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**IDG Energy Investment**  
**IDG ENERGY INVESTMENT LIMITED**  
**IDG 能源投資有限公司\***  
*(Incorporated in Bermuda with limited liability)*  
**(Stock Code: 650)**

**ADOPTION OF SHARE AWARD SCHEME**

The Board is pleased to announce that it resolved to adopt the Share Award Scheme on 6 August 2021 which has taken effect immediately. The purposes and objectives of the Share Award Scheme are (i) to recognise the contributions or the future contributions by certain employees and persons to the Company and its subsidiaries and to provide them with incentives in order to retain them for the continual operation and development of the Company and its subsidiaries, and (ii) to attract suitable personnel for further development of the Company and its subsidiaries.

Pursuant to the Share Award Scheme, Shares may be acquired by the Trustee according to the instructions from the Board or the Administration Committee at the cost of the Company or new Shares may be allotted and issued to the Trustee under general mandates or specific mandates granted or to be granted by the shareholders at general meetings from time to time. Such Shares will be held on trust for the Selected Participants until the vesting criteria and conditions (if any) have been satisfied.

The Share Award Scheme is not subject to the provisions of Chapter 17 of the Listing Rules and is a discretionary scheme of the Company and subject to the administration of the Administration Committee and the Trustee in accordance with the rules of the Share Award Scheme and the Trust Deed.

**THE SHARE AWARD SCHEME**

The Board is pleased to announce that it resolved to adopt the Share Award Scheme on 6 August 2021 which has taken effect immediately.

\* For identification purposes only

The following is a summary of the principal terms and conditions of the Share Award Scheme:

### **Purposes and objectives**

The purposes and objectives of the Share Award Scheme are (i) to recognise the contributions or the future contributions by certain employees and persons to the Company and its subsidiaries and to provide them with incentives in order to retain them for the continual operation and development of the Company and its subsidiaries, and (ii) to attract suitable personnel for further development of the Company and its subsidiaries.

### **Duration**

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

### **Administration**

The Share Award Scheme shall be subject to the administration of the Administration Committee and/or the Trustee in accordance with the rules of the Share Award Scheme and the terms of the Trust Deed (as the case may be).

### **Operation of the Share Award Scheme**

The Board may, from time to time and at its sole and absolute discretion, select any Eligible Participant (other than any Excluded Participant) for participation in the Share Award Scheme, and the remuneration committee of the Company (subject to the approval of the Board) shall determine the number of the Awarded Shares to be granted to the Selected Participants. The Board is entitled to impose any conditions (including a period of continued service within the Company and its subsidiaries after the Grant Date) as it deems appropriate with respect to the entitlement of the Selected Participant to the Awarded Shares.

Each of the Board and remuneration committee of the Company may also delegate the abovementioned power to the Administration Committee regarding any Category A Eligible Participant who is not a director or an executive of the Company, any Category B Eligible Participant and any Category C Eligible Participant.

Where any Awarded Shares are proposed to be offered to a connected person of the Company (as defined under Chapter 14A of the Listing Rules), such offer of Awarded Shares has to be first approved by the independent non-executive Directors of the Company and the Company will comply with the applicable requirements of Chapter 14A of the Listing Rules in respect of such offer (including but not limited to the obtaining of independent shareholders' approval if necessary).

## **Purchase of Awarded Shares by the Trustee**

As soon as practicable after the Reference Date, the Administration Committee shall cause the Reference Amount to be paid from the Company's resources to the Trustee to acquire the Awarded Shares and be held on trust for the relevant Selected Participant for the purchase of the Awarded Shares.

The Trustee shall, within 30 Business Days on which trading of the Shares has not been suspended (or such longer period as the Administration Committee may agree from time to time having regard to the circumstances of the purchase concerned) after receiving the Reference Amount, apply the Reference Amount towards the purchase of the Awarded Shares at the prevailing market price according to the instructions from the Board or the Administration Committee.

If the Reference Amount paid to the Trustee is not sufficient to purchase all the Awarded Shares at the prevailing market price, the Trustee shall acquire the maximum number of board lots of Shares and seek further funds from the Company until all the Awarded Shares are purchased or for an amendment of the number of Awarded Shares.

