

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 AND
CONTINUOUS APPOINTMENT OF
INDEPENDENT NON-EXECUTIVE DIRECTOR
WHO HAS SERVED FOR MORE THAN NINE YEARS,
ADOPTION OF THE AMENDED AND RESTATED
MEMORANDUM AND ARTICLES OF ASSOCIATION,
ADOPTION OF NEW SHARE OPTION SCHEME
AND NEW SHARE AWARD SCHEME,
TERMINATION OF EXISTING SHARE OPTION SCHEME
AND EXISTING SHARE AWARD SCHEME
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the 2023 annual general meeting of Hans Energy Company Limited 漢思能源有限公司 (the "Company") is set out on Pages 111 to 119 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 17/F, Far East Finance Centre, 16 Harcourt Road, 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, 29 May 2023) 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.

28 April 2023

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DEFINITIONS

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

“2012 Share Option Scheme”	the share option scheme of the Company adopted by the Company on 28 December 2012
“Adoption Date”	the date on which the adoption of the New Share Option Scheme and/or the New Share Award Scheme (as the case may be) is approved pursuant to the ordinary resolution(s) passed by the Shareholders at the AGM
“AGM” or “Annual General Meeting”	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, 31 May 2023 at 11:00 a.m. and any adjournment thereof
“Amended and Restated Memorandum and Articles of Association”	the amended and restated memorandum of association and articles of association of the Company incorporating the changes set out in Appendix III to this circular proposed to be approved by the Shareholders at the AGM
“Articles of Association”	the articles of association of the Company as amended, supplemented or otherwise modified from time to time
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Award(s)”	as the context may require, in relation to the New Share Award Scheme or the Existing Share Award Scheme, a conditional right granted by the Company under the New Share Award Scheme or the Existing Share Award Scheme to acquire Shares granted under the New Share Award Scheme or the Existing Share Award Scheme (as the case may be)
“Awarded Share(s)”	in respect of a Participant, such number of Shares as awarded by the Board
“Board”	the board of Directors
“Business Day(s)”	any day on which the Stock Exchange is open for the business of dealing in securities
“close associate”	has the meaning ascribed to it under the Listing Rules

DEFINITIONS

“Companies Act”	the Companies Act (As Revised) of the Cayman Islands as amended from time to time
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) as amended from time to time
“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
“connected person”	has the meaning ascribed to it under the Listing Rules
“core connected person”	has the meaning ascribed to it under the Listing Rules
“Date of Grant”	the date, which must be a Business Day, of a written notice from the Company granting Options to Eligible Participant(s)
“Director(s)”	the director(s) of the Company
“Eligible Participant(s)”	any Employee Participant(s); Related Entity Participant(s); and Service Provider(s)
“Employee Participant(s)”	any Director(s) and employee(s) (whether full time or part time) of the Company or any of its subsidiaries (including persons who are granted Options or Awards (as the case may be) as an inducement to enter into employment contracts with the Company or any of its subsidiaries)
“Excluded Participant(s)”	any Eligible Participant(s) who is/are resident in a place where the grant of an Award and/or the vesting and transfer of the Awarded Shares (and/or Shares and/or cash representing any income, proceeds or distributions derived from or in respect of the Awarded Shares, where applicable) pursuant to the terms of the New 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 Participant(s)

DEFINITIONS

“Exercise Period”	in respect of any Option, the period to be notified by the Board upon the grant of Options during which it may be exercised
“Exercise Price”	the price per Share at which a Participant may subscribe for Shares upon the exercise of an Option
“Existing Share Award Scheme”	the existing share award scheme of the Company adopted by the Company pursuant to a resolution passed by the then Board on 15 April 2019
“Existing Share Option Scheme”	the share option scheme of the Company adopted by the Company pursuant to a resolution passed by the then Shareholders at the annual general meeting of the Company held on 15 June 2022
“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
“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”	24 April 2023, 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
“Memorandum” or “Memorandum of Association”	the memorandum of association of the Company, as amended, supplemented or otherwise modified from time to time

DEFINITIONS

“Mr. An”	Mr. David An, the chairman of the Board, an executive Director and a substantial shareholder of the Company
“New Share Award Scheme”	The Hans Energy Share Award Scheme II, being the new share award scheme of the Company to be proposed for adoption by the Company at the AGM, a summary of which is set out in Appendix V to this circular
“New Share Option Scheme”	the new share option scheme of the Company to be proposed for adoption by the Company at the AGM, a summary of which is set out in Appendix IV to this circular
“Normal Vesting Date”	the date on which an Award will normally vest, as set by the Board in its absolute discretion
“One-third Limit”	the limit on the number of Options that may be exercised by each Participant for each year during the Exercise Period, which shall not exceed one-third of the number of Options granted to such Participant in a particular grant under the New Share Option Scheme
“Option(s)”	as the context may require, in relation to the New Share Option Scheme, the Existing Share Option Scheme or the 2012 Share Option Scheme, a right granted by the Company under the New Share Option Scheme, the Existing Share Option Scheme or the 2012 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 or the 2012 Share Option Scheme (as the case may be)
“Option Certificate(s)”	the option certificate(s) sealed by the Company specifying the number of Option(s) granted, the Exercise Period, the Vesting Period, the Exercise Price and the number of Shares that may be granted under such Option(s) and specifying the applicable terms and conditions relating to such Options

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“Participant(s)”	any Eligible Participant(s) who accept(s) the offer of a grant of an Option or a grant of an Award (as the case may be) and who for the time being participate(s) in the New Share Option Scheme or New Share Award Scheme (as the case may be)
“PRC”	the People’s Republic of China, which for the purpose of this circular shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan region
“Proposed Amendments to the Memorandum and Articles of Association”	the proposed amendments to the existing Memorandum and Articles of Association as set out in Appendix III to this circular
“Related Entity(ies)”	the holding companies, fellow subsidiaries or associated companies of the Company from time to time
“Related Entity Participant(s)”	any director(s) and employee(s) of the holding companies, fellow subsidiaries or associated companies of the Company from time to time
“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 of the Company as at the date of passing of the relevant resolution
“Scheme Mandate Limit”	the maximum number of new Shares which may be allotted and issued in respect of all Options and Awards to be granted under the New Share Option Scheme, the New Share Award Scheme and any other share scheme(s) of the Company, which shall not exceed 10% of the number of Shares in issue as at the Adoption Date

DEFINITIONS

“Service Provider(s)”	any person(s) who provide(s) services to the Group on a continuing and recurring basis in its ordinary and usual course of business which are in the interests of the long term growth of the Group, including but not limited to person(s) who work(s) for the Company as independent contractors (including adviser(s) and consultant(s) of any member of the Group) where the continuity and frequency of his/their services are akin to those of employees, but excluding (i) placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions and (ii) professional service providers such as auditors or valuers who provide assurance, or are required to perform their services with impartiality and objectivity
“Service Provider Sublimit”	the total number of new Shares which may be allotted and issued in respect of all Options and Awards to be granted to Service Providers under the New Share Option Scheme, the New Share Award Scheme and any other share option scheme(s) or share award scheme(s) of the Company
“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
“Subsisting Option(s)”	the Option(s) which has been duly granted and remains outstanding and exercisable in accordance with the New Share Option Scheme and has neither lapsed nor been cancelled or exercised in full and, where the Option(s) has been exercised in part as permitted by the terms of such Option(s), includes that part of the Option(s) that has not been exercised and which has neither lapsed nor been cancelled

DEFINITIONS

“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
“Trust”	the trust constituted by the Trust Deed
“Trust Deed”	the trust deed entered or to be entered into between the Company and the Trustee (as restated, supplemented and amended from time to time)
“Trustee”	Unity Trust Limited, the trustee of the Trust appointed by the Company, and any additional or replacement trustee(s)
“Vesting”	a Participant becoming entitled to have the Shares transferred to him or her, and “Vest” and “Vested” will be construed accordingly
“Vesting Period”	the minimum period for which an Option or Award (as the case may be) must be held before it can be exercised or vested (as the case may be)
“% ”	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

28 April 2023

To the Shareholders

Dear Sir/Madam,

**PROPOSALS FOR GENERAL MANDATES
TO REPURCHASE SHARES AND ISSUE SHARES,
RE-ELECTION OF RETIRING DIRECTORS AND
CONTINUOUS APPOINTMENT OF
INDEPENDENT NON-EXECUTIVE DIRECTOR
WHO HAS SERVED FOR MORE THAN NINE YEARS,
ADOPTION OF THE AMENDED AND RESTATED
MEMORANDUM AND ARTICLES OF ASSOCIATION,
ADOPTION OF NEW SHARE OPTION SCHEME
AND NEW SHARE AWARD SCHEME,
TERMINATION OF EXISTING SHARE OPTION SCHEME
AND EXISTING SHARE AWARD SCHEME
AND
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 certain resolutions relating to (i) the granting to the Directors the Repurchase Mandate and the Issue Mandate; (ii) the

LETTER FROM THE BOARD

re-election of each of the retiring Directors and continuous appointment of independent non-executive Director who has served for more than nine years; (iii) the adoption of the Amended and Restated Memorandum and Articles of Association; (iv) the adoption of the New Share Option Scheme and the New Share Award Scheme; (v) the termination of the Existing Share Option Scheme and the Existing Share Award Scheme; and (vi) the AGM notice.

THE REPURCHASE MANDATE

The Company's existing mandate to repurchase Shares was approved by ordinary resolutions at the annual general meeting held on 15 June 2022. 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 15 June 2022. 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 AND CONTINUOUS APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR WHO HAS SERVED FOR MORE THAN NINE YEARS

In accordance with article 116 of the Articles of Association, Mr. David An, Mr. Yang Dong and Mr. Li Wai Keung shall retire by rotation at the AGM.

