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HANS ENERGY COMPANY LIMITED

漢思能源有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 554)

ADOPTION OF THE SHARE AWARD SCHEME

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The Board is pleased to announce that on 15 April 2019, it has adopted the Scheme in order to retain Participants and to encourage them to make contributions to the growth and development of the Group. The Scheme will terminate on the tenth anniversary of the Adoption Date or such earlier date as the Board may determine in accordance with the Scheme Rules.

Pursuant to the Trust Deed, the Board may, from time to time remit funds to the Trustee for the purposes of the Scheme, and such money will form part of the Trust fund. The Board may instruct the Trustee to purchase or to subscribe for the number of Shares underlying the Award from the open market (either on-market or off-market) and the Trustee shall hold such Shares on trust for the Participants until they are vested in accordance with the Scheme Rules.

LISTING RULES IMPLICATIONS

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. No shareholders' approval is required for the adoption or implementation of the Scheme.

As at the date of this announcement, no funds have been remitted by the Board to the Trustee for purposes of the Scheme, and no Awards have been granted under the Scheme.

ADOPTION OF THE SHARE AWARD SCHEME

The Board is pleased to announce that it has adopted the Scheme on the Adoption Date. A summary of the Scheme is set out below:

Purposes and objectives

Pursuant to the Scheme Rules, the Grantor may grant an Award to anyone who is an employee, director, or consultant of any member of the Group, who, in the sole opinion of the Board, will contribute or has contributed to the growth and development of the Group on the award date. The purposes of the Scheme is to retain Participants and to encourage them to make contributions to the growth and development of the Group.

Administration

The Scheme is subject to the administration of the Board in accordance with the Scheme Rules.

The Board will engage one or more Trustees in the process of granting, administering and/or vesting any Awards, and the Board may at its discretion delegate such powers and/or functions relating to the administration of the Scheme to the Trustee as the Board thinks fit.

Duration

The Scheme will terminate on the tenth anniversary of the Adoption Date or such other date as the Board may determine in accordance with the Scheme Rules. After termination, no further Awards may be granted, but termination will not affect Awards previously granted.

Maximum limit

The number of Shares which may be held by the Trust at any one time (taken together with all unvested awarded Shares granted under the Scheme Rules) shall not be more than 5% of the total number of Shares in issue at that time.

Restrictions

No instructions and no payments to purchase Shares shall be given to the Trustee when the Company is in possession of unpublished inside information in relation to the Company or where dealings by Directors are prohibited under any code or requirement of the Listing Rules, and any other applicable laws from time to time.

Pursuant to the Scheme Rules, the Board may also not grant any Award:

- (i) to an employee of any member of the Group who on the date of award has given or received notice of termination of employment, whether or not such termination is lawful, unless the Board considers that special circumstances exist;
- (ii) to any director, chief executive or substantial shareholder of any member of the Group or a close associate (each as defined under the Listing Rules) of any of them, or otherwise a core connected person of the Company within the meaning under the Listing Rules, if such Award would cause the total Shares held by public to fall below 25%. (or such other percentage as being the minimum required percentage prescribed under the Listing Rules) of the total number of issued Shares at any time;
- (iii) to any Director during the period in which dealings in Shares by such Director is prohibited pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as prescribed by the Listing Rules, all applicable laws from time to time, or any corresponding code or securities dealing restrictions adopted by the Company;
- (iv) when the Company is in possession of unpublished inside information in relation to the Company; and/or
- (v) where such grant would result in a breach by any member of the Group or its directors of any applicable laws, rules or regulations (including, but not limited to, the Listing Rules).

Operation

Pursuant to the Trust Deed, the Board may, from time to time remit funds to the Trustee for the purposes of the Scheme, and such money will form part of the Trust fund. The Board may instruct the Trustee to purchase or to subscribe for Shares underlying the Award from the open market (either on-market or off-market) and the Trustee shall hold such Shares on trust for the Participants until they are vested in accordance with the Scheme Rules.

Pursuant to the Scheme Rules, subject to the restrictions set out in the paragraph headed “Restrictions” in this announcement, the Board may grant an Award to anyone who is an employee, director, or consultant of any member of the Group, who, in the sole opinion of the Board, will contribute or has contributed to the growth and development of the Group at any time.

Vesting and lapse

The Board has a discretion to determine the terms of the Award, including the Grantor of the Award, the number of Shares subject to the Award, the vesting conditions, the date when the Award will vest, and whether the Award will carry rights to dividends paid between the date of the Award and the vesting date. Detailed terms of the Award will be set out in the grant letter to be issued to each Participant after the date of the Award.

