

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.



CHINA GAS HOLDINGS LIMITED

中國燃氣控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 384)

ADOPTION OF SHARE AWARD SCHEME

The Board announces that, on 27 November 2020, the Scheme was adopted by the Company as means to recognise the contributions by certain Eligible Persons and to provide them with incentives in order to retain them for the continual operation and development of the Group and to attract suitable personnel for further development of the Group. 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 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 27 November 2020, the Scheme was adopted by the Company.

SUMMARY OF THE SCHEME RULES

A summary of certain terms and conditions of the Scheme Rules is set out below:

(1) Purpose and Objective

The purposes of the Scheme are to recognise the contributions by certain Eligible Persons (other than Excluded Persons) and to provide them with incentives in order to retain them for the continual operation and development of the Group and to attract suitable personnel for further development of the Group.

(2) Eligible Persons for the Scheme

Eligible Persons shall cover any of the (i) directors, senior management and consultant of any member of the Group; and (ii) employee of any member of the Group.

(3) Administration

The Scheme shall be subject to administration of the Board and the Trustee in accordance with the Scheme Rules and the Trust Deed. The decision of the Board with respect to any matter arising under the Scheme (including the interpretation of any provision) 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 total nominal value of the aggregate of Shares awarded by the Board under the Scheme exceeding five per cent. 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 one per cent. 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 Eligible Person (other than Excluded Persons) to participate in the Scheme as a Selected Participant and determine the Awards to be granted, subject to such terms and conditions as it may in its absolute discretion determine (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 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 Awarded Shares are to be allotted and issued as new Shares under the General Mandate 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 cause to issue and allot such new Shares to the Trustee at such

issue price as shall be determined by the Board, which shall be held upon trust for the relevant Selected Participant subject to the terms and conditions 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.

Subject to terms and conditions of the Scheme and the fulfilment of all vesting conditions to the vesting of the Awarded Shares on such Selected Participant, the respective Awarded Shares held by the Trustee on behalf of the Selected Participant shall vest in such Selected Participant and the Trustee shall cause the Awarded Shares to be transferred to such Selected Participant.

If notice is duly given by the Company to the Shareholders to convene a Shareholders' meeting for the purpose of considering a resolution 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) or an order of winding up of the Company is made, the Board shall determine at its discretion whether the Awarded Shares shall vest in Selected Participant and the time at which such Awarded Shares shall vest.

(7) Lapse of Award

In the event that prior to or on the Vesting Date, a Selected Participant is found to be an Excluded Person or is deemed to cease to be an Eligible Person pursuant to the Scheme Rules, unless the Board determines otherwise, the relevant Award made to such Selected Participant shall automatically lapse forthwith and the relevant Awarded Shares shall not vest on the relevant Vesting Date but shall remain part of the Trust Fund.

(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 operate to affect materially and adversely any subsisting rights of any Selected Participant. Written notice of any amendment to the Scheme shall be given to all Selected Participants and the Trustee.

(11) Duration and Termination

Subject to any early termination as may be determined by the Board pursuant to the Trust Deed, the Scheme shall be valid and effective for a term of 10 years commencing on the Adoption Date.

Upon termination of the Scheme, no further grant of Awarded Shares may be made under the Scheme and all the Awarded Shares of the Selected Participants granted 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 expiration of the Trust Period, all Shares (except for any Awarded Shares subject to vesting on the Selected Participants) remaining in the Trust Fund shall be sold by the Trustee in accordance with the Scheme Rules and all net proceeds of sale (after deducting the relevant disposal costs, liabilities and expenses) shall be remitted to the Company as soon as practicable. For the avoidance of doubt, the Trustee may not transfer any Shares to the Company nor may the Company otherwise hold any Shares whatsoever (other than its interest in the proceeds of sale of such Shares).

LISTING RULES IMPLICATIONS

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

Where any grant of the Awarded Shares is proposed to be made to any person who is a connected person of the Company, the Company shall comply with such provisions of the Listing Rules as may be applicable. Where any Awarded Shares are to be allotted and issued as new Shares under the General Mandate for the purpose of the Trust, the Company shall comply with the applicable Listing Rules when allotting and issuing any new Shares under the General Mandate and 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 offer the Shares.

DEFINITIONS

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

“Adoption Date”	27 November 2020, 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 Gas Holdings Limited, a company incorporated in the Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 384)
“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
“Eligible Person(s)”	at any time during the Trust Period, any of the (i) directors, senior management and consultant of any member the Group; and (ii) employee of any member of the Group
“Excluded Person(s)”	any Eligible Person 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 Eligible Person
“General Mandate”	the general mandate granted or to be granted by the shareholders of the Company at general meetings from time to time

“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
“Scheme”	the share award scheme of the Company adopted by the Board on 27 November 2020, as amended from time to time
“Scheme Rules”	the rules relating to the Scheme, as amended from time to time
“Selected Participants”	Eligible Person(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 20 August 2013
“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 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:
- (a) 26 November 2030, being the expiry of the period of 10 years beginning from the Adoption Date; or
 - (b) such date of early termination as determined by the Board
- “Trustee” Tricor Trust (Hong Kong) 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 Gas Holdings Limited
LIU Ming Hui
Chairman, Managing Director and President

Hong Kong, 27 November 2020

As at the date of this announcement, Mr. LIU Ming Hui, Mr. HUANG Yong, Mr. ZHU Weiwei, Ms. LI Ching and Ms. LIU Chang are the executive directors of the Company, Mr. LIU Mingxing, Mr. JIANG Xinhao and Mr. Rajeev Kumar MATHUR are the non-executive directors of the Company and Mr. ZHAO Yuhua, Dr. MAO Erwan, Ms. CHEN Yanyan and Mr. ZHANG Ling are the independent non-executive directors of the Company.

* *For identification purpose only*