The Company has in place a nomination policy which sets out, inter alia, the selection criteria (the “**Criteria**”), which includes but is not limited to gender, age, experience, cultural and educational background, expertise, skills and know-how, sufficient time to effectively carry out their duties, their services on other listed and non-listed companies should be limited to reasonable numbers, qualifications including accomplishment and experience in the relevant industries the Company’s business is involved in, independence, reputation for integrity, potential contributions that the individual(s) can bring to the Board and commitment to enhance and maximise shareholders’ value and the evaluation procedures in nominating candidates to be appointed or re-appointed as Directors. The re-appointment of each of Mr. David An, Mr. Yang Dong and Mr. Li Wai Keung (“**Mr. Li**”) 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 code provision B.2.3 of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules, 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.

LETTER FROM THE BOARD

Mr. Li has served on the Board for more than nine years. In accordance with the nomination policy, in the context of re-appointment of retiring Directors, the Nomination Committee has recommended to the Board the re-appointment of Mr. Li by giving due consideration to the overall contribution and service to the Company by Mr. Li, including the attendance of Board meetings and general meetings, and the level of participation and performance on the Board. The factors considered by the Nomination Committee are as follows:

- (A) the Nomination Committee is satisfied with Mr. Li's performance in discharging his duties as an independent non-executive Director, including his attendance and active participation in Board meetings and committee meetings, in which he contributed to the development of the Company's strategy and policies through independent, constructive and informed opinion supported by his skill, expertise and qualification:
- (1) During 2020, Mr. Li recorded full attendance at the relevant meetings, including six Board meetings, three Audit Committee meetings, one Nomination Committee meeting, two Remuneration Committee meetings, and the annual general meeting convened in 2020 which he was eligible to attend;
 - (2) During 2021, Mr. Li recorded full attendance at the relevant meetings, including ten Board meetings, three Audit Committee meetings, two Nomination Committee meetings, one Remuneration Committee meeting, one extraordinary general meeting and the annual general meeting convened in 2021 which he was eligible to attend; and
 - (3) During the past year, Mr. Li recorded full attendance at the relevant meetings, including twelve Board meetings, six Audit Committee meetings, three Nomination Committee meetings, four Remuneration Committee meeting(s), and the annual general meeting convened in 2022 which he was eligible to attend;
- (B) based on the biographical information disclosed to the Company, Mr. Li does not hold seven or more listed company directorships and he continues to demonstrate his ongoing commitment to his role with the Company, which is supported by the abovementioned attendance records at Board meetings and committee meetings;
- (C) Mr. Li graduated from The Hong Kong Polytechnic and holds a Master's degree in Business Administration from The University of East Asia. He is a fellow member of The Association of Chartered Certified Accountants and Hong Kong Institute of Certified Public Accountants. The Nomination Committee notes that Mr. Li has provided valuable contributions to the Company. The Nomination Committee believes that his skills and knowledge, and experience in the Company's affairs will continue to benefit the Board;

LETTER FROM THE BOARD

- (D) in addition to his appointments as independent non-executive director in other listed companies, Mr. Li has worked, throughout the years, for Henderson Land Development Company Limited, GDH Limited, Guangdong Holdings Limited, Guangdong Land Holdings Limited (stock code: 124) and Guangdong Investment Limited (stock code: 270). The Nomination Committee also notes his official appointments as a 12th standing committee member of the Chinese People's Political Consultative Conference Guangdong Provincial Committee and as an advisor of Management Accounting of the Ministry of Finance, the PRC. The Nomination Committee considers Mr. Li's extensive business experience across different industries and official appointments to be beneficial in broadening the perspectives and enhancing the diversity of the Board;
- (E) Mr. Li 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, and Mr. Li 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 had reviewed the independence of Mr. Li, and is not aware of any circumstances that might influence Mr. Li in exercising his independent judgment; and
- (F) the Nomination Committee considers that Mr. Li has the required character, integrity, independence and experience to fulfil the role of an independent non-executive Director.

Hence, the Nomination Committee and the Board considers that the long service of Mr. Li would not affect his exercise of independent judgment, and therefore considers Mr. Li to be independent. The Nomination Committee therefore recommends Mr. Li to be re-elected. Mr. Li had abstained from deliberation and decision in respect of assessment of his own independence.

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.

LETTER FROM THE BOARD

ADOPTION OF THE AMENDED AND RESTATED MEMORANDUM AND ARTICLES OF ASSOCIATION

The Board proposes to make the Proposed Amendments to the Memorandum and Articles of Association, for the purpose of, among others, (i) reflecting the core shareholder protection standards as set out in the revised Appendix 3 to the Listing Rules which took effect on 1 January 2022; (ii) explicitly allowing the Company to hold hybrid general meetings; and (iii) incorporating certain housekeeping amendments and tidying up typographical errors. The Board also proposes to adopt the Amended and Restated Memorandum and Articles of Association in substitution for and to the exclusion of the existing Memorandum and Articles of Association in their entirety.

The major areas of the Proposed Amendments to the Memorandum and Articles of Association are set out below:

1. To clarify that the class rights of members may be varied or abrogated with the written consent of the holders of not less than three-fourths of the voting rights of the holders of that class;
2. To provide that the register of members may be closed by way of notices served by electronic means and to provide the notice period required for alteration of book closure dates;
3. To provide that the Board may fix in advance a record date for determination of members in lieu of, or apart from, closing the register of members entitled to receive notice of, or to vote at any general meeting, or determining the members entitled to receive payment of any dividend or distribution;
4. To clarify that the Company shall hold an annual general meeting in each financial year;
5. To clarify that general meetings of the Company shall be convened on the written requisition of any one or more members of the Company who held, as at the date of such requisition, not less than one-tenth of the voting rights, on a one vote per share basis, of the Company, specifying the resolutions to be added to the meeting agenda;
6. To provide that members and other participants of general meetings of the Company may attend and participate by means of communication facilities, including video, video-conferencing, internet or online conferencing application, telephone or tele-conferencing and/or any other video-communication, internet or online conferencing application or telecommunications facilities, and that the Directors may determine that any general meeting be held as a virtual meeting;

LETTER FROM THE BOARD

7. To provide that the notice of any general meeting at which communication facilities will be utilised must either disclose the communication facilities that will be utilised, including the procedures to be followed by any member or other participants of such meeting who wishes to utilise such communication facilities for the purpose of attending, participating and voting at such meeting, or specify how and when such information will be made available to the members and other participants;
8. To provide that the chairman of any general meeting shall be entitled to attend and participate at such general meeting by means of communication facilities, to act as the chairman and shall be deemed to be present at the meeting;
9. To provide that a resolution at any general meeting shall be decided on a poll, unless otherwise prescribed under the Listing Rules;
10. To provide that every member present at any general meeting shall have the right to speak and to vote, and the right to vote is excluded where a member is required, by the Listing Rules, to abstain from the matter under consideration;
11. To provide that if a recognised clearing house or its nominee is a member of the Company, it may authorise such person or persons to act as its representative or representatives at any meeting of the creditors of the Company;
12. To clarify that any Director appointed shall hold office only until the first annual general meeting of the Company after his/her appointment;
13. To clarify that ordinary resolution is required for (i) the appointment/removal of any auditor at any general meeting; and (ii) remuneration of the auditors, at any annual general meeting;
14. To provide that any notice given by electronic means shall be deemed to have been served on the day following that on which it is successfully transmitted without the receipt of the electronic transmission having been acknowledged by the recipient, and that any notice served by being placed on the Company's website or the Stock Exchange's website shall be deemed to be served at such time as may be prescribed by the Listing Rules;
15. To provide that the Company may be wound up voluntarily by special resolution; and
16. To provide that unless the Directors otherwise prescribe, the financial year of the Company shall begin on 1 January and end on 31 December in each year.

LETTER FROM THE BOARD

Other housekeeping amendments to the Memorandum and Articles of Association are also proposed, including updating all references to “The Companies Law (2004 Revision)” to “The Companies Act (As Revised)” and updating all Listing Rules references.

The Proposed Amendments to the existing Memorandum and Articles of Association (marked-up against the relevant provisions of the existing Memorandum and Articles of Association) is set out in Appendix III to this circular. The Proposed Amendments to the Memorandum and Articles of Association and the Amended and Restated Memorandum and Articles of Association are prepared in the English language. The Chinese translation thereof is for reference only. In case of any discrepancy or inconsistency between the English and Chinese versions, the English version shall prevail.

The proposed adoption of the Amended and Restated Memorandum and Articles of Association is subject to approval by the Shareholders by way of a special resolution at the Annual General Meeting and will become effective upon approval by the Shareholders at the Annual General Meeting.

The legal advisers to the Company as to Hong Kong law have confirmed that the Proposed Amendments to the Memorandum and Articles of Association comply with the requirements of the Listing Rules and the legal advisers to the Company as to the laws of the Cayman Islands have confirmed that the Proposed Amendments to the Memorandum and Articles of Association are not inconsistent with the applicable laws of the Cayman Islands. The Company confirms that there is nothing unusual about the Proposed Amendments to the Memorandum and Articles of Association for a company listed on the Stock Exchange.

TERMINATION OF THE EXISTING SHARE OPTION SCHEME

Pursuant to an ordinary resolution passed by the Shareholders at an annual general meeting held on 15 June 2022, the Company adopted the Existing Share Option Scheme which is due to expire on 14 June 2032.

In view of the recent amendments to Chapter 17 of the Listing Rules which took effect on 1 January 2023, 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 and the 2012 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 2012 Share Option Scheme will remain valid and exercisable notwithstanding the proposed termination of the Existing Share Option Scheme. No Options were granted under 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.

