

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker, other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Hans Energy Company Limited 漢思能源有限公司, you should at once hand this circular together with the accompanying form of proxy and annual report to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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: 00554)

**PROPOSALS FOR GENERAL MANDATES
TO REPURCHASE SHARES AND ISSUE SHARES,
RE-ELECTION OF RETIRING DIRECTORS,
ADOPTION OF NEW SHARE OPTION SCHEME,
TERMINATION OF EXISTING SHARE OPTION SCHEME
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the 2022 annual general meeting of Hans Energy Company Limited 漢思能源有限公司 (the “Company”) is set out on Pages 32 to 36 of this circular. Whether or not you intend to attend the meeting, please complete the accompanying form of proxy in accordance with the instructions stated thereon and return it to the Company’s branch share registrars in Hong Kong, Tricor Secretaries Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the meeting (i.e. by 11:00 a.m. on Monday, 13 June 2022) or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting and at any adjournment thereof if you so wish. In such event, the form of proxy shall be deemed to be revoked.

PRECAUTIONARY MEASURES FOR THE AGM

In view of the ongoing novel coronavirus (COVID-19) outbreak, mass gatherings would potentially impose a significant risk in terms of the spread of the virus. For the safety of the Shareholders, staff and stakeholders, the Company encourages Shareholders, instead of attending the AGM in person, to appoint the chairman of the AGM as their proxy to vote on the relevant resolutions at the AGM, by completing and returning the form of proxy accompanying the Annual Report 2021 in accordance with the instructions printed thereon. Shareholders and other persons attending the AGM should note that, consistent with the government guidelines for the prevention and control of COVID-19, the Company will implement the following precautionary measures at the AGM to protect the Shareholders and participants attending the AGM from the risk of COVID-19 infection:

- (i) At the entrance of the AGM, a compulsory body temperature check will be conducted on every person attending the AGM. Any person with a body temperature of over 37.3 degrees Celsius, or any individual who has any flu-like symptoms or is otherwise unwell will not be admitted to the AGM;
- (ii) Seating at the AGM will be arranged so as to allow for appropriate social distancing. As a result, there will be limited capacity for the Shareholders and participants to attend the AGM. The Company may limit the number of attendees at the AGM as may be necessary to avoid over-crowding;
- (iii) Every attendee is required to wear surgical facial mask at any time within the AGM;
- (iv) No corporate gifts will be distributed and no refreshments will be served at the AGM; and
- (v) Any person who does not comply with any of the above precautionary measures or is subject to any Hong Kong Government prescribed quarantine may be denied entry into the AGM venue.

The Company hereby reminds the Shareholders not to attend the AGM if they have contracted or are suspected to have contracted COVID-19 or have been in close contact with anybody who has contracted or is suspected to have contracted COVID-19.

For non-registered holders whose Shares are held in the Central Clearing and Settlement System, they are strongly encouraged to vote through HKSCC Nominees Limited by giving instructions to their brokers or custodians.

26 April 2022

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DEFINITIONS

In this circular, the following expressions have the following meanings unless the context requires otherwise:

“AGM”	the annual general meeting of the Company to be held at Room 302, 3/F, Pico Tower, 66 Gloucester Road, Wanchai, Hong Kong on Wednesday, 15 June 2022 at 11:00 a.m. and any adjournment thereof
“Articles of Association”	the articles of association of the Company currently in force
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“close associate”	has the meaning ascribed to it under the Listing Rules
“Company”	Hans Energy Company Limited (漢思能源有限公司), an exempted company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“Companies Law”	the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands as amended from time to time
“Connected Person”	has the meaning ascribed to it under the Listing Rules
“core connected persons”	has the meaning ascribed to it under the Listing Rules
“Date of Grant”	the date on which an offer of the grant of an Option is offered to an Eligible Person
“Director(s)”	the director(s) of the Company, and in relation to the New Share Option Scheme, the directors of the Company, any Subsidiary or any company in which the Company owns any equity interest
“Eligible Person”	any person who is (or will be on the Date of Grant) an Employee, a Director or a Service Provider, as may be determined by the Directors or the Remuneration Committee (as the case may be) from time to time
“Employee”	a person who is in the full-time or part-time employment of the Company, any Subsidiary or any company in which the Company owns any equity interest

DEFINITIONS

“Exercise Period”	the period to be notified by the Board upon the grant of Options during which it may be exercised, such period not to exceed 10 years from the Date of Grant of the relevant Option
“Exercise Price”	the price per Share at which a Participant may subscribe for Shares upon the exercise of an Option
“Existing Share Option Scheme”	the share option scheme of the Company adopted by the Company on 28 December 2012
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Inside Information”	has the meaning defined in the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended from time to time
“Issue Mandate”	a general and unconditional mandate granted to the Directors to issue, allot and deal with unissued Shares up to a maximum of 20% of the total number of issued shares of the Company as at the date of passing of the relevant resolution
“Latest Practicable Date”	20 April 2022, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Committee”	means the listing sub-committee of the directors of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. An”	Mr. David An, the chairman of the Board, an executive Director and a substantial shareholder of the Company
“New Share Option Scheme”	the new share option scheme of the Company to be proposed for adoption by the Company at the AGM, the principal terms of which are set out in Appendix III to this circular

DEFINITIONS

“Option”	as the context may require, in relation to the New Share Option Scheme or the Existing Share Option Scheme, a right granted by the Company under the New Share Option Scheme or the Existing Share Option Scheme (as the case may be) to subscribe for Shares in accordance with the New Share Option Scheme or the Existing Share Option Scheme (as the case may be)
“Participant”	any Eligible Person who accepts the offer of a grant of an Option and who for the time being participates in the New Share Option Scheme (or, where applicable, his personal representatives) and where the context requires or permits any Eligible Person to whom the offer of a grant of Options is made by the Company and which offer has not been withdrawn or lapsed or rejected
“PRC”	The People’s Republic of China
“Remuneration Committee”	the remuneration committee of the Board
“Repurchase Mandate”	a general and unconditional mandate granted to the Directors to exercise all powers of the Company to purchase Shares on the Stock Exchange, or any other stock exchange on which the Shares may be listed, up to a maximum of 10% of the total number of issued Shares as at the date of passing of the relevant resolution
“Scheme Mandate Limit”	the total number of Shares which may be issued upon exercise of all Options to be granted under the New Share Option Scheme and any other share option scheme of the Company and must not, in aggregate, exceed 10% of the Shares in issue as at the date of approval of the New Share Option Scheme (excluding Options which have lapsed in accordance with the terms of the New Share Option Scheme or any other share option scheme of the Company), unless Shareholders’ approval has been obtained pursuant to the terms as set out in the New Share Option Scheme

DEFINITIONS

“Scheme Period”	means the period to be notified by the Board, such period not to exceed the period of 10 years from the date on which the adoption of the New Share Option Scheme becomes unconditional pursuant to an ordinary resolution passed by the Shareholders at the AGM
“Service Providers”	any persons who provide services to the Group on a continuing or recurring basis in its ordinary and usual course of business which are material to the long term growth of the Group, including but not limited to persons who work for the Company as independent contractors but the continuity and frequency of their services are akin to those of employees, as may be determined by the Remuneration Committee from time to time. For the avoidance of doubt, financial advisors or placing agents providing fundraising or M&A services, or consultants providing professional services to the Company are excluded
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	the ordinary share(s) of HK\$0.10 each in the issued share capital of the Company
“Shareholder(s)”	the registered holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary”	a company which is for the time being and from time to time a subsidiary (as such term is defined in the Listing Rules) of the Company, whether incorporated in Hong Kong or elsewhere
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“Takeovers Code”	the Code on Takeovers and Mergers issued by the Securities and Futures Commission of Hong Kong as amended from time to time
“%”	per cent

LETTER FROM THE BOARD



HANS ENERGY COMPANY LIMITED

漢思能源有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00554)

Executive Directors:

Mr. David An (*Chairman*)

Mr. Yang Dong (*Chief Executive Officer*)

Mr. Zhang Lei

Registered Office:

P.O. Box 309

Ugland House

Grand Cayman, KY1-1104

Cayman Islands

Independent Non-Executive Directors:

Mr. Li Wai Keung

Mr. Chan Chun Wai, Tony

Mr. Chung Chak Man, William

Principal Place of Business

in Hong Kong:

Unit 2608, 26/F, Harbour Centre

25 Harbour Road

Wanchai

Hong Kong

26 April 2022

To the Shareholders

Dear Sir/Madam,

**PROPOSALS FOR GENERAL MANDATES
TO REPURCHASE SHARES AND ISSUE SHARES,
RE-ELECTION OF RETIRING DIRECTORS,
ADOPTION OF NEW SHARE OPTION SCHEME,
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NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information regarding the resolutions to be proposed at the AGM. These include ordinary resolutions relating to (i) the granting to the Directors the Repurchase Mandate and the Issue Mandate; (ii) the re-election of each of the retiring Directors; (iii) the adoption of the New Share Option Scheme; (iv) the termination of the Existing Share Option Scheme and (v) the AGM notice.