## **Issue of new Awarded Shares and General Mandate**

In the event that the Awarded Shares are to be allotted and issued as new Shares under available General Mandate or a specific mandate granted by the shareholders of the Company, the Administration Committee shall, after having regard to the restrictions under the paragraph headed "Restrictions" below, cause an amount equal to the nominal value of the new Awarded Shares to be allotted and issued be transferred from the Company's resources as soon as practicable as subscription monies for the new Awarded Shares and cause to issue and allot the new Awarded Shares to the Trustee, which shall hold the new Awarded Shares on trust for the relevant Selected Participant.

The Company shall comply with the relevant Listing Rules when issuing the new Awarded Shares and application will be made to the Stock Exchange for the granting of the listing of, and permission to deal in the new Awarded Shares to be issued at the time of offering the Awarded Shares.

## **Restrictions**

No instructions to acquire or dispose of Shares shall be given to the Trustee under the Share Award Scheme and no grant of any Award shall be made to any Eligible Participant where:

- (i) after an inside information event in relation to the securities of the Company has occurred or an inside information matter in relation to the securities of the Company has been the subject of a decision, until such inside information has been published in accordance with the Listing Rules;
- (ii) on any day on which the Company's financial results are published and: (a) during the period of 60 days immediately preceding the publication date of the Company's annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; (b) during the period of 30 days immediately preceding the publication date of the Company's quarterly results (if any) and half-year results or,

if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results, unless there are circumstances of the Company that fall within the exceptions under the Listing Rules;

- (iii) during the period of 30 days after any purchase by the Company of the Shares, whether on the Stock Exchange or otherwise, unless there are circumstances of the Company that fall within the exceptions under the Listing Rules;
- (iv) in any circumstances which are prohibited under the Listing Rules or the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) or where the requisite approval from any applicable regulatory authorities has not been granted; or
- (v) where grant of any Award will constitute an offer for the purpose of the definition of “prospectus” in Section 2(1) of the Companies (WUMP) Ordinance.

### **Vesting and lapse**

Any Awarded Shares and Related Income held by the Trustee under the Trust and which are referable to a Selected Participant shall vest in that Selected Participant in accordance with the timetable and conditions as imposed by the Board at the time of making the Award, provided that the Selected Participant remains at all times after the Grant Date and on the relevant Vesting Date(s) an Eligible Participant of the Company and its subsidiaries.

In respect of a Selected Participant being a Category A Eligible Participant who dies or retires at his normal retirement date as agreed between him and the Company or its subsidiaries, or earlier by agreement with the Company and its subsidiaries at any time prior to a Vesting Date, all the Awarded Shares and the Related Income of a Selected Participant shall be deemed to be vested on the date immediately prior to his death or retirement at his normal retirement date or earlier by agreement with the Company and its subsidiaries.

In the event (i) a Selected Participant is, prior to the relevant Vesting Date, found to have ceased to be an Eligible 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 is made or a resolution is passed for the voluntary winding-up of the Company, all Awards not already vested shall automatically lapse forthwith and all the Awarded Shares underlying such Awards shall not vest on the relevant Vesting Date but shall become Returned Shares for the purposes of the Share Award Scheme.

In the event (i) a Selected Participant is found to be an Excluded Participant subsequent to a grant of an Award by the Board or the Administration Committee but prior to the relevant Vesting Date, or (ii) 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 shall not vest on the relevant Vesting Date but shall become Returned Shares for the purposes of the Share Award Scheme, provided always that in each case the Board or the Administrative Committee in their respective absolute discretion may decide that such Award or any part thereof shall not so lapse subject to such conditions or limitations as the Board or the Administrative Committee may in their respective absolute discretion decide.

A Selected Participant shall be ceased to be an Eligible Participant in the following circumstances:

- (a) being a Category A Eligible Participant, by reason of voluntary resignation or dismissal, or upon expiration of his term of directorship (unless immediately renewed upon expiration), or by termination of his employment or service in accordance with the termination provisions of his contract of employment or service by the Company and its subsidiaries otherwise than by reason of redundancy; or
- (b) on the grounds that he has become bankrupt or has become insolvent or has made arrangements or composition with his creditors generally or has committed any serious misconduct or has been convicted of any criminal offence (other than an offence which in the opinion of the Administration Committee does not bring the Selected Participant or the Company and its subsidiaries or the relevant controlling shareholder into disrepute); or
- (c) being a Category B Eligible Participant, by reason that such Selected Participant ceases to be a holder of any securities issued by the relevant member of the Company and its subsidiaries; or
- (d) being a Category C Eligible Participant, in the absolute determination and discretion of the Administration Committee, by reason that he has committed or has likely committed any breach of contract entered into between such Eligible Participant and the relevant member of the Company and its subsidiaries; or
- (e) if in the absolute discretion and determination of the Administration Committee the person is no longer eligible or appropriate to be an Eligible Participant under the Share Award Scheme,

provided always that in each case the Board or the Administrative Committee in their respective absolute discretion may decide that such Award or any part thereof shall not so lapse subject to such conditions or limitations as the Board or the Administrative Committee may decide.