LETTER FROM THE BOARD

Further details of the Options granted under the 2012 Share Option Scheme 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 Shareholders' 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 Shareholders' approval at the extraordinary general meeting held on 25 January 2021.

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 and the New Share Award Scheme – Conditions of the adoption of the New Share Option Scheme" below, the operation of the Existing Share Option Scheme will be terminated and the New Share Option Scheme will take effect.

LETTER FROM THE BOARD

TERMINATION OF THE EXISTING SHARE AWARD SCHEME

On 15 April 2019, the Company adopted the Existing Share Award Scheme which is due to expire on 14 April 2029.

In view of the recent amendments to Chapter 17 of the Listing Rules which took effect on 1 January 2023, the Board proposes to terminate the Existing Share Award Scheme and adopt the New Share Award Scheme. Apart from the Existing Share Award Scheme, the Company has no other subsisting share award scheme as at the Latest Practicable Date.

As at the Latest Practicable Date, a total of 78,590,000 Shares were held by the Trustee and no Award were granted under the Existing Share Award Scheme. The Board has no present intention to grant any further Award under the Existing Share Award Scheme up to the date of the AGM.

As disclosed in the Company's announcement dated 15 April 2019, pursuant to the Trust Deed, upon expiration of the trust period of the Trust, the Trustee shall, among other things, sell or otherwise dispose of such other Shares and non-cash income remaining in the Trust fund to the extent permissible by the prevailing market conditions and remit or transfer the net proceeds of sale, residual cash and such other assets and property remaining in the Trust fund to the Company.

To facilitate the distribution of funds and assets (including Shares) held by the Trust and to reduce any possible loss in value of the funds and assets held by Trust when the Existing Share Award Scheme is terminated, the Board proposes to amend the Trust Deed to allow the transfer of the whole or any part of the Shares and non-cash assets remaining in the Trust to such other employee award scheme trust as may be selected by the Board, in particular a replacement for the Existing Share Award Scheme intended to operate following the expiry of the Existing Share Award Scheme (i.e. the New Share Award Scheme) at the request of the Board when the trust period under the Trust expires.

It is proposed that subject to the fulfillment of the conditions of the New Share Award Scheme set out in the section headed "Adoption of the New Share Option Scheme and the New Share Award Scheme – Conditions of the adoption of the New Share Award Scheme" below, the aforesaid amendments to the Trust Deed will be adopted, the operation of the Existing Share Award Scheme will be terminated and the New Share Award Scheme will take effect.

LETTER FROM THE BOARD

ADOPTION OF THE NEW SHARE OPTION SCHEME AND THE NEW SHARE AWARD SCHEME

In view of the recent amendments to Chapter 17 of the Listing Rules which took effect on 1 January 2023, the Board considered that the adoption of the New Share Option Scheme and the New Share Award Scheme, each of which will be valid for 10 years from the Adoption Date, will provide the Company with more flexibility in long term planning of granting of the Options or Awards to Eligible Participants and also provide appropriate incentives or rewards to suitable and eligible persons for their contributions or potential contributions to the Group.

Eligible Participants

The purpose of the New Share Option Scheme and the New Share Award Scheme is to enable the Company to recruit and retain high-calibre employees and talents 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. The Board may, at its absolute discretion and on such terms as it may think fit, grant the Options and/or Awards to any Employee Participants, Related Entity Participants or Service Providers. The Board also considers that it is beneficial to include Service Providers and Related Entity Participants since a sustainable and stable relationship with them is essential to the business development of the Group. The Board may determine the Eligible Participants' eligibility in its sole discretion by considering all relevant factors as appropriate (please refer to the factors set out in paragraph 2 in Appendix IV and paragraph 2 in Appendix V).

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 (including the independent non-executive Directors) acknowledges the necessity in maintaining the existing business relationships and exploring potential partnerships with stakeholders in the aforesaid fields through accessing specialised business and consultancy expertise from Service Providers who, among others, include business consultants and advisers and have provided advisory and consultancy services (but for the avoidance of doubt exclude placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions, professional service providers such as auditors or valuers who provide assurance, or are required to perform their services with impartiality and objectivity) to the Group on a continuing and recurring basis in its ordinary and usual course of business. These Service Providers are closely connected to and crucial to the Group's operations which span across strategic management, business research and development, technological support, and investment advice to the Group, so as to maintain the Group's operational competitiveness and business sustainability in the long term. As these Service Providers possess industry-specific knowledge or expertise and have extensive experience and understanding of the market, they are able to provide insight on areas such as market development and trends to the Group. They also take lead in specific projects to explore investment opportunities and corporate actions, work with finance and other

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departments of the Company to formulate possible action plans, and report to the chairman of the Board, chief executive officer and director of the Company on the progress of the proposed plans. The strategic advice and guidance provided by engaging these Service Providers benefit the Group in its ordinary and usual course of business and often allows it to more effectively plan its future business strategies for long-term growth. The Group values their familiarity with the businesses and operation of the Group and the industry in general. The Company considers that their contribution to the Group is similar to those of the employees of the Group, and is of the view that the Service Providers will remain to be closely connected to and crucial to the operations of the Group. The Company has engaged two consultants to provide services in strategic management, business research and development and investment advice in the past.

Furthermore, the Group may require new types of professional services to be provided by the Service Providers on a continuing or recurring basis to cope with its demand for new initiatives, projects and focuses and to support its expansion plan(s) from time to time, such as its new expansion in businesses carried out by the Group's subsidiary in Hong Kong to increase the customer base and business scale during the years. In such case, the Board will determine whether the Service Providers providing such professional services are eligible to participate in the New Share Option Scheme and New Share Award Scheme based on whether such professional services provided are in line with the Company's business need and the industry norm, desirable and necessary from a commercial perspective and help maintain or enhance the competitiveness of the Group, having regard to the Group's key business segments and focuses from time to time. Such advisers and business consultants may not be able to serve as full-time or part-time employees, directors or officers of the Group due to a variety of reasons. For example, these Service Providers may have stepped down from employment position with the Group, or they may be seasoned people in their own fields and professionals with many business connections which the Group may not be able to recruit them as employees, or they may prefer to be employed on self-employed basis which is in line with industry norm, and the Company may need to outsource such functions and procure services from external advisory or business consultancy agencies, or is unable to turn to internal resources for these kind of specialised support due to various restraints. The Board (including the independent non-executive Directors) considers that the Options and/or Awards 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 and/or Awards 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.

As the Group continues its strategy in developing its terminal storage, trading and retail business and adopting new energy industry as an important investment direction, the Group will continue to assess the eligibility of potential Service Providers in accordance with the Group's ongoing business developments, having regard to the abovementioned factors, and in particular the contribution of the Service Providers to the strategy to be adopted by the Group and recognition to such contribution.

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The inclusion of the Service Providers as Participants under the New Share Option Scheme and the New Share Award 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 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 Eligible 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 incentivise the Service Providers with the long-term value to be brought by the growth of the Company's business and market capitalisation. 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 and the New Share Award 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, and the existing consultant has been providing, 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. One of the consultants received monetary service fees and Options for his services, and the other received Options for his services.

On 30 August 2018, the Company has granted a total of 12,000,000 Options pursuant to the 2012 Share Option Scheme to these consultants to recognise their contribution to the Group.

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The terms of grant and number of outstanding Options for the consultants are as follows:

Grantee(s)	Position(s)	No. of Shares subject to the Options	Exercise Price of Options granted (per Share)	No. of outstanding Options as at the Latest Practicable Date	Vesting conditions	Contractual life of Options
Consultant A	Senior Adviser	10,000,000	HK\$0.236	10,000,000	100% vested on 31 May 2019	10 years
Consultant B ⁽¹⁾	Senior Adviser	2,000,000	HK\$0.236	–	100% vested on 31 May 2019	10 years

Note:

⁽¹⁾ Consultant B exercised the Options granted to him in respect of 2,000,000 Shares on 30 October 2020.

The Board believes that the grant of Options and/or Awards 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.

As at the Latest Practicable Date, 209,773,980 Shares (representing 5.30% of the issued shares of the Company) are held by Extreme Wise Investments Ltd. (“**Extreme Wise**”) and 2,338,430,000 Shares (representing 59.1% of the issued shares of the Company) are held by Vand Petro-Chemicals (BVI) Company Ltd. (“**Vand Petro-Chemicals**”). Both companies are wholly-owned by Julius Baer Family Office & Trust Ltd. (“**Julius Baer**”) which is a trustee of the discretionary trust. Mr. An, an executive Director, is the founder of this discretionary trust. Extreme Wise and Vand Petro-Chemicals currently do not have any subsidiaries or associated companies.

The Group currently does not have business dealings with Extreme Wise and Vand Petro-Chemicals. As the Group continues its strategy in developing its terminal storage, trading and retail business and adopting new energy industry as an important investment direction, the Group considers that there may be business development resulting in formation of Related Entities and employment of Related Entity Participants, which the Company believes should be included as Eligible Participants since a sustainable and stable relationship with them would be essential to the business development of the Group.

As at the Latest Practicable Date, there are no Related Entity Participants with which the Group may have any business dealings and the Company has not made any grants of share award or share option to any Related Entity Participant.

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The Board (or the case may be, the independent non-executive Directors) will assess the eligibility of Participants who are Employee Participants 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/catalysing 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).

