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## **UNITED ENERGY GROUP LIMITED**

**聯合能源集團有限公司\***

*(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)  
(Stock code: 467)*

### **ADOPTION OF THE PERFORMANCE SHARE UNIT SCHEME**

The Board is pleased to announce that on 1 April 2019, the Company has adopted the Scheme in which the Employees will be entitled to participate. The specific objectives of the Scheme are (i) to drive success and growth in the shareholder value of the Group; (ii) to promote the effective achievement of the mid- and long-term performance goals of the Group; and (iii) to attract, motivate and retain core talents of the Group with rewards and incentives.

The Scheme does not constitute a share option scheme or an arrangement analogous to a share option scheme for the purpose of Chapter 17 of the Listing Rules.

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A summary of the Scheme Rules is set out below:

#### **OBJECTIVES**

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#### **DURATION**

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

#### **ADMINISTRATION**

The Scheme shall be subject to the administration of the Board in accordance with the Scheme Rules and the Trust Deed. The decision of the Board with respect to any matter arising under the Scheme shall be final and binding. The Trustee shall hold the Shares, cash, proceeds or other funds under the Trust in accordance with the terms of the Trust Deed.

*\* For identification purposes only*

## **SCHEME LIMIT**

The Company shall not make any further award of Award which will result in the aggregate number of Shares underlying all grants made pursuant to the Scheme (excluding Award Shares that have been forfeited in accordance with the Scheme) to exceed 10% of the total number of the Company's issued Shares from time to time (the "**Scheme Limit**").

## **OPERATION OF THE SCHEME**

The Board may from time to time cause to be transferred to the Trust the necessary funds for any subscription or acquisition (as the case may be) of Shares and other purposes set out in the Scheme Rules and the Trust Deed.

Subject to the Scheme Rules, the Board may from time to time instruct the Trustee in writing to acquire the Shares through on-market transactions and to hold them in trust for the benefit of the Employees on and subject to the terms and conditions of the Scheme Rules and the Trust Deed.

Subject to the Scheme Rules, in the event that the Award Shares are to be allotted and issued as new Shares under the General Mandate or the Specific Mandate (as the case may be) for the purpose of the Trust, the Board shall cause an amount equal to the nominal value of such new Shares to be allotted and issued be transferred from the Company's resources as soon as practicable 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, which shall be held upon trust for the relevant Selected Participant subject to the terms and conditions set out in the Scheme Rules and in the Trust Deed.

## **AWARD OF AWARD SHARES**

Subject to the Scheme Rules, the Board may, from time to time, select any Eligible Person to be a Selected Participant and grant an Award to such Selected Participant during the duration of the Scheme.

In determining the Selected Participant, the Board shall take into consideration matters including, but without limitation to:

- (a) the present and expected contribution of the relevant Selected Participant to the Group;
- (b) the Group's general financial condition; and
- (c) the Group's overall business objectives and future development plan.

Where any grant of Award Shares is proposed to be made to any Selected Participant who is a Director (including an independent non-executive Director) or chief executive of the Company, such grant must first be approved by all the independent non-executive Directors (excluding any independent non-executive Director who is a proposed recipient of the grant of an Award).

No grant of any Award Shares to any Selected Participant may be made in the following circumstances, and any such grant so made shall be null and void:

- (a) in any circumstances where the requisite approval from any applicable regulatory authorities has not been granted;
- (b) in any circumstances that any member of the Group will be required under applicable securities laws, rules or regulations to issue a prospectus or other offer documents in respect of such Award or the Scheme, unless the Board determines otherwise;

- (c) where such Award would result in a breach by any member of the Group or its directors of any applicable securities laws, rules or regulations in any jurisdiction;
- (d) where such grant of Award would result in a breach of the Scheme Limit or would otherwise cause the Company to issue Shares in excess of the permitted amount in the General Mandate or the Specific Mandate (as the case may be);
- (e) where an Award is to be satisfied by way of issue of new Shares to the Trustee, in any circumstances that cause the total Shares issued or allotted to connected persons to be in excess of the amount permitted in the General Mandate or the Specific Mandate (as the case may be).

## **VESTING OF AWARD SHARES**

The Board may from time to time while the Scheme is in force and subject to all applicable laws, determine such vesting criteria and conditions or periods for the Award to be vested.

For the purposes of vesting of the Award, the Board may either:

- (a) direct and procure the Trustee to release from the Trust the Award Shares to the Selected Participants by transferring the number of Award Shares to the Selected Participants in such manner as determined by them from time to time; or
- (b) to the extent that, at the determination of the Board, it is not practicable for the Selected Participant to receive the Award in Shares solely due to legal or regulatory restrictions with respect to the Selected Participant's ability to receive the Award in Shares or the Trustee's ability to give effect to any such transfer to the Selected Participant, the Board will direct and procure the Trustee to sell, on-market at the prevailing market price, the number of Award Shares so vested in respect of the Selected Participant and pay the Selected Participant the proceeds in cash arising from such sale based on the actual price at which the Award Shares are sold (net of brokerage, Stock Exchange trading fee, SFC transaction levy and any other applicable costs) pursuant to the Scheme.

