People’s Republic of China
“Options”	the options granted by LSHK on the Date of Grant pursuant to the Scheme
“Scheme”	The Executive Share Option Scheme 2013 of LSHK
“Share(s)”	ordinary share(s) of HK\$1.00 each in the share capital of LSHK
“Shareholders”	holders of Shares of LSHK
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

By Order of the Board
CHENG Man Ying
Company Secretary

Hong Kong, 28 June 2013

As at the date of this announcement, the Board of the Company comprises:

Chairman:

Mr. KWEK Leng Hai

Group Managing Director:

Mr. Joseph LEUNG

Non-Executive Directors:

Dr. WHANG Sun Tze

Mr. TAN Lim Heng

Mr. TSANG Cho Tai

Independent Non-Executive Directors:

Mr. LO Kwong Chi, Clement

Mr. LO Kai Yiu, Anthony

Mr. AU Chee Ming