In assessing the eligibility of Related Entity Participants, the Board will consider, among others, their participation and contribution to the development of the Group and/or the extent of benefits and synergies brought to the Group, including but not limited to the degree of involvement in and/or cooperation with the Group, the length of collaborative relationship the Related Entity Participant has established with the Group, the extent of positive impact provided by or expected from business development activities in terms of the actual or expected change in the Group's revenue or profits attributable to the Related Entity Participant, whether the Related Entity Participant has assisted the Group to tap into new markets or increase its existing market share, whether the Related Entity Participant has provided measurable assistance to improve any aspect of the Group's operations, the amount of actual or potential support, assistance, guidance, advice, effort or contribution the Related Entity Participant give or is likely to be able to give or make towards the success of the Group. The Board (including the independent non-executive Directors) is of the view that although the Related Entity Participants may not be directly appointed and employed by the members of the Group, such Related Entity Participants are nonetheless valuable human resources to the Group given their close corporate and collaborative relationships, they may be involved in projects or other business engagements relating to or having connections with the Group's businesses. Given the mix of workload, the Company feels that it is important to recognise the contribution or future contribution of such Related Entity Participants by giving them incentive through their participation in the New Share Option Scheme and the New Share Award Scheme. In particular, for those Related Entities in which the Group has significant interest, their growth and development would contribute to the financial performance of the Group, thereby allowing the Group to share and benefit from the positive results of these companies. It is therefore in the interest of the Company and the Shareholders, and is in line with the objectives of the New Share Option Scheme and New Share Award Scheme to include the Related Entity Participants, who the Company can incentivise with the grant of Options and/or Awards in order to strengthen their loyalty with the Group even though they may not be directly employed by the Group, and to in turn facilitate a higher degree of collaboration and closer business relationships and ties between the Related Entities and the Group; while the Related Entities may consider granting share options or awarding shares to those employees, given that the same employees may be utilised by the Company to assist with its projects, they would also provide service to the Company despite not being directly employed by the Group, and hence the Board is of the view that it would be in the Company's interest to also grant Options and/or Awards to those Related Entity Participants in recognition of their contribution to the Company.

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In respect of any Service Providers, the Board will assess the importance and value of the services provided to the Group, and make recommendation to the Board. The Board will consider, among others, their experience and expertise, continuity and frequency of their services to the Group, the nature of the services provided to the Group by the Service Provider, their involvement in promoting the business of the Group, or where appropriate, contribution or potential contribution to the long-term growth of the Group. In assessing whether the Service Provider provides services to the Group on a continuing and recurring basis, the Board shall take into consideration the length and type of services provided and the recurrences and regularity of such services, and will benchmark such metrics against the performance of the employees, officers and directors of the Group to whom the Group provides equity incentives, while taking into account the purpose of the New Share Option Scheme and the New Share Award Scheme and the objectives in engaging the Service Provider. In assessing whether the Service Provider provides services to the Group in the Company's ordinary and usual course of business, the Board shall take into consideration the nature of the services provided to the Group by the Service Provider, and whether such services form part of or are directly ancillary to the businesses conducted by the Group, as disclosed in the Company's financial reports.

The Board considers that, given the grant to independent non-executive Directors with share options is a means of showing appreciation for their independent voice and valuable contribution to the Group's corporate governance practices over the years, it is necessary to include independent non-executive Directors as Eligible Participants. The Board is of the view that the independence and impartiality of the independent non-executive Directors will not be impaired by any potential grant of the Options or Awards under the New Share Option Scheme and the New Share Award Scheme for the following reasons: (i) the independent non-executive Directors will continue to comply with the independence requirement under Rule 3.13 of the Listing Rules; (ii) approval by independent Shareholders will be required if any Award or Option is to be granted to independent non-executive Directors or any of their respective associates would result in the total number of new Shares issued and to be issued in respect of all Options and Awards granted (excluding any Options and Awards lapsed in accordance with the terms of the New Share Option Scheme and the New Share Award Scheme) to such person in the period of 12 months up to and including the date of the grant representing in aggregate over 0.1% of the Shares in issue; and (iii) the Board will be mindful of the recommended best practice E.1.9 of the corporate governance code set out in Appendix 14 to the Listing Rules which recommends that issuers should generally not grant equity-based remuneration with performance-related elements to independent non-executive directors when considering any future grants of Options to the independent non-executive Directors.

The Board may consider granting Options and/or Awards 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 and/or Awards to such participants to facilitate a long term relationship with such partners which will benefit the Group by way of having a common goal and a thriving and long term business cooperation.

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The adoption of the New Share Option Scheme and the New Share Award Scheme is subject to the approval of the Shareholders at the AGM. No Shareholder has a material interest in the adoption of the New Share Option Scheme and the New Share Award Scheme, and hence no Shareholders are required to abstain from voting on the relevant resolutions at the AGM.

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 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 of the Group. 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 (as described in paragraph 7 of Appendix IV to this circular). The Directors consider that the aforesaid criteria and rules will serve to motivate and retain the Eligible Participants for contribution to the benefit and success of the Group.

The Board may provide in the Option Certificate that any Option is subject to clawback or a longer Vesting Period if any of the following events shall occur: (i) there being a material misstatement in the audited financial statements of the Company that requires a restatement; or (ii) the Participant being guilty of fraud or persistent or serious misconduct, regardless of whether there is any accounting restatement or a material error in calculating or determining the performance metrics or other criteria; or (iii) if the Option is linked to any performance targets and the Board is of the opinion that there occur any circumstances that show or lead to any of the prescribed performance targets having been assessed or calculated in a materially inaccurate manner.

The Vesting Period of Options granted under the New Share Option Scheme shall be determined by the Board subject to a minimum period of no less than 12 months. However, the Directors or the Remuneration Committee (as the case may be) has/have the discretion in allowing a shorter Vesting Period in respect of the Employee Participants in certain circumstances. Such circumstances only include:

- (i) grants of “make-whole” Options to Participants who newly joined the Group to replace the share options they forfeited when leaving the previous employers;
- (ii) grants to a Participant whose employment is terminated due to death or disability or occurrence of any out of control event;
- (iii) grants of Options with performance-based Vesting conditions provided in the New Share Option Scheme, in lieu of time-based Vesting criteria;

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- (iv) grants that are made in batches during a year for administrative or compliance reasons, which may include Options that should have been granted earlier but had to wait for a subsequent batch, in such cases, the Vesting Period may be adjusted to take account of the time from which the Options would have been granted if not for such administrative or compliance requirements;
- (v) grants of Options with a mixed or accelerated Vesting schedule such that the Options may vest evenly over a period of 12 months;
- (vi) grants of Options with a total Vesting and holding period of more than 12 months; and
- (vii) the Board (where the arrangements do not relate to grant of Options to the Directors or senior management) or the Remuneration Committee (where the arrangements relate to grant of Options to the Directors or senior management) is of the view that a shorter Vesting Period is appropriate and serves the purpose of the New Share Option Scheme.

The Directors are of the view that the discretion in allowing a shorter Vesting Period in each of the circumstances as detailed above is appropriate and in line with the requirements under the Listing Rules and market practice. Such discretion gives the Company more flexibility to recruit and retain high-calibre employees, which is in line with the purpose of the New Share Option Scheme.

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 and the New Share Award 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 new Shares which may be allotted and issued upon exercise of all Options to be granted under the New Share Option Scheme, the New Share Award Scheme and any other share option scheme and share award 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.

The Board has also set the Service Provider Sublimit in respect of the total number of new Shares which may be allotted and issued in respect of all Options to be granted to Service Providers under the New Share Option Scheme, being 1% of the total number of Shares in issue on the Adoption Date. The basis for determining the Service Provider Sublimit includes the potential dilution effect arising from grants to Service Providers, the actual or expected contribution in the Group's revenue or profits which is attributable to Service Providers, the nature of the Service Providers' contribution to the long-term growth of the Group's core business and the future capital needs of the Group. The Group engages the Service Providers to provide services to the Group, including advisory and consultancy services to the Group, so as to maintain the Group's competitiveness in long term. The Service Providers possess industry-specific knowledge or expertise or valuable experience or deep understanding or insight in the business, financial or commercial areas

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of the Group and their continuing and recurring engagement and cooperation with the Group would benefit the Group on a frequent and successive basis in its ordinary and usual course of business. The Board believes that the Service Provider Sublimit would provide the Group with flexibility to provide equity incentives (instead of expending cash resources in the form of monetary consideration) to reward and collaborate with Service Providers which are not employees of the Group but who may have exceptional expertise and who may be able to contribute to the Group in a way substantively comparable to contributions of highly-skilled or executive employees of the Group.

In determining the Service Provider Sublimit, the Directors consider that it is important to ensure that the New Share Option Scheme is attractive and provide sufficient incentives to Service Providers who are able to contribute to the advisory and consultancy services to the Group, all of which being core functions on which the Group relies in its ordinary and usual course of business.

No trustee has been appointed under the New Share Option Scheme. None of the Directors is and will be a trustee of the New Share Option Scheme nor has a direct or indirect interest in the trustees of the New Share Option Scheme (if any).

The New Share Option Scheme will constitute a share option scheme under Chapter 17 of the Listing Rules.

A summary of the principal terms of the rules of the proposed New Share Option Scheme is set out in the Appendix IV 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.

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 Adoption Date. The adoption of the New Share Option Scheme is conditional upon the following:

- (i) the passing of an ordinary resolution by the Shareholders in the AGM (with any persons required to abstain from voting under the Listing Rules so abstaining) to approve and adopt the New Share Option Scheme and to authorise the Board to grant Options thereunder and to allot and issue Shares pursuant to the exercise of any Options; and
- (ii) the Listing Committee granting approval of the listing of and permission to deal in the Shares which may be issued pursuant to the exercise of any Options under the New Share Option Scheme.

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

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Principal Terms of the New Share Award Scheme

The principal terms of the New Share Award Scheme are set out below:

Performance Target

Under the New Share Award Scheme, unless the Directors otherwise determine, there is no general requirement of any performance targets which must be achieved before any Awards granted under the New Share Award Scheme can be vested. However, the New Share Award Scheme will give the Board discretion to impose such conditions on the Awards and specify such conditions (including performance targets) in the grant letter for the Award where appropriate. The Directors consider that it may not always be appropriate to impose such conditions particularly when the purpose of granting Awards is to remunerate or compensate employees of the Group. The Directors consider it more beneficial to the Company to retain the flexibility to determine when such conditions are appropriate.