LETTER FROM THE BOARD

THE REPURCHASE MANDATE

The Company's existing mandate to repurchase Shares was approved by ordinary resolutions at the annual general meeting held on 2 June 2021. Unless otherwise renewed, the existing mandate to repurchase Shares will lapse at the conclusion of the AGM.

At the AGM, an ordinary resolution will be proposed that the Directors be granted the Repurchase Mandate to exercise all powers of the Company to purchase Shares on the Stock Exchange, or on any other stock exchange on which the Shares may be listed, up to a maximum of 10% of the total number of issued Shares as at the date of passing of the relevant resolution.

An explanatory statement required by the Listing Rules to be sent to the Shareholders in connection with the Repurchase Mandate is set out in Appendix I to this circular. The explanatory statement contains all information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the ordinary resolution to approve the proposed granting of the Repurchase Mandate at the AGM.

THE ISSUE MANDATE

The Company's existing mandate to issue Shares was approved by ordinary resolutions at the annual general meeting held on 2 June 2021. Unless otherwise renewed, the existing mandate to issue Shares will lapse at the conclusion of the AGM.

An ordinary resolution will also be proposed at the AGM that the Directors be granted the Issue Mandate to issue, allot and deal with unissued Shares up to a maximum of 20% of the total number of issued Shares as at the date of passing of the relevant resolution.

As at the Latest Practicable Date, there was a total of 3,956,638,000 Shares in issue. Subject to the passing of the resolution granting the Issue Mandate and on the basis that no further Shares are issued or repurchased before the AGM, the Company will be allowed to issue up to a maximum of 791,327,600 Shares.

In addition, an ordinary resolution will further be proposed at the AGM adding any Shares repurchased under the Repurchase Mandate to the Issue Mandate. The Repurchase Mandate and the Issue Mandate would continue in force until the conclusion of the next annual general meeting of the Company unless they are renewed at such meeting or until revoked or varied by ordinary resolutions of the Shareholders in a general meeting held prior to the next annual general meeting of the Company.

LETTER FROM THE BOARD

EXTENSION OF ISSUE MANDATE

In addition, subject to the passing of the resolutions to grant the Issue Mandate and the Repurchase Mandate, an ordinary resolution will be proposed at the AGM to authorise the Directors to extend the Issue Mandate to allot and issue Shares by an amount of shares representing the aggregate nominal value of Shares purchased or repurchased by the Company pursuant to the authority granted to the Directors under the Repurchase Mandate provided that such extended amount shall not exceed 10% of the aggregate number of the issued Shares as at the date of passing the resolution for approving the Repurchase Mandate.

An explanatory statement required to be sent to the Shareholders under the Listing Rules is set out in Appendix I to this circular to provide the requisite information regarding the Repurchase Mandate to the Shareholders.

RE-ELECTION OF RETIRING DIRECTORS

In accordance with article 116 of the Articles of Association, Mr. Zhang Lei and Mr. Chan Chun Wai, Tony (“**Mr. Chan**”) shall retire by rotation at the AGM. Mr. Chung Chak Man, William shall hold office until the AGM and shall be eligible for re-election at the AGM according to article 99 of the Articles of Association.

The Company has in place a nomination policy which sets out, inter alia, the selection criteria (the “**Criteria**”) and the evaluation procedures in nominating candidates to be appointed or re-appointed as Directors. The re-appointment of each of Mr. Zhang Lei, Mr. Chan and Mr. Chung Chak Man, William was recommended by the nomination committee of the Company (the “**Nomination Committee**”), and the Board has accepted the recommendations following a review of their overall contribution and service to the Company including their attendance of Board meetings and general meeting, the level of participation and performance on the Board, and whether they continue to satisfy the Criteria.

Biographical details of the above retiring Directors proposed for re-election at the AGM, which are required to be disclosed pursuant to the Listing Rules, are set out in Appendix II to this circular.

Further, pursuant to Appendix 14 to the Listing Rules, it is recommended that serving more than nine years could be relevant to the determination of a non-executive Director’s independence. If an independent non-executive Director serves more than nine years, any further appointment of such independent non-executive Director should be subject to a separate resolution to be approved by Shareholders.

Mr. Chan has served on the Board for more than nine years but he has not held any executive or management position in the Group nor has he throughout such period been under the employment of any member of the Group. The Nomination Committee had reviewed the independence of Mr. Chan, and Mr. Chan also submitted annual confirmation to the Company on his fulfillment of the independence guidelines set out in Rule 3.13 of the Listing Rules. The Nomination Committee has assessed by the selection

LETTER FROM THE BOARD

criteria and the evaluation procedures set out in the nomination policy of the Company and is satisfied with the independence of Mr. Chan. Moreover, based on the biographical information disclosed to the Company, Mr. Chan does not hold 7 or more listed company directorships and he continues to demonstrate his commitment to his role with the Company. The Directors noted the positive contributions of Mr. Chan to the development of the Company's strategy and policies through independent, constructive and informed contributions supported by his skill, expertise and qualification and from his active participation at meetings. Hence, the Board considers that the long service of Mr. Chan would not affect his exercise of independent judgment, and therefore considers Mr. Chan to be independent and recommends Mr. Chan to be re-elected. Mr. Chan had abstained from deliberation and decision in respect of assessment of his own independence.

TERMINATION OF THE EXISTING SHARE OPTION SCHEME

Pursuant to an ordinary resolution passed by the Shareholders at an extraordinary general meeting held on 28 December 2012, the Company adopted the Existing Share Option Scheme which is due to expire on 27 December 2022.

The Board proposes to terminate the Existing Share Option Scheme and adopt the New Share Option Scheme. Apart from the Existing Share Option Scheme, the Company has no other subsisting share option scheme as at the Latest Practicable Date. The outstanding Options under the Existing Share Option Scheme will remain valid and exercisable after the termination of the Existing Share Option Scheme.

As at the Latest Practicable Date, 711,427,600 outstanding Options granted under the Existing Share Option Scheme will remain valid and exercisable notwithstanding the proposed termination of the Existing Share Option Scheme. The Board has no present intention to grant any further Option under the Existing Share Option Scheme up to the date of the AGM.

Further details of the outstanding Options are set out in the following table:

No. of outstanding options	70,000,000	5,000,000	243,763,800	392,663,800
Date of Grant	30 August 2018	23 December 2020	23 December 2020	14 April 2021
Vesting Period	30 August 2018 – 29 August 2019	Not applicable	Not applicable	2 June 2021 ⁽¹⁾ – 13 April 2022
Exercise Price	HK\$0.236	HK\$0.400	HK\$0.400	HK\$0.340
Exercise Period	30 August 2019 – 29 August 2028	23 December 2020 – 22 December 2025	25 January 2021 ⁽²⁾ – 22 December 2025	14 April 2022 – 13 April 2027
Categories of Grantees (at the relevant time)	Directors, Employees and consultants	Director	Director	Director

Notes:

- (1) The relevant Options became valid upon obtaining the independent Shareholder's approval at the annual general meeting held on 2 June 2021.
- (2) The relevant Options were vested and exercisable from the date upon obtaining the independent Shareholder's approval at the extraordinary general meeting held on 25 January 2021.