Within 30 days of an Award vesting, the Grantor will send a vesting notice to each of the relevant Participants, and the Grantor will direct and procure the issue or transfer of the number of Shares in respect of which the Award has vested to the Participant.

Pursuant to the Scheme Rules, the Award will automatically lapse when a Participant leaves employment before the relevant vesting date, and unless the Board determines otherwise, may lapse to the extent that the vesting conditions are not satisfied by the Participant.

If there is an event of change in control of the Company either by way of a general offer, a privatisation or a scheme of arrangement, or a resolution is passed for voluntary winding up of the Company, the vesting of any Award will be accelerated.

Related income

A Participant will not have any right to receive any dividends (unless otherwise specified by the Board in the grant letter), and will not have any other rights of a shareholder until Shares subject to an Award are actually transferred to such Participant.

Voting rights

A Participant is not entitled to vote in respect of the Shares underlying the Award unless and until such Shares are actually transferred to the Participant.

The Trustee shall not exercise the voting rights in respect of any Shares held under the Trust (including but not limited to the Shares underlying the Award, and further Shares acquired out of the income derived therefrom).

Termination

Pursuant to the Trust Deed, upon expiration of the Trust Period, the Trustee shall transfer any Shares subject to vested Awards to Participants in accordance with the Scheme Rules, and sell or otherwise dispose of such other Shares and non-cash income remaining in the Trust fund to the extent permissible by the prevailing market conditions and remit or transfer the net proceeds of sale, residual cash and such other assets and property remaining in the Trust fund to the Company.

Listing Rules implications

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. No shareholders' approval is required for the adoption or implementation of the Scheme.

As at the date of this announcement, save for the initial funds required to establish the Trust, no other funds have been remitted by the Board to the Trustee for purposes of purchasing or subscribing for Shares under the Scheme, and no Awards have been granted under the Scheme.

In connection with the implementation of the Scheme, the Board may, from time to time, instruct the Trustee to subscribe for new Shares and/or purchase Shares from the open market. Where any Award will be satisfied by new Shares to be allotted and issued by the Company to the Trustee under a general mandate or specific mandate, applications will be made by the Company to the listing committee of the Stock Exchange for the listing of, and permission to deal in the new Shares on the Stock Exchange. Where any Award is proposed to be granted to any Participant who is a connected person, the Company shall comply with such provisions of the Listing Rules as may be applicable, including any reporting, announcement and/or independent shareholders' approval requirements, unless otherwise exempted under the Listing Rules.

DEFINITIONS

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

“Adoption Date”	15 April 2019, being the date on which the Board adopted the Scheme
“Awards”	a conditional right to acquire Shares granted under the Scheme
“Board”	the board of directors of the Company
“Company”	Hans Energy Company Limited, a limited liability company incorporated in the Cayman Islands, whose Shares are listed on the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“Director(s)”	director(s) of the Company
“Grantor”	in respect of an Award, the entity which is liable to satisfy an Award which, in the absence of any determination to the contrary by the Board, will be the Company

“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Listing Rules”	the Rules Governing the listing of securities on the Stock Exchange
“Participant(s)”	a person holding an Award, or his or her personal representatives
“Scheme”	the share award scheme adopted by the Board on 15 April 2019 whereby Award may be granted to the Participants pursuant to the Trust Deed and the Scheme Rules
“Scheme Rules”	the rules relating to the Scheme, in its present form or as amended from time to time in accordance with the Trust Deed
“Shares”	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”	The Stock Exchange of Hong Kong Limited
“Trust”	the trust constituted by the Trust Deed
“Trustee”	Unity Trust Limited (which is independent and not connected with the Company and connected persons of the Company), and any replacement trustees from time to time appointed under the Trust Deed
“Trust Deed”	a trust deed entered into between the Company as settlor, and the Trustee as trustee on 21 February 2019 (as restated, supplemented and amended from time to time)
“Trust Period”	shall have the meaning defined in the Trust Deed

By order of the Board
Hans Energy Company Limited
David An
Chairman

Hong Kong, 15 April 2019

As at the date of this announcement, the Board comprises four executive directors, namely Mr. David An (Chairman), Mr. Yang Dong, Ms. Liu Zhijun and Mr. Zhang Lei and three independent non-executive directors, namely Mr. Li Wai Keung, Mr. Chan Chun Wai, Tony and Ms. Hai Hiu Chu.

website: www.hansenergy.com