Clawback

The Board may provide in the grant letter that any Award is subject to clawback or a longer Vesting Period if any of the following events shall occur: (i) there being a material misstatement in the audited financial statements of the Company that requires a restatement; or (ii) the Participant being guilty of fraud or persistent or serious misconduct, regardless of whether there is any accounting restatement or a material error in calculating or determining the performance metrics or other criteria; or (iii) if the Award is linked to any performance targets and the Board is of the opinion that there occur any circumstances that show or lead to any of the prescribed performance targets having been assessed or calculated in a materially inaccurate manner.

Consideration

The Awards will be granted to the Participant at nil consideration unless otherwise decided by the Board.

The purchase price of the Awarded Shares (if any) shall be such price which shall be determined by the Board from time to time based on considerations such as the prevailing closing price of the Shares, the purpose of the Award and the characteristics and profile of the Eligible Participants. Such room for discretion provides the Board with flexibility to stipulate, if necessary, a purchase price for Awarded Shares, while balancing the purpose of the Award and the interests of Shareholders.

Vesting Period

The Vesting Period of Awards granted under the New Share Award Scheme shall be determined by the Board subject to a minimum period of no less than 12 months. However, the Directors or the Remuneration Committee (as the case may be) have the discretion in allowing a shorter Vesting Period in respect of the Employee Participants in certain circumstances, including the following:

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- (i) grants of “make-whole” Awarded Shares to Participants who newly joined the Group to replace the share awards they forfeited when leaving the previous employers;
- (ii) grants to a Participant whose Employment is terminated due to death or disability or occurrence of any out of control event;
- (iii) grants to a Participant who retires by agreement with a member of the Group;
- (iv) grants of Awarded Shares with performance-based Vesting Conditions provided in the New Share Award Scheme, in lieu of time-based Vesting criteria;
- (v) grants that are made in batches during a year for administrative or compliance reasons, which may include Awarded Shares that should have been granted earlier but had to wait for a subsequent batch, in such cases, the Normal Vesting Date may be adjusted to take account of the time from which the Awarded Shares would have been granted if not for such administrative or compliance requirements;
- (vi) grants of Awarded Shares with a mixed or accelerated Vesting schedule such that the Awarded Shares may Vest evenly over a period of 12 months;
- (vii) grants of Awarded Shares with a total Vesting and holding period of more than 12 months; and
- (viii) the Board (where the arrangements do not relate to grant of Awards to the Directors or senior management) or the Remuneration Committee (where the arrangements relate to grant of Awards to the Directors or senior management) is of the view that a shorter Vesting Period is appropriate and serves the purpose of the New Share Award Scheme.

The Directors are of the view that the discretion in allowing a shorter Vesting Period in each of the circumstances as detailed above is appropriate and in line with the requirements under the Listing Rules and market practice. Such discretion gives the Company more flexibility to recruit and retain high-calibre employees, which is in line with the purpose of the New Share Award Scheme.

Maximum Limits

The maximum total number of new Shares which may be allotted and issued in respect of all Awards to be granted under the New Share Award Scheme, together with the new Shares which may be allotted and issued under other share award scheme and share option scheme of the Company (including the New Share Option Scheme) must not in aggregate exceed 10% of the total number of Shares in issue as at the Adoption Date. As at the Latest Practicable Date, there were an aggregate of 3,956,638,000 Shares in issue. Assuming there is no issue or repurchase of Shares from the Latest Practicable Date to the date of the AGM on which the New Share Award Scheme is expected to be conditionally approved by the Shareholders, the maximum number of new Shares that can be allotted

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and issued upon the grant of the Awards, together with the new Shares which may be allotted and issued under other share award scheme and share option scheme of the Company (including the New Share Option Scheme), is 395,663,800, representing 10% of the Shares in issue.

The Board has also set the Service Provider Sublimit in respect of the total number of new Shares which may be allotted and issued in respect of all Awards to be granted to Service Providers under the New Share Award Scheme, being 1% of the total number of Shares in issue as at the Adoption Date. The basis for determining the Service Provider Sublimit of the New Share Award Scheme is identical with the basis for determining the Service Provider Sublimit of the New Share Option Scheme. Please refer to the sub-section headed "Principal Terms of the New Share Option Scheme" above for the basis for determining the Service Provider Sublimit of the New Share Option Scheme.

In determining the Service Provider Sublimit, the Directors consider that it is important to ensure that the New Share Award Scheme is attractive and provide sufficient incentives to Service Providers who are able to contribute to the advisory services and consultancy services to the Group, which are core functions on which the Group relies in its ordinary and usual course of business.

Unity Trust Limited has been appointed as the Trustee of the Existing Share Award Scheme, and will continue to be the trustee of the New Share Award Scheme. None of the Directors is and will be a trustee of the New Share Award Scheme nor has a direct or indirect interest in the Trustee. In connection with the implementation of the New Share Award Scheme, the Board may, from time to time, instruct the trustee of the New Share Award Scheme to subscribe for new Shares and/or purchase Shares either on-market or off-market (if applicable).

The New Share Award Scheme will constitute a share award scheme under Chapter 17 of the Listing Rules.

The principal terms of the New Share Award Scheme are set out in the Appendix V to this circular.

Conditions of the Adoption of the New Share Award Scheme

The New Share Award Scheme will become effective for a 10-year period from the Adoption Date. The adoption of the New Share Award Scheme is conditional upon the following:

- (i) the passing of an ordinary resolution by the Shareholders in the AGM (with any persons required to abstain from voting under the Listing Rules so abstaining) to approve and adopt the New Share Award Scheme and to authorise the Board to grant Awards thereunder and to allot and issue Awarded Shares pursuant to the grant of any Awards; and
- (ii) the Listing Committee granting approval of the listing of and permission to deal in the Awarded Shares which may be issued pursuant to the grant of any Awards under the New Share Award Scheme.

LETTER FROM THE BOARD

Application will be made to the Listing Committee of the Stock Exchange for the approval of the listing of, and permission to deal in, the Awarded Shares which may fall to be issued in respect of the Awards to be granted under the New Share Award Scheme.

CLOSURE OF REGISTER OF MEMBERS

The forthcoming AGM is scheduled to be held on 31 May 2023. For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Thursday, 25 May 2023 to Wednesday, 31 May 2023, 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, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Wednesday, 24 May 2023.

ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT

Notice of the AGM is set out on pages 111 to 119 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 17/F, Far East Finance Centre, 16 Harcourt Road, 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, 29 May 2023) 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.

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.

LETTER FROM THE BOARD

RECOMMENDATION

The Directors consider that the proposed granting of the Repurchase Mandate and the Issue Mandate to the Directors; the re-election of each of the retiring Directors and continuous appointment of independent non-executive Director who has served for more than nine years; the adoption of the Amended and Restated Memorandum and Articles of Association; the adoption of the New Share Option Scheme and the New Share Award Scheme, and the termination of the Existing Share Option Scheme and the Existing Share Award Scheme 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.

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.

DOCUMENTS ON DISPLAY

A copy of the rules of the New Share Option Scheme and a copy of the rules of the New Share Award Scheme will be published on the websites of Stock Exchange (www.hkexnews.hk) and the Company (www.hansenergy.com) for display for a period of not less than 14 days before the date of the AGM and will be made available for inspection at the AGM.

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 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 2022) 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>
2022		
April	0.184	0.138
May	0.178	0.146
June	0.177	0.160
July	0.178	0.155
August	0.163	0.135
September	0.153	0.123
October	0.138	0.110
November	0.156	0.110
December	0.200	0.135
2023		
January	0.320	0.190
February	0.290	0.229
March	0.290	0.249
April (up to and including the Latest Practicable Date)	0.255	0.216

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 2022 (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. DAVID AN

Mr. David An (“Mr. An”), aged 63, has been the Chairman and an executive Director of the Company since July 2002. He has many years of experience in China business particularly in the provision trading of petroleum products and petrochemicals, properties investments and developments in China.

Mr. An 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. An received Director’s salary and allowance, plus other director’s emoluments such as share-based payment and other benefits of approximately HK\$23,222,000 for the financial year ended 31 December 2022, which was determined by the Board with the recommendation of the Remuneration Committee by reference to his performance and responsibilities, the market rates for the position and the Company’s performance and profitability.

As at the Latest Practicable Date, Mr. An was interested in 2,766,593,980 Shares in the Company within the meaning of Part XV of the SFO. He is the controlling Shareholder. Save as aforesaid, Mr. An does not have any relationships with any Directors, senior management of the Company, substantial or controlling Shareholders nor does he hold any other positions in the Group. Save as disclosed above, 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 of the Company within the meaning of Part XV of the SFO.

2. MR. YANG DONG

Mr. Yang Dong (“Mr. Yang”), aged 62, has been an executive Director and the Chief Executive Officer of the Company since July 2016. Mr. Yang joined the Company in 2012. Prior to that, he held various senior key positions in the subsidiaries of China Petroleum & Chemical Corporation such as the deputy general manager in China Petrochemical International Co. Ltd. and deputy chairman and executive director in Sinopec Kantons Holdings Limited (stock code: 934), the securities of which is listed on the Stock Exchange. He has extensive experience in international trade of petroleum and chemical commodities. Mr. Yang graduated from Beijing Normal University with a degree in Economics. He also holds a Master’s degree in Project Management from University of Management and Technology.