Except in the circumstances as set out in the Scheme Rules, barring any unforeseen circumstances, within a reasonable time period as agreed between the Trustee and the Board from time to time prior to any Vesting Date, the Board shall send to the relevant Selected Participant a vesting notice together with the prescribed transfer documents which require the Selected Participant to execute to effect the vesting and transfer of the Award Shares (where applicable). The Board shall forward a copy of the vesting notice to the Trustee and instruct the Trustee the extent to which the Award Shares held in the Trust shall be transferred and released from the Trust to the Selected Participant in the manner as determined by the Board, or be sold as soon as practicable from the Vesting Date.

Any Award made under the Scheme Rules but not yet vested shall be personal to the Selected Participant to whom it is made and shall not be assignable or transferrable and no Selected Participant shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any other person over or in relation to any Award, or enter into any agreement to do so.

## **DISQUALIFICATION OF SELECTED PARTICIPANT**

If a Selected Participant ceases to be an Eligible Person by reason of (i) retirement of the Selected Participant; (ii) death of the Selected Participant, or (iii) termination of the Selected Participant's employment or contractual engagement with the Group or an Affiliate by reason of his/her permanent physical or mental disablement, any outstanding Award Shares which are pro-rated based on the relevant months of service and achievement of performance targets (if any) as determined by the Board at its sole discretion shall be vested within three months from the date of such Selected Participant ceasing to be an Eligible Person or on such other date as may be determined by the Board at its sole discretion, the remainder of the outstanding Award Shares

shall lapse accordingly, unless the Board determines otherwise at its absolute discretion.

If a Selected Participant ceases to be Eligible Person by reason of resignation, or the Selected Participant whose employment is terminated by the Group or an Affiliate by reason of the employer terminating the contract of employment with or without notice or payment in lieu of notice, or the Selected Participant having committed any act of fraud or dishonesty or serious misconduct or any violation behaviour (eg. bribery, disclosure of the Group's secrets, damage to the Group's assets, causing major accidents etc) as determined by the Board at its sole discretion, or having been convicted of any criminal offence involving his or her integrity or honesty, 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, any outstanding Award Shares not yet vested shall be immediately forfeited, unless the Board determines otherwise at its absolute discretion.

If a Selected Participant is declared or adjudged to be bankrupt by a competent court or governmental body, or becomes insolvent, or fails to pay his debts as they fall due (after the expiry of any applicable grace period), or makes any arrangements or composition with his or her creditors generally or an administrator takes possession of any of his assets, any outstanding Award Shares not yet vested shall be immediately forfeited, unless the Board determines otherwise at its absolute discretion.

If a Selected Participant ceases to be an Eligible Person by reason of adjustment of his position within members of the Group and none of the events as set out above has occurred, any outstanding Award Shares not yet vested shall continue to vest in accordance with the Vesting Dates, unless the Board determines otherwise at its absolute discretion.

If a Selected Participant ceases to be an Eligible Person for reasons other than those as set out above, any outstanding Award Shares not yet vested shall be immediately forfeited, unless the Board determines otherwise at its absolute discretion.

## **RESTRICTIONS**

No Award shall be made to the Selected Participants and no directions or recommendation shall be given to the Trustee with respect to a grant of an Award under the Scheme:

- (a) where any Director 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 or any applicable laws, rules or regulations;
- (b) during the period of 60 days immediately preceding the publication date of the annual results for any financial period of the Company or, if shorter, the period from the end of the relevant financial period up to the publication date of the results; or
- (c) during the period of 30 days immediately preceding the publication date of the half-year results for any financial period of the Company or, if shorter, the period from the end of the relevant half-year period of the financial period up to the publication date of the results.

## **ALTERATION OF THE SCHEME**

Subject to the Scheme Limit and compliance with the Scheme Rules, the Scheme may be altered in any respect by a resolution of the Board provided that no such alteration shall operate to affect adversely any subsisting rights of any Selected Participant unless otherwise provided for in these Scheme Rules, except:

- (a) with the consent in writing of Selected Participants amounting to three-fourths in nominal value of all Award Shares held by the Trustee on that date; or

- (b) with the sanction of a special resolution that is passed at a meeting of the Selected Participants amounting to three-fourths in nominal value of all Award Shares held by the Trustee on that date.

## **VOTING RIGHTS**

Neither the Selected Participants nor the Trustee may exercise any voting rights in respect of any Award Shares that have not yet vested.