LETTER FROM THE BOARD

It is proposed that subject to the fulfillment of the conditions of the New Share Option Scheme set out in the section headed “Adoption of the New Share Option Scheme — Conditions of the adoption of the New Share Option Scheme” below, the operation of the Existing Share Option Scheme shall be terminated and the New Share Option Scheme will take effect.

ADOPTION OF NEW SHARE OPTION SCHEME

In order to enable the continuity of the share option scheme of the Company, the Board proposes that the Company adopts the New Share Option Scheme. The purpose of the New Share Option Scheme is to grant Options at the discretion of the Board to Eligible Persons as incentives and rewards for their contribution to the Group.

The Board may, at its absolute discretion and on such terms as it may think fit, grant the Options to any Employees, Directors or Service Providers.

The Board is of the view that the inclusion of the persons other than the Directors and Employees as part of the Participants is appropriate and in the interests of the Company and the Shareholders as a whole, given that the success of the Group requires the co-operation and contribution not only from its Directors and Employees, but also from the Service Providers who provide services to the Group on a continuing and recurring basis in its ordinary and usual course of business which are material and beneficial to the long term growth of the businesses of the Group, including the persons who work for the Company as independent contractors but the continuity and frequency of their services are akin to those of employees.

As the Group is principally engaged in provision of integrated facilities of jetties, storage tanks, warehousing and logistic services in south China for petroleum and liquid chemicals products, offering value-added services in its own ports and storage tank farms, trading of oil and petrochemical products and operating a filling station business, the Board acknowledges the necessity in maintaining the existing business relationships and exploring potential partnerships with the aforesaid stakeholders, being Service Providers who have provided services to the Group on a continuing and recurring basis in its ordinary and usual course of business in respect of business of the Group, business development, research and development or other technological support to the Group, so as to maintain the Group’s competitiveness in long term. The Board considers that the Options will offer incentives for the Service Providers to provide continuing efforts to promote the interests of the Group and benefits the long-term growth of the Group. For example, the grant of Options to Service Providers would provide incentive and reward for these grantees to provide better services as well as timely market intelligence to the Group in their capacity as Service Providers.

Service Providers

The inclusion of the Service Providers as Participants under the New Share Option Scheme leaves sufficient flexibility in the scheme rules in light of the future development and is fair and reasonable and in the interest of the Company and its Shareholders as a whole in the long run because: (a) in a view to enhancing its competitive strength and

LETTER FROM THE BOARD

maintaining its market position, the Company may need Service Providers to provide insights to various aspects of the business and operation of the Group; (b) the Service Providers may provide recommendations and/or advice to the Group in matters including but not limited to strategic management, business research and development, technological support and consulting services, so as to contribute to assist the Group in achieving the operational competitiveness and business sustainability on mid to long term basis; and (c) in the event that the Company engages Service Providers to provide consulting services to the Group, including these Service Providers as Participants may fill the gap and to foster the relationship with them as well as allowing the Company to pay such Service Providers a consideration comprising service fee and share-based consideration, leveraging on which, the Company may be able to avoid expensive one-off short-term transaction costs, at the same time incentivize the Service Providers with the long-term value to be brought by the growth of the Company's business and market capitalization. Furthermore, it will align the interests of the Service Providers with that of the Group, which would in the long-term, and draw in key players of various industries that would help contribute to the Group's growth and development, and therefore is in the interests of the Company and the Shareholders as a whole, and in line with the purposes of the New Share Option Scheme.

The Company has engaged two consultants for more than 10 years and one of whom still remains to be engaged by the Group. These two consultants have provided management consulting services and/or advisory services in relation to China and overseas matters to the chairman of the Board and/or the Board. They have not been the employees of the Group. Their services include providing advice to the chairman of the Board and/or the Board on strategic planning and business development of the Group, assisting the Group in establishing and developing relationships with the counterparties and potential business partners in the PRC and overseas, identifying and introducing potential investment, merger and acquisition opportunities and potential targets. This assists the Board to formulate business strategy and explore investment opportunities to formulate and implement the long term development plan of the Group.

On 30 August 2018, the Company has granted a total of 12,000,000 Options to these consultants to recognise their contribution to the Group.

The Board believes that the grant of Options to the Service Providers can serve as an incentive to the Service Providers for their contribution or continuing contribution to the Group in the future.

The Board (or the case may be, the independent non-executive Directors) will assess the eligibility of Participant(s) who are Employees and Directors based on the following factors: (a) his/her (i) individual performance, (ii) commitment (including without limitation the years of service and working hours), (iii) responsibilities and engagement conditions according to the prevailing market practice and industry standard, and (iv) potential and/or actual contribution to the business affairs of and benefits to the Group (in terms of, including without limitation, proactively promoting/catalyzing the continuing development and growth of the Group); and/or (b) whether he/she is regarded to be able to make valuable contribution to the Group based on his/her work experience, professional qualifications, knowledge in the industry or other relevant factors (including without limitation technical know-how, and market competitiveness).

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In respect of any Service Providers, the Remuneration Committee will assess the importance and value of the services provided to the Group, and make recommendation to the Board. The Remuneration Committee may consider granting Options to such Participants to provide incentives for the supply of reliable and high quality services on a long term basis which will benefit the Group. The Company may grant Options to such participants to facilitate a long term relationship with such partners which will benefit the Group by way of thriving and long term business cooperation.

Principal Terms of the New Share Option Scheme

The terms of the New Share Option Scheme provide that in granting Options under the New Share Option Scheme, unless the Directors otherwise determine, there is no general requirement of any minimum period for which an Option must be held or any performance targets which must be achieved before any Options granted under the New Share Option Scheme can be exercised. However, the New Share Option Scheme will give the Board discretion to impose such conditions on the Options where appropriate. The Directors consider that it may not always be appropriate to impose such conditions particularly when the purpose of granting Options is to remunerate or compensate Employees. The Directors consider it more beneficial to the Company to retain the flexibility to determine when such conditions are appropriate. In addition, the Directors shall have absolute discretion to determine the exercise price for Shares in respect of any particular Option (as described in paragraph 13 of Appendix III to this circular). The Directors consider that the aforesaid criteria and rules will serve to motivate and retain the Eligible Persons for contribution to the benefit and success of the Group.

As at the Latest Practicable Date, the Company has 3,956,638,000 Shares in issue. Subject to the obtaining of Shareholders' approval with respect to the adoption of the New Share Option Scheme at the AGM and assuming that there is no change in the number of Shares in issue prior to the AGM, the total number of Shares which may be allotted and issued upon exercise of all Options to be granted under the New Share Option Scheme and any other share option scheme of the Company will be 395,663,800 Shares, representing 10% of the issued share capital of the Company as at the date of approval of the New Share Option Scheme by the Shareholders at the AGM.

Taking into account the above, the maximum number of Shares which may be granted, or issued upon the exercise of all outstanding Options granted and yet to be exercised under the Existing Share Option Scheme, the New Share Option Scheme and any other share option schemes of the Company would be 1,107,091,400 Shares, representing approximately 28.0% of the total number of Shares in issue as at the Latest Practicable Date. Accordingly, the Board is of the view that the maximum number of Shares which may be granted, or issued upon exercise of all outstanding Options granted and yet to be exercised under the Existing Share Option Scheme, the New Share Option Scheme and any other share option schemes of the Company will not exceed 30% of the total number of Shares in issue from time to time. As at the Latest Practicable Date, the Company does not have any fixed plans to grant Options to any Participants upon the adoption of the New Share Option Scheme. The Board will consider from time to time whether to grant Options based on a number of factors, including but not limited to, the Group's financial performance and the relevant individual's performance and contribution to the Group.