Mr. Yang 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. Yang received Director's salary and allowance, plus other Director's emoluments such as discretionary bonus and other benefits of approximately HK\$3,111,000 for the financial year ended 31 December 2022 which was determined by the Board with the recommendation of the Remuneration Committee by reference to his performance and responsibilities, the market rates for the position and the Company's performance and profitability.

Mr. Yang does not have any relationships with any Directors, senior management of the Company, substantial or controlling Shareholders 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.

3. MR. LI WAI KEUNG

Mr. Li Wai Keung ("Mr. Li"), aged 66, has been an independent non-executive Director since July 2002. He is also the Chairman of the Audit Committee and the Remuneration Committee and a member of the Nomination Committee. Mr. Li graduated from The Hong Kong Polytechnic and holds a Master's degree in Business Administration from The University of East Asia. He is a fellow member of The Association of Chartered Certified Accountants and Hong Kong Institute of Certified Public Accountants. Mr. Li is now an independent non-executive director of Shenzhen Investment Limited (stock code: 604), China South City Holdings Limited (stock code: 1668) and Centenary United Holdings Limited (stock code: 1959); and Mr. Li is an independent non-executive director of Legend Upstar Holdings Limited (formerly known as Midland IC&I Limited) (stock code: 459) from 29 March 2022, the securities of which are listed on the Stock Exchange. Mr. Li had worked for Henderson Land Development Company Limited. He was a chief financial officer of GDH Limited and Guangdong Holdings Limited until 31 December 2019, an executive director and company secretary of Guangdong Land Holdings Limited (stock code: 124) until 20 February 2020 and a non-executive director of Guangdong Investment Limited (stock code: 270) until 28 March 2020, the securities of which are listed on the Stock Exchange. Apart from the abovementioned, Mr. Li was the 12th standing committee member of Chinese People's Political Consultative Conference Guangdong Provincial Committee, and an advisor of Management Accounting of Ministry of Finance, the PRC.

Mr. Li 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. Li 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 by reference to the market practices.

Mr. Li does not have any relationships with any Directors, senior management of the Company, substantial or controlling Shareholders 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 followings are the proposed amendments to the existing Memorandum and Articles of Association brought about by the adoption of the Amended and Restated Memorandum and Articles of Association (which are shown as mark-ups).

CAYMAN ISLANDS

The Companies Act (As Revised) Law (2004 Revision) (Cap. 22)

Company Limited by Shares

AMENDED AND RESTATED
MEMORANDUM OF ASSOCIATION

OF

HANS ENERGY COMPANY LIMITED

漢思能源有限公司

(adopted by a Special Resolution passed on [●]10th January 2005)

1. The name of the Company is **Hans Energy Company Limited** 漢思能源有限公司.
2. The Registered Office of the Company shall be at the offices of Maples Corporate Services Limited and ~~Calder~~, P.O. Box 309, Umland House, ~~South Church Street, George Town, Grand Cayman, KY1-1104, Cayman Islands, British West Indies~~ or at such other place as the Board may from time to time decide.
3. The objects for which the Company is established are unrestricted and shall include, but without limitation, the following:
 - (i) To carry on business as an investment company and as an investment holding company and to acquire and hold shares, stocks, debenture stock, bonds, mortgages, obligations and securities of any kind issued or guaranteed by any company, corporation or undertaking of whatever nature and wherever constituted or carrying on business, and shares, stock, debenture stock, bonds, obligations and other securities issued or guaranteed by any government, sovereign ruler, commissioners, trust, local authority or other public body, and to vary, transpose, dispose of or otherwise deal with from time to time as may be considered expedient any of the Company's investments for the time being;
 - (ii) To subscribe for, conditionally or unconditionally, to underwrite, issue on commission or otherwise, take, hold, deal in and convert stocks, shares and securities of all kinds and to enter into partnership or into any arrangement for sharing profits, reciprocal concessions or cooperation with any person or company and to promote and aid in promoting, to constitute, form or organise any company, joint venture, syndicate or partnership of any kind, for the purpose of acquiring and undertaking any property and liabilities of the Company or of advancing, directly or indirectly, the objects of the Company or for any other purpose which the Company may think expedient.

(iii) To exercise and enforce all rights and powers conferred by or incidental to the ownership of any shares, stock, obligations or other securities including without prejudice to the generality of the foregoing all such powers of veto or control as may be conferred by virtue of the holding by the Company of some special proportion of the issued or nominal amount thereof, to provide managerial and other executive, supervisory and consultant services for or in relation to any company in which the Company is interested upon such terms as may be thought fit.

(v) (a) To carry on the business of promoters and entrepreneurs and to carry on business as financiers, capitalists, concessionaires, merchants, brokers, traders, dealers, agents, importers and exporters and to undertake and carry on and execute all kinds of investment, financial, commercial, mercantile, trading and other operations.

(vi) To purchase or otherwise acquire, to sell, exchange, surrender, lease, mortgage, charge, convert, turn to account, dispose of and deal with real and personal property and rights of all kinds and, in particular, mortgages, debentures, produce, concessions, options, contracts, patents, annuities, licences, stocks, shares, bonds, policies, book debts, business concerns, undertakings, claims, privileges and choses in action of all kinds.

4. Except as prohibited or limited by the Companies Act (As Revised)~~Law (2004 Revision)~~, the Company shall have full power and authority to carry out any object not prohibited by any law as provided by Section 76(4) of the Companies Act (As Revised)~~Law (2004 Revision)~~ and shall have and be capable of from time to time and at all times exercising any and all of the powers at any time or from time to time exercisable by a natural person or body corporate, irrespective of any question of corporate benefit, in doing in any part of the world whether as principal, agent, contractor or otherwise whatever may be considered by it necessary for the attainment of its objects and whatever else may be considered by it as incidental or conducive thereto or consequential thereon, including, but without in any way restricting the generality of the foregoing, the power to make any alterations or amendments to this Memorandum of Association and the Articles of Association of the Company considered necessary or convenient in the manner set out in the Articles of Association of the Company, and the power to do any of the following acts or things, viz: to pay all expenses of and incidental to the promotion, formation and incorporation of the Company; to register the Company to do business in any other jurisdiction; to sell, lease or dispose of any property of the Company; to draw, make, accept, endorse, discount, execute and issue promissory notes, debentures, debenture stock, loans, loan stock, loan notes, bonds, convertible bonds, bills of exchange, bills of lading, warrants and other negotiable or transferable instruments; to lend money or other assets and to act as guarantors; to borrow or raise money on the security of the undertaking or on all or any of the assets of the Company including uncalled capital or without security; to invest monies of the Company in such manner as the Directors determine; to promote other companies; to sell the undertaking of the Company for cash or any other consideration; to distribute assets in specie to members of the Company; to contract with persons for the provision of advice, the management and custody of the Company's assets, the listing of the Company's shares and its administration; to make

charitable or benevolent donations; to pay pensions or gratuities or provide other benefits in cash or kind to Directors, officers, employees, past or present and their families; to purchase Directors and officers liability insurance; to carry on any trade or business and generally to do all acts and things which, in the opinion of the Company or the Directors, may be conveniently or profitably or usefully acquired and dealt with, carried on, executed or done by the Company in connection with the business aforesaid PROVIDED THAT the Company shall only carry on the businesses for which a licence is required under the laws of the Cayman Islands when so licensed under the terms of such laws.

6. The share capital of the Company is HK\$1,000,000,000 divided into 10,000,000,000 shares of a nominal or par value of HK\$0.10 each with power for the Company insofar as is permitted by law, to redeem or purchase any of its shares and to increase or reduce the said capital subject to the provisions of the Companies Act (As Revised)~~Law (2004 Revision)~~ and the Articles of Association and to issue any part of its capital, whether original, redeemed or increased with or without any preference, priority or special privilege or subject to any postponement of rights or to any conditions or restrictions and so that unless the conditions of issue shall otherwise expressly declare every issue of shares whether declared to be preference or otherwise shall be subject to the powers hereinbefore contained.

7. If the Company is registered as exempted, its operations will be carried on subject to the provisions of Section ~~193-174~~ of the Companies Act (As Revised)~~Law (2004 Revision)~~ and, subject to the provisions of the Companies Act (As Revised)~~Law (2004 Revision)~~ and the Articles of Association, it shall have the power to register by way of continuation as a body corporate limited by shares under the laws of any jurisdiction outside the Cayman Islands and to be deregistered in the Cayman Islands.

CAYMAN ISLANDS

The Companies Act (As Revised) Law (2004 Revision) (Cap. 22)

Company Limited by Shares

AMENDED AND RESTATED
ARTICLES OF ASSOCIATION

OF

HANS ENERGY COMPANY LIMITED

漢思能源有限公司

(adopted by a Special Resolution dated [●]10th January 2005)

Article No.	Proposed amendments (showing changes to the existing Articles)
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Table A

Exclusion of Table A	1. The regulations contained in Table A in the First Schedule to the Companies <u>Act Law</u> shall not apply to the Company.
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Interpretation