If there occurs an event of change of control of the Company, whether by way of offer, merger, scheme of arrangement or otherwise, unless otherwise directed by the Administration Committee based on the instructions of the Board, all the Awarded Shares and the Related Income shall immediately vest in the respective Selected Participant on the date when such change of control event becomes or is declared unconditional and such date shall be deemed to be the Vesting Date.

### **Rights and restrictions**

A Selected Participant shall only have a contingent interest in the Awarded Shares and the Related Income which are referable to him subject to the vesting of such Shares on the Vesting Date.

The Trustee shall not exercise any voting rights in respect of any Shares held under the Trust (including but not limited to the Awarded Shares, any bonus Shares and scrip Shares).

Unless otherwise specified in the Share Award Scheme or waived in writing by the Board or the Administration Committee in their respective absolute discretion, all vested Awarded Shares are subject to a lock-up period from the Vesting Date for such length of period as specified in the relevant award notices. The Selected Participant shall not, whether directly or indirectly, at any time during the lock-up period, dispose of, in any way, any Awarded Shares or enter into any transactions directly or indirectly with the same economic effect as the aforesaid disposal.

### **Scheme limit**

The Board or the Administration Committee shall not make any further Award which will result in the nominal value of the Shares awarded under the Share Award Scheme exceeding 4% of the issued share capital of the Company as at the Adoption Date (the “**Scheme Limit**”).

The maximum number of Shares which may be awarded to a Selected Participant under the Share Award Scheme shall not exceed 1% of the issued share capital of the Company as at the Adoption Date (the “**Individual Limit**”).

Each of the Scheme Limit and the Individual Limit shall be refreshed automatically on each anniversary date of the Adoption Date during the duration of the Scheme, such that (i) the Scheme Limit so refreshed shall not exceed 4% of the issued share capital of the Company as at each anniversary date of the Adoption Date; and (ii) the Individual Limit so refreshed shall not exceed 1% of the issued share capital of the Company as at each anniversary date of the Adoption Date.

### **Termination**

The Share Award Scheme shall terminate on the earlier of (i) the date falling on the 10th anniversary date of the Adoption Date; and (ii) such date of early termination as determined by the Board provided that such termination shall not affect any subsisting rights of any Selected Participant thereunder.

Upon termination of the Share Award Scheme, (i) all the Awarded Shares and the Related Income shall become vested on the Selected Participant so referable on such date of termination; (ii) the Returned Shares and such non-cash income remaining in the trust fund of the Trust shall be sold by the Trustee within 20 Business Days (on which the trading of the Shares has not been suspended) of receiving notice of such termination of the Share Award Scheme (or such longer period as the Board may otherwise determine); and (iii) the net proceeds of sale referred to in paragraph (ii) above and such other funds remaining under the Trust (after making appropriate deductions in respect of all disposal costs, liabilities and expenses in accordance with the Trust Deed) shall be remitted to the Company forthwith after the sale. For the avoidance of doubt, the Trustee may not transfer any Shares to the Company nor may the Company otherwise hold any Shares whatsoever.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the meanings ascribed to them below:

“Administration Committee”	a sub-committee of the Board, which shall act upon the instruction of the Board from time to time, delegated with the power and authority by the Board to administer the Share Award Scheme
“Adoption Date”	6 August 2021, being the date on which the Share Award Scheme is adopted by the Board
“Award”	an award, in the form of Awarded Shares (together with the Related Income) by the Board to a Selected Participant pursuant to the Share Award Scheme
“Awarded Share(s)”	such Share(s) administered under the Share Award Scheme which, as determined by the remuneration committee of the Company (subject to the approval of the Board), may be (i) issued as new Shares by the Company to the Trustee held on trust for the Selected Participant or (ii) purchased by the Trustee on the market, in either case out of cash paid by the Company by way of settlement to the Trustee pursuant to the terms of the Share Award Scheme
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, Sunday or public holiday) on which the Stock Exchange is open for trading and on which banks in Hong Kong are open for normal banking business
“Companies (WUMP) Ordinance”	Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong)
“Company”	IDG Energy Investment Limited, a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the main board of the Stock Exchange
“Directors”	the director(s) of the Company from the time being