LETTER FROM THE BOARD

A summary of the principal terms of the rules of the proposed New Share Option Scheme is set out in the Appendix III to this circular. This serves as a summary of the terms of the New Share Option Scheme but does not constitute the full terms of the same. A copy of the full text of the New Share Option Scheme will be available for inspection during normal business hours at the Company's principal place of business at Unit 2608, 26/F, Harbour Centre, 25 Harbour Road, Wanchai, Hong Kong from the date of this circular up to and including the date of the AGM.

The Directors consider that it is not appropriate to state the value of all Options that can be granted pursuant to the New Share Option Scheme as if they had been granted at the Latest Practicable Date. The Directors believe that any statement regarding the value of the Options as at the Latest Practicable Date will not be meaningful to the Shareholders, taking into account the number of variables which are crucial for the calculation of the option value which have not been determined. Such variables include the exercise price, exercise period, any lock-up period, any performance targets set and other relevant variables.

Application will be made to the Listing Committee for approval of the listing of, and permission to deal in, the Shares which may be issued pursuant to the exercise of any such Options that may be granted under the New Share Option Scheme.

None of the Directors are appointed as trustees of the New Share Option Scheme or have a direct or indirect interest in the trustee.

The New Share Option Scheme constitutes a share option scheme governed by Chapter 17 of the Listing Rules and the adoption of the New Share Option Scheme is subject to the approval of the Shareholders at the AGM. No Shareholders has a material interest in the adoption of the New Share Option Scheme, and hence no Shareholders are required to abstain from voting on relevant resolution at the AGM.

Conditions of the adoption of the New Share Option Scheme

The New Share Option Scheme will become effective for a 10-year period from the date of its adoption. The adoption of the New Share Option Scheme is conditional upon the following:

- (a) the passing of an ordinary resolution by the Shareholders at the AGM approving the adoption of the New Share Option Scheme; and
- (b) the Listing Committee granting the approval of the listing of, and permission to deal in, the Shares which may be issued pursuant to the exercise of the Options to be granted under the New Share Option Scheme.

LETTER FROM THE BOARD

RE-APPOINTMENT OF AUDITORS

KPMG will retire as the independent auditors of the Company at the AGM and, being eligible, offer themselves for re-appointment.

Upon the recommendation of the audit committee of the Company (the “**Audit Committee**”), the Board proposed to re-appoint KPMG as the independent auditors of the Company and to hold office until the conclusion of the next annual general meeting of the Company.

CLOSURE OF REGISTER OF MEMBERS

The forthcoming AGM is scheduled to be held on Wednesday, 15, June 2022. For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Friday, 10 June 2022 to Wednesday, 15 June 2022, both days inclusive, during which period no transfer of Shares will be registered. In order to attend and vote at the AGM, all duly completed share transfer documents accompanied by the relevant share certificates must be lodged with the branch share registrar of the Company in Hong Kong, Tricor Secretaries Limited, Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong, for registration not later than 4:30 p.m. on Thursday, 9 June 2022.

ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT

Notice of the AGM is set out on pages 32 to 36 of this circular.

Pursuant to the Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. An announcement on the results of the poll will be published by the Company after the AGM in the manner prescribed under the Listing Rules.

A form of proxy for use at the AGM is enclosed with this circular and such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and of the Company (www.hansenergy.com). To be valid, the form of proxy must be completed and signed in accordance with the instructions stated thereon and return it to the Company’s branch share registrars in Hong Kong, Tricor Secretaries Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong not less than 48 hours before the time appointed for the holding of the AGM (not later than 11:00 a.m. on Monday, 13 June 2022) or the adjourned meeting. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM and at any adjournment thereof if you so wish. In such event, the form of proxy shall be deemed to be revoked.

LETTER FROM THE BOARD

VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of the Shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Therefore, all resolutions as set out in the notice convening the AGM will be voted by way of a poll and, after being verified by the scrutineer, the results of the poll will be published in the manner prescribed under Rule 13.39(5) of the Listing Rules.

RECOMMENDATION

The Directors consider that the proposed granting of the Repurchase Mandate and the Issue Mandate to the Directors and the re-election of each of the retiring Directors, the adoption of the New Share Option Scheme and the termination of the Existing Share Option Scheme are fair and reasonable and are in the best interests of the Company and the Shareholders as a whole. The Directors therefore recommend the Shareholders to vote in favour of the relevant resolutions as set out in the notice of the AGM.

DOCUMENTS AVAILABLE FOR DISPLAY AND INSPECTION

A copy of the New Share Option Scheme will be published on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.hansenergy.com) for display from the date of this circular up to and including the date of the AGM (i.e. from 26 April 2022 to 15 June 2022), and the same will be available for inspection at the AGM.

LETTER FROM THE BOARD

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

Yours faithfully,
For and on behalf of the Board
Hans Energy Company Limited
漢思能源有限公司
David An
Chairman

The following is as an explanatory statement, as required by the Listing Rules, to provide certain information to the Shareholders for their consideration of the Repurchase Mandate.

1. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 3,956,638,000 Shares.

Subject to the passing of the resolution granting the Repurchase Mandate and on the basis that no further Shares are issued or repurchased before the AGM, the Company will be allowed to repurchase up to a maximum of 395,663,800 Shares, being 10% of the total number of issued Shares as at the date of passing of the relevant resolution for granting the Repurchase Mandate.

2. REASONS FOR REPURCHASES

The Directors believe that it is in the best interests of the Company and the Shareholders to seek a general authority from the Shareholders to enable the Company to purchase its Shares on the Stock Exchange. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value and/or earnings per share of the Company and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders.

3. FUNDING OF REPURCHASES

Repurchases made pursuant to the Repurchase Mandate would be funded out of funds legally available for the purpose in accordance with the Company's memorandum and articles of association and the applicable laws of the Cayman Islands.

4. IMPACT OF REPURCHASES

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited consolidated financial statements contained in the annual report of the Company for the year ended 31 December 2021) in the event that the Repurchase Mandate were to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse impact on the working capital requirements of the Company or the gearing levels of the Company.

5. MARKET PRICES OF SHARES

The following table shows the highest and lowest prices at which the Shares have been traded on the Stock Exchange during each of the previous 12 months up to and including the Latest Practicable Date:

	Share Price Per Share	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2021		
April	0.380	0.320
May	0.395	0.360
June	0.415	0.355
July	0.400	0.340
August	0.390	0.335
September	0.380	0.335
October	0.440	0.335
November	0.445	0.365
December	0.530	0.395
2022		
January	0.520	0.098
February	0.218	0.188
March	0.200	0.152
April (up to and including the Latest Practicable Date)	0.184	0.138

6. GENERAL

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their close associates, have any present intention to sell any Shares to the Company, if the Repurchase Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will only exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands, and in accordance with the regulations set out in the memorandum and articles of association of the Company.

The Company has not been notified by any core connected person of the Company that such a person has a present intention to sell, or has undertaken not to sell, any Shares to the Company, if the Repurchase Mandate is approved by the Shareholders.

7. TAKEOVERS CODE

If, as a result of a repurchase of Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. Accordingly, a Shareholder, or a group of Shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of increase in the Shareholders' interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Company, Mr. An, chairman of the Company, was interested in 2,766,593,980 Shares representing approximately 69.92% of the issued share capital of the Company. In the event that the Directors exercise in full the power to repurchase Shares which is proposed to be granted pursuant to the Repurchase Mandate, the interest of Mr. An in the Company would be increased to approximately 77.69% of the total issued share capital of the Company. The Directors consider that such increase would not give rise to an obligation on Mr. An to make a mandatory offer under Rule 26 of the Takeovers Code but would reduce the percentage of Shares held by the public to less than 25% of the Company's total issued share capital. The Directors have no intention to exercise the Repurchase Mandate to such an extent as may result in the public shareholding falling below the minimum public float requirement.

Save as disclosed above, the Directors are currently not aware of any consequences which will arise under the Takeovers Code as a result of any purchase made under the Repurchase Mandate.