<u>business day</u>	<u>“business day” shall mean a day on which the Exchange generally is open for the business of dealing in securities in Hong Kong;</u>
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<u>Communication Facilities</u>	<u>“Communication Facilities” shall mean video, video-conferencing, internet or online conferencing applications, telephone or tele-conferencing and/or any other video-communication, internet or online conferencing application or telecommunications facilities by means of which all Persons participating in a meeting are capable of hearing and be heard by, or otherwise communicating (in such manner as may be determined by the Board) with, each other;</u>
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the Companies <u>Act/Law/the Act/Law</u>	“the Companies Act/Law ” or “the Act/Law ” shall mean the Companies <u>Act (As Revised) Law (2004 Revision)</u> ; Cap. 22 of the Cayman Islands and any amendments thereto or re-enactments thereof for the time being in force and includes every other law incorporated therewith or substituted therefor;
the Companies Ordinance	“the Companies Ordinance” shall mean the Companies Ordinance (Cap. 32-622 of the Laws of Hong Kong) as in force from time to time;
the Company’s <u>Website</u>	“the Company’s <u>Website</u> ” shall mean the website of the Company, the address or domain name of which has been notified to members;
dividend	“dividend” shall include bonus dividends and distributions permitted by the Act Law to be categorised as dividends;
<u>electronic means</u>	“ <u>electronic means</u> ” includes sending or otherwise making available to the intended recipients of the communication in electronic format;
<u>Electronic Transaction Act</u>	“ <u>Electronic Transactions Act</u> ” means the <u>Electronic Transactions Act (As Revised)</u> of the Cayman Islands;
HK Code on Takeovers & Mergers	“ HK Code on Takeovers & Mergers ” shall mean the Code on Takeovers and Mergers issued by the Securities and Futures Commission of Hong Kong as amended from time to time ;
ordinary resolution	“ordinary resolution” shall mean a resolution passed by a simple majority of the votes of such members of the Company as, being entitled to do so, vote in person or, where proxies are allowed, by proxy or, in the case of corporations, by their duly authorised representatives, at a general meeting held in accordance with these Articles and includes an ordinary resolution passed pursuant to Article 84;

Person

“Person” shall mean any natural person, firm, company, joint venture, partnership, corporation, association or other entity (whether or not having a separate legal personality) or any of them as the context so requires;

Present

“Present” shall mean, in respect of any Person, such Person’s presence at a general meeting of members, which may be satisfied by means of such Person or, if a corporation or other non-natural Person, its duly authorised representative (or, in the case of any member, a proxy which has been validly appointed by such member in accordance with these Articles), being:

- (a) physically present at the meeting; or
- (b) in the case of any meeting at which Communication Facilities are permitted in accordance with these Articles, including any Virtual Meeting, connected by means of the use of such Communication Facilities;

rights issue

“rights issue” shall mean an offer by way of rights to existing holders of securities of the Company which enables those holders to subscribe for securities in proportion to their existing holdings;

special resolution

“special resolution” shall have the same meaning as ascribed thereto in the ~~Act Law~~ and shall include a unanimous written resolution of all members: for this purpose, the requisite majority shall be not less than three-fourths of the votes of such members of the Company as, being entitled to do so, vote in person or, where proxies are allowed, by proxy or, in the case of corporations, by their duly authorised representatives, at a general meeting of which notice specifying the intention to propose the resolution as a special resolution has been duly given and includes a special resolution passed pursuant to Article 84;

Virtual Meeting

“Virtual Meeting” shall mean any general meeting of the members at which the members (and any other permitted participants of such meeting, including, without limitation, the Chairman of such meeting and any Directors) are permitted to attend and participate solely by means of Communication Facilities;

Words in the Act Law to bear same meaning in Articles

Subject as aforesaid, any words defined in the Act Law shall, if not inconsistent with the subject and/or context, bear the same meanings in these Articles;

persons/companies

words importing persons and the neuter shall include companies and corporations and vice versa;

Sections 8 and 19(3) of the Electronic Transactions Act shall not apply to these Articles.

Share Capital and Modification of Rights

Capital

3. The authorised share capital of the Company at the date of the adoption of these Articles is HK\$1,000,000,000 divided into 10,000,000,000 shares of HK\$0.10 each.

Issue of shares

4. Subject to the provisions of these Articles and to any direction that may be given by the Company in general meeting and without prejudice to any special rights conferred on the holders of any existing shares or attaching to any class of shares, any share may be issued with or have attached thereto such preferred, deferred, qualified or other special rights or restrictions, whether in regard to dividend, voting, return of capital or otherwise, and to such persons at such times and for such consideration as the Board may determine. Subject to the Act Law and to any special rights conferred on any shareholders or attaching to any class of shares, any share may, with the sanction of a special resolution, be issued on terms that it is, or at the option of the Company or the holder thereof is, liable to be redeemed. No shares shall be issued to bearer for so long as a recognised clearing house (in its capacity as such) is a member of the Company.

**How class rights may
be modified**

6. (a) If at any time the share capital of the Company is divided into different classes of shares, all or any of the rights attached to any class of shares for the time being issued (unless otherwise provided for in the terms of issue of the shares of that class) may, subject to the provisions of the Act~~Law~~, be varied or abrogated with the consent in writing of the holders of not less than three-fourths of the voting rights of the holders ~~in nominal value~~ of the issued shares of that class or with the sanction of a special resolution passed at a separate meeting of the holders of shares of that class. To every such separate meeting all the provisions of these Articles relating to general meetings shall *mutatis mutandis* apply, but so that the quorum for the purposes of any such separate meeting and of any adjournment thereof shall be a person or persons together holding (or representing by proxy) at the date of the relevant meeting not less than one-third in nominal value of the voting rights of the holders of the issued shares of that class, ~~and that any holder of shares of the class present in person or by proxy may demand a poll.~~

**Company may
purchase and
finance the purchase
of own shares and
warrants**

7. Subject to the ~~Act~~Law, or any other law or so far as not prohibited by any law and subject to any rights conferred on the holders of any class of shares, the Company shall have the power to purchase or otherwise acquire all or any of its own shares (which expression as used in this Article includes redeemable shares) provided that the manner of purchase has first been authorised by a resolution of the shareholders, and to purchase or otherwise acquire warrants for the subscription or purchase of its own shares, and shares and warrants for the subscription or purchase of any shares in any company which is its holding company and may make payment therefor in any manner authorised or not prohibited by law, including out of capital, or to give, directly or indirectly, by means of a loan, a guarantee, a gift, an indemnity, the provision of security or otherwise howsoever, financial assistance for the purpose of or in connection with a purchase or other acquisition made or to be made by any person of any shares or warrants in the Company or any company which is a holding company of the Company and should the Company purchase or otherwise acquire its own shares or warrants neither the Company nor the Board shall be required to select the shares or warrants to be purchased or otherwise acquired rateably or in any other manner as between the holders of shares or warrants of the same class or as between them and the holders of shares or warrants of any other class or in accordance with the rights as to dividends or capital conferred by any class of shares provided always that any such purchase or other acquisition or financial assistance shall only be made in accordance with any relevant code, rules or regulations issued by the Exchange or the Securities and Futures Commission of Hong Kong from time to time in force.

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| Redemption | 9 | <p>(a) Subject to the provisions of the Act Law and the Memorandum of Association of the Company, and to any special rights conferred on the holders of any shares or attaching to any class of shares, shares may be issued on the terms that they may be, or at the option of the Company or the holder are, liable to be redeemed on such terms and in such manner, including out of capital, as the Board may deem fit.</p> <p>(b) Where the Company purchases for redemption a redeemable share, purchases not made through the market or by tender shall be limited to a maximum price, and if purchases are by tender, tenders shall be available to all shareholders alike.</p> |
| Shares at the disposal of the Board | 11. | <p>Subject to the provisions of the Act Law, of the Memorandum of Association of the Company, and of these Articles relating to new shares, the unissued shares in the Company (whether forming part of its original or any increased capital) shall be at the disposal of the Board, which may offer, allot, grant options over or otherwise dispose of them to such persons, at such times and for such consideration, and upon such terms, as the Board shall determine.</p> |
| Company may pay commissions | 12. | <p>The Company may, unless prohibited by law, at any time pay a commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares in the Company or procuring or agreeing to procure subscriptions (whether absolute or conditional) for any shares in the Company, but so that the conditions and requirements of the Act Law shall be observed and complied with, and in each case the commission shall not exceed 10% of the price at which the shares are issued.</p> |

Register of Members and Share CertificatesShare ~~r~~Register

14. (a) The Board shall cause to be kept at such place within or outside the Cayman Islands as they deem fit a principal register of the members and there shall be entered therein the particulars of the members and the shares issued to each of them and other particulars required under the Act~~Law~~.
14. (d) Notwithstanding anything contained in this Article, the Company shall as soon as practicable and on a regular basis record in the principal register all transfers of shares effected on any branch register and shall at all times maintain the principal register in such manner as to show at all times the members for the time being and the shares respectively held by them, in all respects in accordance with the Act~~Companies Law~~.
15. (a) Except when the register of members is closed and, if applicable, subject to the additional provisions of paragraph (d) of this Article, the principal register and any branch register shall during business hours be kept open to the inspection of any member without charge.
15. (b) The reference to business hours in paragraph (a) of this Article is subject to such reasonable restrictions as the Company in general meeting may impose, but so that not less than two hours in each business day is to be allowed for inspections.

15. (c) The register may, on 10 business days' notice (or on 6 business days' notice in the case of a rights issue) (or on a shorter period as the Listing Rules may permit) 14 days' notice being given by advertisement published on the Exchange's website or published in the newspapers, or, subject to the Listing Rules, by electronic communication in the manner in which notices may be served by the Company by electronic means as herein provided, be closed at such times and for such periods as the Board may from time to time determine, either generally or in respect of any class of shares, provided that the register shall not be closed for more than 30 days in any year (or such longer period as the members may by ordinary resolution determine provided that such period shall not be extended beyond 60 days in any year). The Company shall, on demand, furnish any person seeking to inspect the register or part thereof which is closed by virtue of this Article with a certificate under the hand of the Secretary stating the period for which, and by whose authority, it is closed. Subject to the requirements under the Listing Rules, in the event that there is an alteration of book closure dates, the Company shall give at least 5 business days' notice prior to the announced closure or the new closure (whichever is earlier) in accordance with the procedures set out in this Article.
15. (d) In lieu of, or apart from, closing the register pursuant to other provisions in these Articles, the Board may fix in advance a date as the record date for any such determination of members entitled to receive notice of, or to vote at any general meeting of the members or any adjournment thereof, or for the purpose of determining the members entitled to receive payment of any dividend or distribution, or in order to make a determination of members for any other purpose.