“Eligible Participant”	any person belonging to the following classes of participants: (i) any executives, officers, employees, directors (including executive, non-executive and independent non-executive Directors) of the Company or of any subsidiary, whether full time or part time (a “ <b>Category A Eligible Participant</b> ”); (ii) any holder of any securities issued by any member of the Company and its subsidiaries or any controlling shareholder (a “ <b>Category B Eligible Participant</b> ”); (iii) any business or joint venture partner, contractor, agent or representative, any person provides research development or technological support or any advisory, consultancy, professional services to the business of the Company and its subsidiaries, any investor, vendor, supplier, developer or licensor, any customer, licensee (including any sub-licensee), wholesaler, retailer, trader or distributor of goods or services of any member of the Company and its subsidiaries (a “ <b>Category C Eligible Participant</b> ”); each of which having contributed or will contribute to the growth and development of the Company and its subsidiaries
“Excluded Participant”	any Eligible Participant who is resident in a place where the award of the Awarded Shares and/or the award of the Returned Shares and/or the vesting and transfer of the Awarded Shares pursuant to the terms of the Share Award Scheme is not permitted under the laws and regulations of such place or where in the view of the Board, Administration Committee, or the Trustee (as the case may be), compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such Eligible Participant
“General Mandate”	the general mandate granted or to be granted by the shareholders at general meetings from time to time
“Grant Date”	the date of approval by the Board for granting an Award pursuant to the rules of Share Award Scheme
“HK\$”	Hong Kong dollar(s), 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

“Reference Amount”	the sum of (i) the closing price of the Shares as quoted by the Stock Exchange as at the Reference Date multiplied by the number of Awarded Shares comprised in the Award, and (ii) the related purchase expenses (including for the time being, the brokerage fee, stamp duty, Securities and Futures Commission transaction levy, Stock Exchange trading fee) and such other necessary expenses required for the completion of the purchase of all the Awarded Shares
“Reference Date”	the date of approval by the Board or the Administrative Committee of the total number of Shares to be purchased by the Trustee on the market from time to time pursuant to the Share Award Scheme
“Related Income”	in relation to a Share, all bonus Shares, scrip dividend, cash dividends and cash distributions derived from the Share, but shall not include any nil-paid rights, warrants, options and/or non-cash distributions which are derived from the Share or the net proceeds from any sale of such rights, warrants, options and/or non-cash distributions
“Returned Shares”	such Awarded Shares which are not vested and/or forfeited in accordance with the terms of the Share Award Scheme (whether as a result of a lapse of an Award or any part thereof or otherwise) in accordance with the terms of the Share Award Scheme, or such Shares being deemed to be Returned Shares
“Selected Participant(s)”	Eligible Participant(s) selected by the Board for participation in the Share Award Scheme
“Share Award Scheme”	the share award scheme adopted by the Board on the Adoption Date, as amended from time to time
“Share(s)”	ordinary share(s) of HK\$0.01 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
“Trust Deed”	a trust deed to be entered into between the Company and the Trustee (as may be restated, supplemented and amended from time to time) in respect of the appointment of the Trustee for the administration of the Share Award Scheme

“Trustee”	Tricor Trust (Hong Kong) Limited, or other trustee or trustees (which is or are independent of and not connected with the Company) as shall be appointed pursuant to and in accordance with the terms of the Trust Deed
“Vesting Date”	in respect of a Selected Participant, the date on which his entitlement to the Awarded Shares accrues in accordance with the conditions as imposed by the Administration Committee based on the instruction of the Board or is deemed to have accrued pursuant to the terms of the Share Award Scheme
“%”	per cent.

By order of the Board  
**IDG Energy Investment Limited**  
**Wang Jingbo**  
*Chairman & Chief Executive Officer*

Hong Kong, 6 August 2021

*As at the date of this announcement, the Board comprises seven Directors, of whom two are executive Directors, namely Mr. Wang Jingbo (Chairman and Chief Executive Officer), and Mr. Liu Zihai (President); two are non-executive Directors, namely Mr. Lin Dongliang and Mr. Shong Hugo; and three are independent non-executive Directors, namely Ms. Ge Aiji, Mr. Shi Cen, and Mr. Chau Shing Yim David.*