8. DISCLOSURE OF INTERESTS OF DIRECTORS, THEIR CLOSE ASSOCIATES AND CORE CONNECTED PERSON

As at the Latest Practicable Date, none of the Directors nor, to the best of their respective knowledge and belief and having made all reasonable enquiries, their close associates, have any present intention, if the Repurchase Mandate is approved by the Shareholders and is exercised, to sell any Shares to the Company or any of its subsidiaries under the Repurchase Mandate.

As at the Latest Practicable Date, no core connected person of the Company (i) has notified the Company that he/she/it has a present intention to sell any Shares; (ii) has undertaken to the Company that he/she/it will not sell any Shares held by him/her/it to the Company, in the event that the Repurchase Mandate is approved by the Shareholders.

9. MATERIAL ADVERSE CHANGE

As compared with the financial position of the Company as at 31 December 2021 (being the date to which the latest audited accounts of the Company have been made up), the Directors consider that there would not be a material adverse impact on the working capital and on the gearing position of the Company in the event that the proposed repurchases were to be carried out in full during the proposed repurchase period.

The Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital of the Company or the gearing position which in the opinion of the Directors are from time to time appropriate for the Company.

10. REPURCHASE OF SHARES MADE BY THE COMPANY

No Shares had been repurchased by the Company, whether on the Stock Exchange or otherwise, in the last six months preceding the Latest Practicable Date.

The following are the biographical details of the Directors proposed for re-election at the AGM:

1. MR. ZHANG LEI

Mr. Zhang Lei (“Mr. Zhang”), aged 56, has been an executive Director since August 2007. Mr. Zhang joined the Company as Chief Operating Officer, PRC in 2006. He has many years of experience in petrochemical industry. He has expertise in petrochemical specialized technology and is familiar with financial accounting policy and system of the PRC. Mr. Zhang also has in-depth knowledge in large petrochemical project management. He had served China Petrochemical Corporation and held various key positions such as the chief financial officer of the Singapore branch, deputy general manager and chief financial officer of the Hong Kong branch. Mr. Zhang graduated from Dongbei University of Finance and Economics and obtained the qualification of engineer.

Mr. Zhang has entered into a service contract with the Company for a term of 12 months, renewable automatically for successive terms of 12 months upon expiry of the then current term of his appointment, unless terminated in accordance with the terms of the service contract and he is subject to retirement by rotation and re-election at least once every three years at annual general meetings of the Company in accordance with the Articles of Association.

Mr. Zhang received Director’s salary and allowance of approximately HK\$1,905,000 for the financial year ended 31 December 2021, plus other Director’s emoluments such as discretionary bonus and other benefits, which was determined by the Board with the recommendation of the remuneration committee of the Board by reference to his performance and responsibilities, the market rates for the position and the Company’s performance and profitability.

Mr. Zhang does not have any relationships with any Directors, senior management, substantial or controlling shareholders of the Company nor does he hold any other positions in the Group. He does not, at present, nor did he in the past three years, hold any directorships in any other public companies the securities of which are listed in Hong Kong or overseas. As at the Latest Practicable Date, he does not have any interests in the Shares within the meaning of Part XV of the SFO.

2. MR. CHAN CHUN WAI, TONY

Mr. Chan Chun Wai, Tony (“Mr. Chan”), aged 50, has been an independent non-executive Director since May 2005. He is also the Chairman of the Nomination Committee and a member of the Audit Committee and the remuneration committee of the Company. Mr. Chan is a Certified Public Accountant and owns a certified public accounting practice. He has extensive experience in general assurance and business advisory services in both Hong Kong and the PRC. Moreover, Mr. Chan has extensive experience in public listings in Hong Kong and Singapore, mergers and acquisition as well as corporate finance. He holds a Master’s degree in Business Administration from the Manchester Business School. Mr. Chan is now an independent non-executive director of Honbridge Holdings Limited (stock code: 8137), the security of which is listed on the Stock Exchange. Apart from the abovementioned, he resigned as an independent non-executive director of Wai Chun Mining Industry Group Company Limited (stock code: 660) and Wai Chun Group Holdings Limited (stock code: 1013) with effect from 6 November 2020, the securities of which are listed on the Stock Exchange. Besides, he was no longer a joint company secretary of Zhejiang Cangan Instrument Group Company Limited (stock code: 1743) as the security of which was delisted on the Stock Exchange with effect from 5 July 2021.

Mr. Chan has entered into an appointment letter with the Company for a term of three years, unless terminated in accordance with the terms of the appointment letter and he is subject to retirement by rotation and re-election at least once every three years at the annual general meetings of the Company in accordance with the Articles of Association. Mr. Chan is entitled to receive a Director’s fee of HK\$180,000 per annum which was determined by the Board with the recommendation of the remuneration committee of the Board by reference to the market practices.

Mr. Chan does not have any relationships with any Directors, senior management, substantial or controlling shareholders of the Company nor does he hold any other positions in the Group. As at the Latest Practicable Date, he does not have any interests in the Shares within the meaning of Part XV of the SFO.

3. MR. CHUNG CHAK MAN, WILLIAM

Mr. Chung Chak Man, William (“Mr. Chung”), aged 63, was appointed as independent non-executive Director with effect from 15 March 2022. Mr. Chung has extensive experience in business management in the public transportation industry. Since January 2021, he has been the vice chairman of Bravo Transport Services Limited (“**Bravo Transport**”), which is the holding company of Citybus Limited (“**Citybus**”) and New World First Bus Services Limited (“**New World First Bus**”) and the vice chairman of Citybus and New World First Bus. Mr. Chung has been a director of Bravo Transport since 1 April 2019, a director of Citybus since March 2004, and a director of New World First Bus since February 2010. He was previously the managing director of Citybus and New World First Bus from April 2019 to January 2021. From March 2004 to March 2019, Mr. Chung was the head of operations of Citybus and New World First Bus. He was also an executive director of Kwoon Chung Bus Holdings Limited (stock code: 306), the security of which is listed on the Stock Exchange, from June 2008 to May 2014. Mr. Chung is a chartered fellow of the Chartered Institute of Logistics and Transport in Hong Kong (the “**CILTHK**”) and has been serving the CILTHK as a council member since October 2016. He has been a non-official member of the Road Safety Strategic Engagement Working Group in the Road Safety Council since August 2019, and a member of the Accessible Transport and Travel Committee in the Hong Kong Society for Rehabilitation since November 2019. Mr. Chung holds a Master of Business Administration from the University of South Australia.

Mr. Chung has entered into an appointment letter with the Company for a term of three years, unless terminated in accordance with the terms of the appointment letter and he is subject to retirement by rotation and re-election at least once every three years at the annual general meetings of the Company in accordance with the Articles of Association. Mr. Chung is entitled to receive a Director’s fee of HK\$180,000 per annum which was determined by the Board with the recommendation of the remuneration committee of the Board by reference to the market practices.

Mr. Chung does not have any relationships with any Directors, senior management, substantial or controlling shareholders of the Company nor does he hold any other positions in the Group. As at the Latest Practicable Date, he does not have any interests in the Shares within the meaning of Part XV of the SFO.

4. GENERAL

Each of the above retiring Directors proposed for re-election has confirmed that there is no information which is disclosable pursuant to any of the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there are no other matters concerning him that need to be brought to the attention of the Shareholders.

The following is a summary of the principal terms of the New Share Option Scheme proposed to be approved at the AGM:

1. PURPOSE OF THE NEW SHARE OPTION SCHEME

The purpose of the New Share Option Scheme is to enable the Company to recruit and retain high-calibre employees and attract resources that are valuable to the Group and to provide the Company with a means of giving incentive to, rewarding, remunerating, compensating and/or providing benefits to such persons who contribute or may bring benefit to the Group.

2. WHO MAY JOIN

The Board may, from time to time during the Scheme Period, at its absolute discretion, offer an Option to an Eligible Person to subscribe for such number of Shares at the Exercise Price as the Board may determine, as set out in paragraph 13 below, subject always to any limits and restrictions specified in the Listing Rules.

3. MAXIMUM NUMBER OF SHARES

The maximum number of Shares which may be issued upon the exercise of all outstanding Options granted and yet to be exercised under the New Share Option Scheme and any other schemes of the Company must not exceed such number of Shares as represents 30% of the issued share capital of the Company from time to time. No Options may be granted under the New Share Option Scheme if this will result in the aforesaid 30% limit being exceeded.

