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**天伦燃气**  
**TIANLUN GAS**

**China Tian Lun Gas Holdings Limited**

**中國天倫燃氣控股有限公司**

*(incorporated in the Cayman Islands with limited liability)*

**(Stock code: 01600)**

#### **ADOPTION OF SHARE AWARD SCHEME**

The Board is pleased to announce that the adoption of the Scheme was approved on 26 August 2021. The purposes of the Scheme are (i) to improve the Group's incentive system, align the interests of Participants with the Group's interest, and encourage them to create long-term value for the Group and the Shareholders; (ii) to attract and motivate professional talents to enhance and promote the Group's sustainable and healthy development.

Subject to any early termination as may be determined by the Board pursuant to the Scheme Rules, the Scheme shall be valid and effective up till the 10<sup>th</sup> anniversary date of the Adoption Date. The Board shall not make any further award of Awarded Shares which will result in the aggregate number of the Shares awarded by the Board under the Scheme exceeding 5% of the issued share capital of the Company from time to time.

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

The conditions for granting shares will consider various operational indicators such as being in line with the interests of the Group and the Shareholders, including but not limited to the growth rates of revenue, total gas retail sales volume and core profit of the Group.

The Scheme does not constitute a share option scheme pursuant to Chapter 17 of the Listing Rules. No shareholders' approval is required to adopt the Scheme.

## **ADOPTION OF SHARE AWARD SCHEME**

The Board announces that, on 26 August 2021, the Company has adopted the Scheme. A summary of the major terms of the Scheme is set out below:

### **(1) Purposes and Objectives**

The purposes of the Scheme are:

- (i) to improve the Group's incentive system, align the interests of Participants with the Group's interest, and encourage them to create long-term value for the Group and the Shareholders; and
- (ii) to attract and motivate professional talents to enhance and promote the Group's sustainable and healthy development.

### **(2) Participants of the Scheme**

Participants shall cover (i) any of the directors and senior management of any members of the Group; and (ii) any of the employees of any members of the Group.

### **(3) Administration**

The Scheme shall be subject to the administration of the Board and the Trustee in accordance with the Scheme Rules and the Trust Deed. Subject to the terms of the Trust Deed and the Scheme, the Board may instruct the Trustee on such terms and conditions as the Board determines, to acquire or subscribe for the Selected Participant(s) the Awarded Shares and hold such Awarded Shares together with any income derived therefrom on behalf of the Selected Participant(s). The decisions of the Board with respect to any matter arising under the Scheme (including the interpretation of any provisions) shall be final and binding. The Trustee shall hold the Trust Fund in accordance with the terms of the Trust Deed.

### **(4) Scheme Limit**

The Board shall not make any further award of Awarded Shares which will result in the aggregate number of the Shares awarded by the Board under the Scheme exceeding 5% of the issued share capital of the Company from time to time. For the avoidance of doubt, the Awards lapsed in accordance with the terms of the Scheme will not be counted for the purpose of calculating the limit of the Scheme.

The maximum number of shares which may be awarded to a Selected Participant under the Scheme shall not exceed 1% of the issued share capital of the Company in any 12-month period.

**(5) Operation of the Scheme**

Pursuant to the Scheme Rules, the Board may, from time to time, at its absolute discretion select any Participant (other than Excluded Participants) to participate in the Scheme as a Selected Participant and determine, at its absolute discretion, the Awards to be granted subject to relevant terms and conditions (including but not limited to, where applicable, the vesting of Awarded Shares to Selected Participants at a consideration payable by such Selected Participants as may be determined by the Board).

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

After the completion of the purchase of Shares pursuant to the Scheme Rules, the Trustee shall inform the Board the number of Shares purchased and the price at which those Shares have been purchased. The Shares so purchased and any balance of the funds after completion of the purchase shall form part of the Trust Fund, and such Shares are to be held by the Trustee for the benefit of Selected Participants under the Trust on and subject to the terms and conditions of the Scheme.

Subject to the Scheme Rules, in the event that the new Shares are to be allotted and issued as Awarded Shares for the purpose of the Trust, the Board shall cause an amount equal to the total issue price of such new Shares to be allotted and issued be transferred from the Company's resources prior to the allotment and issuance of such Shares as subscription monies for the new Shares and arrange to issue and allot such new Shares to the Trustee at such issue price as shall be determined by the Board, and such new Shares shall be held upon trust for the relevant Selected Participant subject to the terms and conditions as set out in the Scheme Rules and the Trust Deed.