## **TERMINATION**

The Scheme shall terminate on the earlier of:

- (a) the tenth anniversary date of the Adoption Date except in respect of any non-vested Award Shares granted prior to the expiration of the Scheme, for the purpose of giving effect to the vesting of such Award Shares or otherwise as may be required in accordance with the Scheme; or
- (b) 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 under the Scheme.

## **OTHER INFORMATION**

The Scheme does not constitute a share option scheme or an arrangement analogous to a share option scheme for the purpose of Chapter 17 of the Listing Rules.

## **DEFINITIONS**

- “Adoption Date”** 1 April 2019, being the date on which the Scheme is adopted by the Company
- “Affiliate”** means a company that directly, indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the Company and includes any company which is (a) the holding company of the Company; or (b) a subsidiary of holding company of the Company; or (c) a subsidiary of the Company; or (d) a fellow subsidiary of the Company; or (e) the controlling shareholder of the Company; or (f) a company controlled by the controlling shareholder of the Company; or (g) a company controlled by the Company; or (h) an associated company of the holding company of the Company; or (i) an associated company of the Company; or (j) associated company of controlling shareholder of the Company
- “Award”** an award granted by the Board to a Selected Participant, which may vest in the form of Award Shares or the actual price at which the Award Shares are sold pursuant to the Scheme in cash, as the Board may determine in accordance with the terms of the Scheme Rules
- “Award Share(s)”** the Shares granted to a Selected Participant in an Award

<b>“Board”</b>	the board of directors of the Company and 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
<b>“Business Day”</b>	a day (other than Saturday, Sunday or public holiday) on which the Stock Exchange is open for trading and on which banks are open for business in Hong Kong
<b>“Company”</b>	United Energy Group Limited, a company incorporated in the Cayman Islands with limited liability and re-domiciled to Bermuda as an exempted company with limited liability under the Companies Act of Bermuda, and the issued Shares of which are listed on the Main Board of the Stock Exchange
<b>“Director(s)”</b>	director(s) of the Company
<b>“Eligible Person”</b>	any individual, being an Employee, director, officer, consultant or advisor of any member of the Group or any Affiliate who the Board considers, in its sole discretion, to have significantly contributed or will significantly contribute to the development of the Group; however, no individual who is resident in a place where the grant, acceptance or vesting of an Award pursuant to the Scheme is not permitted under the laws and regulations of such place or where, in the view of the Board, compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such individual, shall be entitled to participate in the Scheme and such individual shall therefore be excluded from the term Eligible Person;
<b>“Employee”</b>	any employee of any members of the Group or any Affiliate
<b>“General Mandate”</b>	the general mandate granted or to be granted by the shareholders of the Company at general meetings from time to time
<b>“Group”</b>	the Company and its subsidiaries from time to time, and “member of the Group” means any or a specific one of them
<b>“Hong Kong”</b>	the Hong Kong Special Administrative Region of the People’s Republic of China
<b>“Listing Rules”</b>	The Rules Governing the Listing of Securities on the Stock Exchange
<b>“Scheme”</b>	the Performance Share Unit Scheme adopted by the Company in accordance with these Scheme Rules on the Adoption
<b>“Scheme Rules”</b>	the rules relating to the Scheme as amended from time to time
<b>“Selected Participant(s)”</b>	any Eligible Person approved by the Board for participation in the Scheme and who has been granted any Award

<b>“SFO”</b>	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
<b>“Shares”</b>	ordinary shares of HK\$0.01 each in the capital of the Company
<b>“Specific Mandate”</b>	specific mandate approved and granted or to be approved and granted by the shareholders of the Company at general meeting for the sole and specific purpose of the Scheme
<b>“Stock Exchange”</b>	The Stock Exchange of Hong Kong Limited
<b>“Trust”</b>	the trust constituted by the Trust Deed to service the Scheme
<b>“Trust Deed”</b>	a trust deed dated 1 April 2019 entered into between the Company and the Trustee (as restated, supplemented and amended from time to time)
<b>“Trustee”</b>	Computershare Hong Kong Trustees Limited (which is independent and not connected with the Company) and any additional or replacement trustees, being the trustee or trustees for the time being to be declared in the Trust Deed
<b>“Vesting Date”</b>	the date or dates, as determined from time to time by the Board, on which the Award (or part thereof) is to vest in the relevant Selected Participant

By order of the Board  
**United Energy Group Limited**  
**Zhang Hong Wei**  
*Chairman*

Hong Kong, 1 April 2019

*As at the date of this announcement, the executive directors are Mr. Zhang Hong Wei (Chairman) and Ms. Zhang Meiyong, and the independent non-executive directors are Mr. Chau Siu Wai, Mr. San Fung and Ms. Wang Ying.*