Subject always to the 30% limit as described in the paragraph above:

- (a) the total number of Shares which may be issued upon exercise of all Options to be granted under the New Share Option Scheme and any other share option scheme of the Company must not, in aggregate, exceed 10% of the Shares in issue as at the date of the approval of the New Share Option Scheme by the Shareholders (being 10% of 3,956,638,000 Shares). Options lapsed in accordance with the New Share Option Scheme will not be counted for the purpose of calculating the Scheme Mandate Limit;
- (b) the Scheme Mandate Limit may be refreshed by obtaining approval of the Shareholders in general meeting from time to time, provided that such refreshed limit shall not exceed 10% of the Shares in issue as at the date of approval of such limit. Options previously granted under the New Share Option Scheme (including those outstanding, cancelled, lapsed in accordance with the New Share Option Scheme or exercised Options) prior to the approval of such refreshment shall not be counted for the purpose of calculating the Scheme Mandate Limit as refreshed. In such case, the Company must send a circular to its shareholders containing the information in relation to any such proposed refreshment of the Scheme Mandate Limit as required under the Listing Rules;

- (c) the Board may grant Options in excess of the Scheme Mandate Limit (as refreshed from time to time) if the grant of such Options is to specifically identified Eligible Persons and the grant of such Options to specifically identified Eligible Persons is first approved by the Shareholders in general meeting. In obtaining the approval of the Shareholders, the Company must send a circular to the Shareholders containing all information as required by the Listing Rules; and
- (d) if the Company conducts a share consolidation or subdivision after the Scheme Mandate Limit has been approved in general meeting, the maximum number of Shares that may be issued upon exercise of all options to be granted under the Scheme and any other schemes of the Group under the Scheme Mandate Limit as a percentage of the total number of issued shares at the date immediately before and after such consolidation or subdivision shall be the same.

4. MAXIMUM NUMBER OF OPTIONS GRANTED TO ANY ONE INDIVIDUAL

Unless approved by the Shareholders in the manner as set out in the paragraph below, the total number of Shares issued and to be issued upon the exercise of the Options granted to each Eligible Person (including exercised, cancelled and outstanding Options) in any 12 month period shall not exceed 1% of the relevant class of securities of the Company in issue.

Further Options (in the 12 month period up to and including the date of granting such further Options) in excess of this 1% limit may be granted to an Eligible Person by obtaining approval of the Shareholders in general meeting with such Eligible Person and his close associate(s) (or his associates if such Eligible Person is a Connected Person) abstaining from voting provided that the terms (including the exercise price) and number of Shares subject to the Options to be granted to such Eligible Person are fixed before the relevant Shareholders' approval is obtained, and the date of the meeting of the Board proposing such further grant shall be deemed to be the Date of Grant for the purpose of determining the Exercise Price of such Options. The Company must send a circular to the Shareholders disclosing all information as required by the Listing Rules.

5. PERFORMANCE TARGET

The New Share Option Scheme allows the Board, when offering an Option, to impose any condition including any performance target which must be achieved before the Option can be exercised. Such conditions are not currently set out in the New Share Option Scheme. For the avoidance of doubt, Options to be granted to an Eligible Person who is an independent non-executive Director shall not contain any performance-related elements, unless this is allowed by the Listing Rules.

6. MINIMUM PERIOD FOR WHICH AN OPTION MUST BE HELD

The New Share Option Scheme allows the Board, when offering an Option, to impose any minimum period for which the Option must be held before it can be exercised. Such minimum period is not currently set out in the New Share Option Scheme.

7. RESTRICTIONS ON THE TIME OF GRANT OF OPTION

Subject to the requirements of the Listing Rules as may be amended from time to time, the Board shall not grant any Options under the New Share Option Scheme after Inside Information has come to the knowledge of the Company until (and including) the trading day after the Company has announced the Inside Information pursuant to the requirements of the Listing Rules. In particular, no Option shall be granted during the period commencing one month immediately preceding the earlier of:

- (a) the date of the Board meeting for the approval of the Company's annual or interim results; and
- (b) the deadline for the Company to publish its annual or interim results announcement under the Listing Rules

and ending on the date of the results announcement. The period during which no Option may be granted will cover any period of delay in the publication of a results announcement.

8. GRANT OF OPTIONS TO CONNECTED PERSONS

Any Options granted to a Participant who is a Director, chief executive or substantial shareholder of the Company or any of their respective associates under the New Share Option Scheme must be approved by the independent non-executive Directors and in any event that the proposed Participant is an independent non-executive Director, the vote of such independent non-executive Director shall not be counted for the purpose of approving such grant.

Any Options granted to an Eligible Person who is a substantial shareholder or independent non-executive Director or any of their respective associates, which will result in the total number of Shares issued and to be issued upon exercise of all Options granted and to be granted (including Options whether exercised, cancelled or still outstanding) to such person in the period of 12 months up to and including the date of such grant:

- (a) representing in aggregate over 0.1% (or such other percentage as may from time to time be specified by the Stock Exchange) of the Share in issue; and
- (b) having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK\$5,000,000 (or such other amount as may from time to time be specified by the Stock Exchange),

such proposed grant of Options must be approved by the Shareholders in general meeting by poll convened and held in accordance with the Articles and the Listing Rules. The Company must send a circular to the Shareholders. All relevant Participants, its/his/her associates and all core connected persons of the Company shall abstain from voting in favour at such general meeting, except that relevant Participants, its/his/her associates and any core connected person of the Company may vote against such resolution provided that the Company is complied with requirements under Rules 13.40, 13.41 and 13.42 of the Listing Rules (including but not limited to its/his/her intention to do so) has been stated in the circular to be issued by the Company to the Shareholders. The aforementioned circular shall contain such information as required under Rule 17.04(3) of the Listing Rules.

9. ACCEPTANCE OF OPTIONS

An offer of an Option to acquire Shares must be made by the Company on a Business Day and accepted in writing by the Participant in such manner as the Board may prescribe within 21 days of the same being made and if not so accepted shall lapse. An offer may be accepted in part. An offer may not be accepted unless the offeree remains an Eligible Person on acceptance.

The amount payable for the acceptance of an Option shall be the sum of HK\$1.00 which shall be paid upon acceptance of the offer of such Option. This consideration shall not be refundable to the Participant and shall not be deemed to be a part payment of the Exercise Price.

10. RIGHTS ARE PERSONAL TO GRANTEES

An Option shall be personal to the Participant to whom it is granted or made and the Participant shall not in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any third party over or in relation to any Option held by him or any offer relating to the grant of an Option made to him.

11. TIME OF EXERCISE OF OPTIONS

An Option may be exercised in whole or in part by the Participant at any time during the Exercise Period and subject to compliance with the terms of the relevant Option and the New Share Option Scheme.

12. LIMITATIONS ON EXERCISE OF THE OPTIONS

The number of Options that may be exercised by each Participant for each year during the Exercise Period shall not exceed one third of the number of Options granted to him/her/it in a particular grant under the New Share Option Scheme (the “**One-third Limit**”), except for:

- (a) an approval by the Board to waive the One-third Limit to a particular Participant;

- (b) subject to the compliance of the applicable laws, rules and regulations, repurchase of the Shares by the Company from the Participant at market price upon exercise of the Options granted by the Participant; and
- (c) exercise of Options within the first anniversary of the death of the Participant or within three months after the Participant ceases to be an Employee in the circumstances as set out in paragraph 14(d) below.

In the event the Participant (except for those who are the Directors) attains the age of 65 years old or above, the Participant shall tender the Participant's resignation from the Participant's position with the Group when the Participant delivers the exercise notice to the Company except that the Participant has already resigned from the Participant's position with the Group before the Participant delivers the exercise notice to the Company.