## **(6) Vesting of Awarded Shares**

The Board is entitled to impose any conditions as it deems appropriate in its absolute discretion with respect to the vesting of the Awarded Shares on the Selected Participants. Meanwhile, the conditions for granting shares will consider various operational indicators such as being in line with the interests of the Group and the Shareholders, including but not limited to:

- (a) the present contribution and expected contribution of the relevant Selected Participant to the profits of the Group;
- (b) the general financial and operational indicators of the Group, such as the growth rates of revenue, total gas retail sales volume, and core profit of the Group;
- (c) the Group's overall business objectives and future development plan; and
- (d) any other matter which the Board considers relevant.

Subject to the terms and conditions of the Scheme and the fulfilment of all vesting conditions to the vesting of Awarded Shares on Selected Participant, the respective Awarded Shares held by the Trustee on behalf of the Selected Participant shall vest in such Selected Participant in accordance with the relevant vesting schedule (if any), and the Trustee shall arrange for the Awarded Shares to be transferred to such Selected Participant.

In respect of a Selected Participant who died or retired by agreement with a member of the Group at any time prior to or on the Vesting Date, all the Awarded Shares of the relevant Selected Participant shall be deemed to be vested on the day immediately prior to his death or the day immediately prior to his retirement with the relevant member of the Group.

## **(7) Lapse of Award**

In the event (i) a Selected Participant ceases to be a Participant, or (ii) the subsidiary by which a Selected Participant is employed ceases to be a subsidiary of the Company, or (iii) an order for the winding-up of the Company or a resolution is passed for the voluntary winding-up of the Company (otherwise than for the purpose of, and followed by, a solvent amalgamation or reconstruction in such circumstances that substantially the whole of the undertaking, assets and liabilities of the Company pass to a successor company) or (iv) a Selected Participant is found to be an Excluded Participant or deemed to cease to be a Participant or (v) a Selected Participant fails to return duly executed transfer documents prescribed by the Trustee for the relevant Awarded Shares within the stipulated period, the relevant part of an Award made to such Selected Participant shall automatically lapse

forthwith and the relevant Awarded Shares and related income thereof shall not vest in that Participant on the relevant Vesting Date but shall be held by the Trustee for the benefit of all or one or more of the Participants (excluding any Excluded Participant) as the Board in its absolute discretion shall at any time determine.

**(8) Restriction**

No Award shall be made by the Board and no instructions to acquire any Shares shall be given to the Trustee under the Scheme where dealings in Shares are prohibited under any code or requirement of the Listing Rules or any applicable laws and regulations from time to time.

**(9) Voting Rights**

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 the Awarded Shares, any bonus Shares and scrip Shares derived therefrom).

**(10) Alteration of the Scheme**

The Scheme may be amended in any respect by a resolution of the Board, provided that no such amendment shall have material and adverse effects on any subsisting rights of any Selected Participant except with the consent in writing of the majority of the Selected Participants whose Awarded Shares (including any Related Income) remained unvested on that date. Written notice of any amendment to the Scheme shall be given to all Selected Participants and the Trustee.

**(11) Duration and Termination**

The Scheme shall terminate on the earlier of:

- (i) the 10<sup>th</sup> anniversary date of the Adoption Date;
- (ii) the date when an order for the winding-up of the Company is made or a resolution is passed for the voluntary winding-up of the Company; and
- (iii) such date of early termination as determined by the Board by a resolution of the Board,

provided that such termination shall not affect any subsisting rights of any Selected Participant.

Upon termination of the Scheme, no further grant of Awarded Shares may be made under the Scheme, and all Awarded Shares granted to the Selected Participants under the Scheme shall continue to be held by the Trustee and become vested in the Selected Participants according to the conditions of the Award.

Upon the expiry of the Trust Period, all Shares (excluding any Awarded Shares to be vested in the Selected Participants) remaining in the Trust Fund shall be sold by the Trustee according to the Scheme Rules, and all the net proceeds from sale (after deducting the relevant selling costs, liabilities and expenses) shall be remitted to the Company. For the avoidance of doubt, the Trustee may not transfer any Shares to the Company, nor may the Company hold any Shares as otherwise (other than its interests in the proceeds from sale of such Shares).

## **LISTING RULES IMPLICATIONS**

Given that the Scheme does not involve the grant of share options over any new Shares of the Company, the Scheme therefore does not constitute a share option scheme pursuant to Chapter 17 of the Listing Rules and is not required to comply with the relevant rules. No shareholders' approval is required to adopt the Scheme.

