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**CANVEST ENVIRONMENTAL PROTECTION
GROUP COMPANY LIMITED**

粵豐環保電力有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1381)

ADOPTION OF SHARE AWARD SCHEME

The Board is pleased to announce that on 3 May 2019, the Company has adopted the Share Award Scheme in which the Eligible Persons will be entitled to participate. The objectives of the Share Award Scheme are to (i) recognize the contributions of the Eligible Persons and to provide them with incentives in order to retain them for the continual operation and development of the Group; and (ii) to attract suitable personnel for further development of the Group.

The Share Award 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. Hence, no Shareholders' approval is required for the adoption of the Share Award Scheme.

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OBJECTIVES

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DURATION

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

ADMINISTRATION

The Share Award Scheme shall be subject to the administration of the Board and the Trustee in accordance with the Scheme Rules and the Trust Deed. The Trustee shall hold the Trust Fund in accordance with the terms of the Trust Deed.

SHARE AWARD SCHEME LIMIT

The Board shall not make any further award of Awarded Shares, which will result in the nominal value of the Shares awarded by the Board under the Share Award Scheme exceeding 10% of the issued share capital of the Company from time to time. The maximum number of Shares which may be awarded to a Selected Person under the Share Award Scheme shall not exceed 1% of the issued share capital of the Company from time to time.

OPERATION OF THE SHARE AWARD SCHEME

The Board may, from time to time, cause to be paid a Contributed Amount to the Trust by way of settlement or otherwise 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.

In connection with the implementation of the Share Award Scheme, the Board may, from time to time, instruct the Trustee to purchase the Shares on the Stock Exchange and to hold them on trust for the benefit of the Eligible Persons on and subject to the terms and conditions of the Scheme Rules and the Trust Deed.

AWARD OF AWARDED SHARES

Subject to the Scheme Rules, the Board may, from time to time, at its absolute discretion select any Eligible Person (other than any Excluded Person) for participation in the Share Award Scheme as a Selected Person, and grant such number of Awarded Shares to any Selected Person at no consideration and in such number and on and subject to such terms and conditions as it may in its absolute discretion determine.

In determining the number of Awarded Shares to be granted to any Selected Person, the Board shall take into consideration matters including, but without limitation to:

- (a) the present contribution and expected contribution of the relevant Selected Person to the performance or profits of the Group;
- (b) the general financial condition of the Group;
- (c) the Group's overall business objectives and future development plan; and
- (d) any other matter which the Board considers relevant.

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 Person, and shall inform the Trustee and such Selected Person the relevant conditions of the Award and the Awarded Shares.

Prior to the Vesting Date, any Award made under the Scheme Rules shall be personal to the Selected Person to whom it is made and shall not be assignable and no Selected Person shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any other person over or in relation to the Awarded Shares referable to him pursuant to such Award.

Subject to the Scheme Rules, a Selected Person shall not have any interest or rights (including the right to receive dividends) in the Awarded Shares prior to the Vesting Date. All cash income and the sale proceeds of non-scrip distribution declared in respect of a Share held upon the Trust will be applied towards (a) the payment of the fees, cost and expenses of the Trust; and (b) the remainder, if any, remain as part of the Trust Fund.

VESTING OF AWARDED SHARES

Subject to the terms and conditions of the Share Award Scheme and the fulfillment of all relevant vesting conditions, the respective Awarded Shares held by the Trustee on behalf of a Selected Person pursuant to the provision of the Scheme Rules shall vest in such Selected Person in accordance with the vesting schedule (if any) and the Trustee shall cause the Awarded Shares to be transferred to such Selected Person on the Vesting Date.

In respect of a Selected Person 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 Person 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.

The Board may at its discretion, with or without further conditions, grant additional Shares out of the Trust Fund representing all or part of the income or distributions declared by the Company or derived from such Awarded Shares during the period from the date of Award to the Vesting Date to a Selected Person upon the vesting of any Awarded Shares.

DISQUALIFICATION OF SELECTED PERSON

In the event that prior to or on the Vesting Date, a Selected Person is found to be an Excluded Person or is deemed to cease to be an Eligible Person, including but not limited to the following circumstances:

- (a) where such person has committed any act of fraud or dishonesty or serious misconduct with reference to the Code of Conduct of the Company;
- (b) where such person has been declared or adjudged to be bankrupt by a competent court or governmental body or has failed to pay his debts as they fall due (after the expiry of any applicable grace period) or has entered into any arrangement or composition with his creditors generally or an administrator has taken possession of any of his assets;
- (c) where such person has been convicted of any criminal offence; or
- (d) where such person has been convicted of 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,

the relevant Award made to such Selected Person 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.