13. EXERCISE PRICE

The Exercise Price shall be determined by the Board and shall not be less than the greater of:

- (a) the closing price of the Shares on the Stock Exchange as stated in the Stock Exchange's daily quotations sheet on the Date of Grant of such Option;
- (b) the average closing price of the Shares on the Stock Exchange as stated in the Stock Exchange's daily quotations sheets for the five Business Days immediately preceding the Date of Grant of such Option; and
- (c) the nominal value of the Shares.

14. LAPSE OF OPTIONS

An Option shall lapse on the occurrence of the earliest of the following events:

- (a) expiry of the Exercise Period;
- (b) the first anniversary of the death of the Participant;
- (c) in the case of a Participant who is an Employee or a Director, upon the Participant ceasing to be an Employee or a Director by reason of dismissal from employment or termination of office; in the case of a Participant who is a Service Provider, by reason of termination by the Company or the relevant Subsidiary of the relevant contract for provision of such services, in each case on the ground of: (i) the Participant's misconduct; (ii) the Participant committing an act of bankruptcy; (iii) the Participant becoming insolvent or

making any arrangements or composition with his creditors generally; or (iv) the Participant being convicted of any criminal offence involving his integrity or honesty;

- (d) three months after the Participant ceases to be an Employee by reason of (i) his retirement on or after attaining normal retirement age; (ii) resignation; (iii) ill health or disability; (iv) the company by which he is employed ceasing to be a Subsidiary, or the Company ceases to own any equity interest in the company in which the Employee is employed; (v) the expiry of his contract of Employment; or (vi) termination of Employment for reasons other than the reasons specified in paragraphs 14 (b) and 14 (c) above;
- (e) three months after the Participant ceases to be a Director for reasons other than the reasons specified in paragraphs 14 (b) and 14 (c) above;
- (f) the expiry of any period referred to in paragraphs 17 to 19 below and on commencement of the winding up of the Company, provided that in the case of paragraph 18 the proposed compromise or arrangement becomes effective;
- (g) save as otherwise provided in paragraph 19, the earlier of the close of business on the fifth Business Day prior to the general meeting referred to in paragraph 19 or the date of the commencement of the winding up of the Company;
- (h) any breach of the provisions of paragraph 10 above; or
- (i) in the case of a Participant who is a Service Provider, on the date which is the earlier of (i) three months from the date on which the Participant is notified of the resolution passed by the Board where the Board has resolved in its reasonable opinion that the Participant no longer provides services to the Company or any Subsidiary and (ii) three months from the date on which the services provided by a Service Provider is terminated.

All lapsed Option may be reissued by the Company as if the Scheme Mandate Limit was refreshed by the same amount of the number of Shares which may be issued upon the exercise of the lapsed of the Option.

15. RIGHTS

No dividends shall be payable and no voting rights shall be exercisable in relation to Options that have not been exercised. Shares issued or transferred on the exercise of an Option shall rank equally in all respects with the other Shares of the same class in issue at the date of allotment (including without limitation as to voting, dividend and transfer rights and rights arising on the liquidation of the Company) and will be subject to all the provisions of the Articles. They will not rank for any rights attaching to Shares by reference to a record date preceding the date of allotment. A Share issued upon the exercise of an Option will not carry voting rights until the registration of the grantee (or any other person) as the holder thereof in the register of members of the Company.

16. EFFECT OF REORGANISATION OF CAPITAL STRUCTURE

In the event of capitalisation issue, rights issues, consolidation, subdivision or reduction of the share capital of the Company in accordance with applicable laws and regulatory requirements, such corresponding alterations (if any) shall be made to:

- (a) the number of Shares subject to the Option to the extent it is unexercised; and/or
- (b) the Exercise Price; and/or
- (c) in the event of a consolidation and subdivision of the share capital of the Company, the maximum number of Shares referred to in paragraph 3 above,

and the Board will instruct the auditors of the Company for the time being or independent financial adviser to certify in writing, either generally or, if applicable, as regards any particular Participant, to be in their opinion fair and reasonable, provided that:

- (i) subject to paragraphs 16 (ii) and 16 (iii) below, any such alteration will give a Participant the same proportion of the issued share capital of the Company as that to which he was previously entitled;
- (ii) no such adjustments will be made to the advantage of Participants (including, but not limited to, adjustments which would increase the intrinsic value of any Option) except with the prior sanction of a resolution of the Shareholders in general meeting; and
- (iii) no such adjustment will be made if the effect of which would enable a Share to be issued at less than its nominal value or which would result in the aggregate amount payable on the exercise of any Option in full being increased.

17. RIGHTS ON A TAKEOVER

If during the Exercise Period an offer is made to acquire all or part of the issued Shares, or all or part of the issued Shares other than those held by the offeror and any persons acting in concert with the offeror, and such offer becomes or is declared unconditional, the Company shall give written notice to all Participants then holding Options of the offer becoming unconditional as soon as reasonably practicable after becoming so aware, and each Participant may, by notice in writing to the Company, within 14 days of the date of such notice exercise his Option to its full extent or to the extent specified in such notice.

18. RIGHTS ON A SCHEME OF COMPROMISE OR ARRANGEMENT

If during the Exercise Period an application is made to the court (otherwise than where the Company is being voluntarily wound up), pursuant to the Companies Law and/or the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), in connection with a proposed compromise or arrangement between the Company and its creditors (or any class of them) or between the Company and its Shareholders (or any class of them), a Participant may by notice in writing to the Company, within the period of 30 days after the date of such application, exercise his Option to its full extent or to the extent specified in such notice.

19. RIGHTS ON LIQUIDATION

In the event of a notice of a meeting being convened to consider a resolution for the voluntary winding up of the Company during the Exercise Period, the Company shall forthwith upon notice of such meeting being given, give to the Participants written notice of the convening of such meeting and a Participant may thereupon by notice in writing to the Company exercise any Option at any time not later than 14 Business Days prior to the proposed general meeting of the Company to its full extent or to the extent specified in such notice.

20. ALTERATION OF THE NEW SHARE OPTION SCHEME

Subject to the paragraphs below, the Board may amend any of the provisions of the New Share Option Scheme at any time but no alteration shall be made to the advantage of any Participant unless approved by the Shareholders in general meeting. In addition, no alteration shall operate to affect adversely any rights which have accrued to any Participant at that date.

Any change which relates to the following requires approval by the Shareholders in general meeting by ordinary resolution:

- (a) the persons to or for whom Shares may be provided under the New Share Option Scheme;
- (b) the authority of the Board or the administrator(s) of the New Share Option Scheme in relation to any alteration to the terms of the New Share Option Scheme;
- (c) the limitations on the number of Shares which may be issued under the New Share Option Scheme;
- (d) the individual limit for each Participant under the New Share Option Scheme;
- (e) the determination of the Exercise Price;

- (f) any rights attaching to the Options and the Shares;
- (g) the terms of the granted Options;
- (h) the rights of Participants in the event of a capitalisation issue, rights issue, sub-division or consolidation of shares or reduction or any other variation of capital of the Company;
- (i) the terms of this paragraph 20;
- (j) any matters as set out in Rule 17.03 of the Listing Rules as amended from time to time; and
- (k) any alterations to the New Share Option Scheme which are of a material nature.

Any alterations to the terms and conditions of the New Share Option Scheme which are of a material nature shall be subject to the approval of the Shareholders save where the alterations take effect automatically under the existing terms of the New Share Option Scheme.

Unless otherwise approved by the Stock Exchange, the amended terms of the Scheme or the Options shall comply with the relevant requirements of the Listing Rules (including but not limited to Chapter 17 of the Listing Rules).

21. CANCELLATION OF OPTIONS

Any cancellation of any Option must be approved by the Board (including the approval of the independent non-executive Directors) and the Participant(s) concerned. In the event that the Board elects to cancel Options and issue new Options to the Participant(s) concerned, the issue of such new Options shall be made with available unissued Options (excluding the cancelled Options) within the Scheme Mandate Limit or the Scheme Mandate Limit as refreshed, as the case may be.