Where any grant of Awarded Shares is proposed to be made to any person who is a connected person of the Company, the Company shall comply with the applicable requirements of the Listing Rules. Where, for the purpose of the Trust, any Awarded Shares are to be allotted and issued as new Shares, the Company shall comply with the applicable Listing Rules when allotting and issuing any new Shares, and an application shall be made to the Listing Committee of the Stock Exchange for the granting of the listing of, and permission to deal in, the new Shares to be issued at the time of offering the Shares.

## **DEFINITIONS**

Unless the context otherwise requires, capitalised terms used in this announcement shall have the following meanings:

“Adoption Date”	26 August 2021, being the date on which the Board adopted the Scheme Rules for the establishment of the Scheme
“Award”	an award of the Awarded Shares by the Board to a Selected Participant pursuant to the Scheme

“Awarded Share(s)”	in respect of a Selected Participant, such number of Shares as awarded by the Board
“Board”	the board of directors of the Company and for the purpose of the Scheme, if the context so permits, it shall include such committee or sub-committee or person(s) as from time to time delegated with the power and authority by the board of directors of the Company to administer the Scheme
“Company”	China Tian Lun Gas Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1600)
“Contributed Amount”	cash paid or made available to the Trust by way of settlement or otherwise contributed by the Company or any of its Subsidiaries as permitted under the Scheme to the Trust as determined by the Board from time to time
“Directors”	directors of the Company
“Excluded Participant(s)”	any 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 Board or the Trustee (as the case may be), compliance with applicable laws or regulations in such place makes it necessary or expedient to excluded such Participant
“Group”	the Company, its subsidiaries and any entities under the management control of the Company or any of its subsidiaries from time to time and “member of the Group” means any or a specific one of them
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“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 of Hong Kong Limited
“Participant(s)”	at any time during the Scheme Period, any of the (i) directors and senior management of any member the Group; and (ii) employees of any member of the Group
“Scheme”	the share award scheme of the Company adopted by the Board on 26 August 2021, as amended from time to time
“Scheme Period”	means the period beginning with the Adoption Date and ending upon the first to happen of the following, namely: <ul style="list-style-type: none"> <li>(a) the 10<sup>th</sup> anniversary date of the Adoption Date;</li> <li>(b) the date when an order for the winding-up of the Company is made or a resolution is passed for the voluntary winding-up of the Company; or</li> <li>(c) such date of early termination as determined by the Board</li> </ul>
“Scheme Rules”	the rules relating to the Scheme, as amended from time to time
“Selected Participants”	Participant(s) selected by the Board for participation in the Scheme and who has been granted an Award pursuant to the Scheme
“Share Option Scheme”	the share option scheme conditionally adopted by the Company on 28 October 2020
“Share(s)”	ordinary share(s) of HK\$0.01 each in the capital of the Company (or of such other nominal amount as shall result from a sub-division, consolidation, reclassification, reduction or reconstruction of the share capital of the Company from time to time)
“Shareholder(s)”	holder(s) of the Shares



“Subsidiary(ies)”	a company which is for the time being and from time to time a subsidiary (within the meaning given under section 15 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)) of the Company, whether incorporated in Hong Kong or elsewhere
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Trust”	the trust constituted by the Trust Deed
“Trust Deed”	the trust deed dated 26 August 2021 made and entered into 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 Selected Participants (other than the Excluded Persons)
“Trust Period”	means the period beginning with the Adoption Date and ending upon the first to happen of the following, namely: <ul style="list-style-type: none"> <li>(a) 26 August 2031, being the 10<sup>th</sup> anniversary date of the Adoption Date;</li> <li>(b) the date when an order for the winding-up of the Company is made or a resolution is passed for the voluntary winding-up of the Company; or</li> <li>(c) such date of early termination as determined by the Board</li> </ul>
“Trustee”	DL Securities (HK) Limited, and any additional or replacement trustees, being the trustee or trustees for the time being of the trusts declared in the Trust Deed

“Vesting Date”

in respect of a Selected Participant, the date on which his entitlement to the Awarded Shares is vested in such Selected Participant in accordance with the Scheme

By order of the Board  
**China Tian Lun Gas Holdings Limited**  
**Zhang Yingcen**  
*Chairman*

Zhengzhou, the PRC, 26 August 2021

*As at the date of this announcement, the executive Directors are Mr. Zhang Yingcen (Chairman), Mr. Xian Zhenyuan (Chief Executive), Mr. Liu Min and Ms. Li Tao; the non-executive director is Ms. Chen Hong; and the independent non-executive Directors are Mr. Liu Jin, Mr. Li Liuqing, Mr. Yeung Yui Yuen Michael, Ms. Zhao Jun, and Ms. Ou Yaqun.*