RESTRICTION

No Award shall be made by the Board and no instructions to acquire any Shares shall be given to the Trustee under the Share Award Scheme pursuant to the Scheme Rules where dealings in the Shares are prohibited under any code or requirement of the Listing Rules and all applicable laws from time to time, including but not limited to the following circumstances:

- (a) after an event involving inside information in relation to affairs or securities of the Company has occurred or a matter involving inside information in relation to the securities of the Company has been the subject of a decision, until such inside information has been publicly announced in accordance with the applicable laws and the Listing Rules;
- (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;
- (c) during the period of 30 days immediately preceding the publication date of the interim 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; or
- (d) in any circumstance which is prohibited under the Listing Rules, the SFO or any other law or regulation or where any requisite approval from any governmental or regulatory authority has not been granted.

ALTERATION OF THE SHARE AWARD SCHEME

The Share Award 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 Person under the Scheme Rules.

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).

TERMINATION

The Share Award Scheme shall terminate on the earlier of: (i) the tenth anniversary date of the Adoption Date; and (ii) 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 Persons under the Share Award Scheme.

OTHER INFORMATION

The Share Award 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. Hence, no Shareholders' approval is required for the adoption of the Share Award Scheme.

DEFINITIONS

“Adoption Date”	3 May 2019
“Award”	an award of the Awarded Shares by the Board to a Selected Person pursuant to the Share Award Scheme
“Awarded Share(s)”	in respect of a Selected Person, such number of Shares as awarded by the Board
“Board”	the board of Directors
“Business Day”	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
“Company”	Canvest Environmental Group Company Limited, a company incorporated in the Cayman Islands and whose shares are listed on the Stock Exchange
“Contributed Amount”	cash paid or made available to the Trust by way of settlement or otherwise contributed by the Company and/or its subsidiaries as permitted under the Share Award Scheme to the Trust as determined by the Board from time to time
“Director(s)”	the director(s) of the Company
“Eligible Person(s)”	(i) employees (whether full-time or part-time and including any executive Director), consultants or advisers of or to the Group, and (ii) any non-executive Director (including independent non-executive Directors) 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 Award Shares pursuant to the terms of the Share Award 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 exclude such Eligible Person
“Group”	the Company and its subsidiaries
“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
“Residual Cash”	cash in the Trust Fund (including without limitation to (i) any Contributed Amount or any remaining amount thereof; (ii) any cash income or dividends derived from Shares held under the Trust; (iii) other cash income or net proceeds of sale of non-cash and non-scrip distribution derived from or in respect of the Shares held under the Trust; and (iv) all interest or income derived from deposits maintained with licensed banks in Hong Kong) which has not been applied in the acquisition of any Shares
“Share Award Scheme”	means the share award scheme constituted by the Scheme Rules
“Scheme Rules”	means the rules relating to the Share Award Scheme as amended from time to time
“Selected Person(s)”	means the Eligible Person(s) selected by the Board for participation on the Share Award Scheme
“SFO”	the Securities and Futures Ordinance (Cap.571 of the Laws of Hong Kong)
“Share(s)”	ordinary shares of HK\$0.01 each in the capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Trust Deed”	the trust deed 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 Eligible Persons (other than the Excluded Persons), without limitation: <ul style="list-style-type: none"> (a) all Shares acquired by the Trustee for the purpose of the Trust out of the Residual Cash and such other scrip income (including but not limited to bonus Shares and scrip dividends declared by the Company) derived from the Shares held upon the Trust; (b) any Residual Cash; (c) any Awarded Shares or other property to be vested or not vested with the Selected Person under the terms of the Share Award Scheme; and (d) all other properties from time to time representing (a), (b) and (c) above
“Trust”	the trust constituted by the Trust Deed

“Trustee” Bank of Communications Trustee 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

“Vesting Date” in respect of a Selected Person, the date on which his entitlement to the Awarded Shares is vested in such Selected Person in accordance with the Share Award Scheme

By Order of the Board
Canvest Environmental Protection Group Company Limited
Lee Wing Yee Loretta
Chairlady

Hong Kong, 3 May 2019

As at the date of this announcement, the Board comprises Ms. Lee Wing Yee Loretta, Mr. Lai Kin Man, Mr. Yuan Guozhen and Mr. Lai Chun Tung, as executive Directors; Mr. Feng Jun, Mr. Lui Ting Cheong Alexander and Mr. Lai Yui, as non-executive Directors; Professor Sha Zhenquan, Mr. Chan Kam Kwan Jason, Mr. Chung Wing Yin and Mr. Chung Kwok Nam, as independent non-executive Directors.