22. TERMINATION OF THE NEW SHARE OPTION SCHEME

The Board may terminate the operation of the New Share Option Scheme at any time and in such event, no further Option shall be offered thereunder but the provisions of the New Share Option Scheme shall remain in force in all other respects. All Options granted prior to such termination and not then exercised shall continue to be valid and exercisable subject to and in accordance with the terms of the New Share Option Scheme.

NOTICE OF 2022 ANNUAL GENERAL MEETING



HANS ENERGY COMPANY LIMITED

漢思能源有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00554)

NOTICE OF 2022 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2022 Annual General Meeting (the “**Meeting**”) of Hans Energy Company Limited 漢思能源有限公司 (the “**Company**”) will be held at Room 302, 3/F, Pico Tower, 66 Gloucester Road, Wanchai, Hong Kong on Wednesday, 15 June 2022 at 11:00 a.m. for the following purposes:

1. To consider the audited consolidated financial statements of the Company and its subsidiaries and the reports of the directors and of the independent auditors for the year ended 31 December 2021.
2. To re-elect Mr. Zhang Lei as director of the Company (the “**Director**”).
3. To re-elect Mr. Chan Chun Wai, Tony as Director.
4. To re-elect Mr. Chung Chak Man, William as Director.
5. To authorise the board of Directors to fix the Directors’ remuneration.
6. To re-appoint Messrs. KPMG as auditors of the Company and to authorise the board of Directors to fix their remuneration.
7. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT**

- (a) subject to paragraph (b) below, a general mandate be and is hereby unconditionally given to the Directors to exercise all the powers of the Company during the Relevant Period (as hereinafter defined) to purchase its own shares on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or on any other stock exchange on which the shares of the Company may be listed and recognised by The Securities and Futures Commission of Hong Kong (the “**Securities and Futures Commission**”) and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the rules and regulations of the Securities and Futures Commission and the Stock Exchange or of any other stock exchange as amended from time to time;

NOTICE OF 2022 ANNUAL GENERAL MEETING

- (b) the total number of shares of the Company to be purchased or agreed to be purchased by the Company pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed 10% of the total number of issued shares of the Company as at the date of passing of this resolution and the approval pursuant to paragraph (a) shall be limited accordingly; and
 - (c) for the purpose of this resolution, “**Relevant Period**” means the period from the date of passing of this resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting; and
 - (iii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held.”
8. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“THAT

- (a) subject to paragraph (b) below, a general mandate be and is hereby unconditionally given to the Directors to exercise all the powers of the Company during the Relevant Period (as hereinafter defined) to issue, allot and deal with the unissued shares of the Company including the power to make an offer or agreement, or grant options which would or might require shares of the Company to be issued and allotted, whether during the continuance of the Relevant Period or thereafter;
- (b) the aggregate number of the shares issued, allotted or agreed conditionally or unconditionally to be issued, allotted or dealt with pursuant to the approval in paragraph (a) above during the Relevant Period, otherwise than pursuant to the following, shall not exceed 20% of the total number of issued shares of the Company as at the date of passing of this resolution and the said approval shall be limited accordingly:
 - (i) a rights issue;
 - (ii) the exercise of options granted or to be granted under the share option scheme of the Company;

NOTICE OF 2022 ANNUAL GENERAL MEETING

- (iii) the exercise of rights of subscription or conversion attaching to any securities which are convertible into shares of the Company or any warrants to subscribe for shares of the Company;
 - (iv) any scrip dividend schemes or similar arrangements implemented in accordance with the articles of association of the Company; or
 - (v) a specific authority granted or to be granted by the shareholders of the Company in general meeting; and
- (c) for the purpose of this resolution, “**Relevant Period**” means the period from the date of passing of this resolution until whichever is the earliest of:
- (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting; and
 - (iii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held.”
9. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:
- (a) “**THAT** conditional upon the passing of ordinary resolutions 7 and 8 as set out in the notice convening this meeting, the general mandate granted to the Directors pursuant to resolution 8 to exercise the powers of the Company to issue, allot and deal with the unissued shares of the Company be and is hereby extended by the addition thereto the aggregate number of the shares of the Company to be repurchased by the Company under the authority granted pursuant to resolution 7, provided that such number in aggregate shall not exceed 10% of the total number of issued shares of the Company as at the date of passing of this resolution.”

NOTICE OF 2022 ANNUAL GENERAL MEETING

10. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“THAT

- (a) subject to and unconditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting approval for the listing of and permission to deal in the shares of the Company to be issued pursuant to the exercise of any options (the **“Options”**) to be granted pursuant to the new share option scheme of the Company (the **“New Share Option Scheme”**), the rules of which are contained in the document marked **“A”** produced to the meeting and for the purposes of identification signed by the Chairman thereof, the New Share Option Scheme be and is hereby approved and adopted and the Directors be and are hereby authorized to grant Options under the New Share Option Scheme, to administer the New Share Option Scheme in accordance with its terms, to allot and issue shares pursuant to the exercise of any Options, to modify and/or amend the rules of the New Share Option Scheme from time to time provided that such modification and/or amendment is effected in accordance with the rules of the New Share Option Scheme relating to the modification and/or amendment and is in compliance with Chapter 17 of the Rules Governing the Listing of Securities on the Stock Exchange (the **“Listing Rules”**), and to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the New Share Option Scheme; and
- (b) subject to and conditional upon the New Share Option Scheme becoming unconditional, the existing share option scheme of the Company which was adopted by the Company on 28 December 2012 (the **“Existing Share Option Scheme”**) be and is hereby terminated except that the provisions of the Existing Share Option Scheme will remain in full force and effect to the extent necessary to give effect to the exercise of any options granted prior to its termination, or otherwise as may be required in accordance with the provisions of the Existing Share Option Scheme.”

By order of the Board
Hans Energy Company Limited
漢思能源有限公司
Lam Lai Wan, Bondie
Company Secretary

Hong Kong, 26 April 2022

NOTICE OF 2022 ANNUAL GENERAL MEETING

Notes:

1. All resolutions at the Meeting will be taken by poll (except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands) pursuant to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) and the results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and of the Company in accordance with the Listing Rules.
2. A member of the Company entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not be a member of the Company. If more than one proxy is appointed, the number of shares in respect of which each such proxy so appointed must be specified in the relevant form of proxy.
3. In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, must be deposited at the Company’s branch share registrars in Hong Kong, Tricor Secretaries Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong not less than 48 hours before the time appointed for the holding of the Meeting (i.e. by 11:00 a.m. on Monday, 13 June 2022) or any adjournment thereof. Delivery of the form of proxy shall not preclude a member of the Company from attending and voting in person at the Meeting and, in such event, the said form of proxy shall be deemed to be revoked.
4. For determining the qualification as members of the Company to attend and vote at the Meeting, the register of members of the Company will be closed from Friday, 10 June 2022 to Wednesday, 15 June 2022, both days inclusive, during which period no transfer of shares will be registered. In order to qualify as members to attend and vote at the Meeting, investors are required to lodge all transfer documents accompanied by the relevant share certificates with the Company’s branch share registrars in Hong Kong, Tricor Secretaries Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong for registration not later than 4:30 p.m. on Thursday, 9 June 2022.
5. If a Typhoon Signal No. 8 or above is hoisted or “extreme conditions” caused by super typhoons is announced by the Government of Hong Kong or a Black Rainstorm Warning Signal is in force at or at any time after 9:00 a.m. on the date of the AGM, the AGM will be postponed or adjourned. The Company will post an announcement on the websites of the Hong Kong Exchanges and Clearing Limited and the Company to notify shareholders of the date, time and place of the rescheduled AGM.

The AGM will be held as scheduled when an Amber or Red Rainstorm Warning Signal is in force. Shareholders should decide on their own whether they would attend the meeting under bad weather conditions bearing in mind their own situation.

As at the date of this notice, the board of Directors comprises three executive Directors, namely Mr. David An (Chairman), Mr. Yang Dong and Mr. Zhang Lei and three independent non-executive Directors, namely Mr. Li Wai Keung, Mr. Chan Chun Wai, Tony and Mr. Chung Chak Man, William.