15. (ed) Any register held in Hong Kong shall during normal business hours (subject to such reasonable restrictions as the Board may impose) be open to inspection by a member without charge and any other person on payment of ~~such a fee of such amount~~ not exceeding ~~the maximum HK\$2.50 (or such higher amount as may from time to time be permitted under the Listing Rules)~~ as the Board may determine for each inspection. Any member may require a copy of the register, or any part thereof, on payment of HK\$0.25, or such lesser sum as the Company may prescribe, for every 100 words or fractional part thereof required to be copied. The Company shall cause any copy so required by any person to be sent to that person within a period of 10 days commencing on the date next after the day on which the request is received by the Company.

Share certificates

16. Every person whose name is entered as a member in the register shall be entitled without payment to receive, within the relevant time limit as prescribed in the ~~Act Law~~ or as the Exchange may from time to time determine, whichever is shorter, after allotment or lodgment of transfer (or within such other period as the conditions of issue shall provide), one certificate for all his shares of each class or, if he shall so request, in a case where the allotment or transfer is of a number of shares in excess of the number for the time being forming an Exchange board lot, upon payment, in the case of a transfer, of a sum equal to the relevant maximum amount as the Exchange may from time to time determine for every certificate after the first or such lesser sum as the Board shall from time to time determine, such numbers of certificates for shares in Exchange board lots or multiples thereof as he shall request and one for the balance (if any) of the shares in question, provided that in respect of a share or shares held jointly by several persons the Company shall not be bound to issue a certificate or certificates to each such person, and the issue and delivery of a certificate or certificates to one of several joint holders shall be sufficient delivery to all such holders.

- Share certificates to be sealed** 17. Every certificate for shares or debentures or representing any other form of security of the Company shall be issued under the seal of the Company, which shall only be affixed with the authority of the Board.

Lien

- Sale of shares subject to lien** 22. The Company may sell in such manner as the Board thinks fit any shares on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable or the liability or engagement in respect of which such lien exists is liable to be presently fulfilled or discharged, nor until the expiration of 14 days after a notice in writing, stating and demanding payment of the sum presently payable or specifying the liability or engagement and demanding fulfilment or discharge thereof and giving notice of intention to sell in default, shall have been given to the registered holder for the time being of the shares or the person, of which the Company has notice, entitled to the shares by reason of such holder's death, mental disorder or bankruptcy.

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| Application or proceeds of such sale | 23. The net proceeds of such sale by the Company after the payment of the costs of such sale shall be applied in or towards payment or satisfaction of the debt or liability or engagement in respect whereof the lien exists, so far as the same is presently payable, and any residue shall (subject to a like lien for debts or liabilities not presently payable as existed upon the shares prior to the sale and upon surrender, if required by the Company, for cancellation of the certificate for the share sold) be paid to the holder immediately before such sale of the share. For giving effect to any such sale, the Board may authorise any person to transfer the shares sold to the purchaser thereof and may enter the purchaser's name in the register as holder of the shares, and the purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale. |
| <u>Calls on Shares</u> | |
| Notice of call may be published in newspapers or on the Exchange's website or by electronic means | 28. In addition to the giving of notice in accordance with Article 26, notice of the person appointed to receive payment of every call and of the times and places appointed for payment may be given to the members affected by notice <u>published on the Exchange's website or by advertisement published in the newspapers or, subject to the Listing Rules, by electronic communication in the manner in which notices may be served by the Company by electronic means as herein provided.</u> |
| Suspension of privileges while call in arrears | 33. No member shall be entitled to receive any dividend or bonus or to be p <u>P</u> resent and vote (save as proxy for another member) at any general meeting, either personally or by proxy, or be reckoned in a quorum, or to exercise any other privilege as a member until all sums or instalments due from him to the Company in respect of any call, whether alone or jointly with any other person, together with interest and expenses (if any) shall have been paid. |

**Evidence in action for
call**

34. At the trial or hearing of any action or other proceedings for the recovery of any money due for any call, it shall be sufficient to prove that the name of the member sued is entered in the register as the holder, or one of the holders, of the shares in respect of which such debt accrued; that the resolution making the call is duly recorded in the minute book; and that notice of such call was duly given to the member sued, in pursuance of these Articles; and it shall not be necessary to prove the appointment of the Directors who made such call, nor any other matters whatsoever, and the proof of the matters aforesaid shall be conclusive evidence of the debt.

Transfer of Shares**Requirements as to
transfer**

41. The Board may also decline to register any transfer of any shares unless:
- (c) the instrument of transfer is properly stamped (in circumstances where stamping is required); and
 - (f) a fee of such amount not exceeding the maximum amount as the Exchange may from time to time determine to be payable or such lesser sum as the Board may from time to time require is paid to the Company in respect thereof.

**No transfer to an
infant etc**

42. No transfer shall be made to an infant or to a person in respect of whom an order has been made by a competent court or official on the grounds that he is or may be suffering from mental disorder or is otherwise incapable of managing his affairs or under other legal disability.

**When transfer books
and register may
close**

44. The registration of transfers may, on 10 business days' notice (or on 6 business days' notice in the case of a rights issue) (or on a shorter period as the Listing Rules may permit) 14 days' notice being given by advertisement published on the Exchange's website or published in the newspapers, or, subject to the Listing Rules, by electronic communication in the manner in which notices may be served by the Company by electronic means as herein provided, be suspended and the register closed at such times for such periods as the Board may from time to time determine, provided always that such registration shall not be suspended or the register closed for more than 30 days in any year (or such longer period as the members may by ordinary resolution determine provided that such period shall not be extended beyond 60 days in any year). Subject to the requirements under the Listing Rules, in the event that there is an alteration of book closure dates, the Company shall give at least 5 business days' notice before the announced closure, or the new closure, whichever is earlier. If, however, there are exceptional circumstances (e.g. during a Number 8 or higher typhoon signal or black rainstorm warning) that render the giving of such publication of announcement or advertisement impossible, the Company shall comply with these requirements as soon as practicable.

Transmission of Shares**Registration of
personal
representatives and
trustee in
bankruptcy**

46. Any person becoming entitled to a share in consequence of the death or bankruptcy or winding-up of a member may, upon such evidence as to his title being produced as may from time to time be required by the Board and subject as hereinafter provided, either be registered himself as holder of the share or elect to have some other person nominated by him registered as the transferee thereof.

Stock**Power to convert into
stock**

59. Subject to the ~~Act~~Companies Law, the Company may by ordinary resolution convert any fully paid up shares into stock, and may from time to time by like resolution re-convert any stock into fully paid up shares of any denomination.

Alteration of Capital**Consolidation and
division of capital
and sub-division
and cancellation of
shares**

63. (a) The Company may from time to time by ordinary resolution:
- (ii) cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled subject to the provisions of the ~~Act~~Law; and
- (iii) sub-divide its shares or any of them into shares of smaller amount than is fixed by the Memorandum of Association of the Company, subject nevertheless to the provisions of the ~~Act~~Law, and so that the resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may have any such preferred or other special rights, over, or may have such deferred rights or be subject to any such restrictions as compared with the others as the Company has power to attach to unissued or new shares.

Reduction of capital

63. (b) The Company may by special resolution reduce its share capital, any capital redemption reserve or any share premium account in any manner authorised and subject to any conditions prescribed by ~~Act~~Law.

Borrowing Powers

- Register of charges to be kept**
68. (a) The Board shall cause a proper register to be kept, in accordance with the provisions of the Act~~Law~~, of all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of the Act ~~Law~~ in regard to the registration of mortgages and charges therein specified and otherwise.

General Meeting

- When annual general meeting to be held**
70. The Company shall in each financial year hold a general meeting as its annual general meeting in addition to any other meeting in that year and shall specify the meeting as such in the notices calling it; ~~and not more than 15 months shall elapse (or such longer period as the Exchange may authorise)~~ between the date of one annual general meeting of the Company and that of the next. ~~So as long as the first annual general meeting of the Company is held within 15 months from the date of its incorporation, it need not be held in the year of its incorporation.~~ The annual general meeting shall be held at such time and place as the Board shall appoint.

**Convening of
extraordinary
general meeting**

72. The Board may, whenever it thinks fit, convene an extraordinary general meeting. General meetings shall also be convened on the written requisition of any ~~one~~ ~~two~~ or more members of the Company deposited at the principal place of business of the Company in Hong Kong or, in the event that the Company ceases to have such a principal place of business, the registered office, specifying the objects of the meeting and the resolutions to be added to the meeting agenda, and signed by the requisitionists, provided that such requisitionists held as at the date of deposit of the requisition not less than one-tenth of the voting rights, on a one vote per share basis, of the share paid-up capital of the Company which carries the right of voting at general meetings of the Company. If the Board does not within 21 days from the date of deposit of the requisition proceed duly to convene the meeting, the requisitionists themselves or any of them representing more than one-half of the total voting rights of all of them, may convene the general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Board provided that any meeting so convened shall not be held after the expiration of three months from the date of deposit of the requisition, and all reasonable expenses incurred by the requisitionists as a result of the failure of the Board shall be reimbursed to them by the Company.

**Communication
Facilities**

72A. The Directors may determine that Communication Facilities shall be made available for a specific general meeting or all general meetings of the Company, to the intent and effect that members and other participants may attend and participate at such general meetings by means of such Communication Facilities. Without limiting the generality of the foregoing, the Directors may determine that any general meeting may be held as a Virtual Meeting.

- Notice of meetings
73. (a) An annual general meeting ~~and any extraordinary general meeting called for the passing of a special resolution~~ shall be called by not less than 21 days' notice in writing and any ~~other~~ extraordinary general meeting shall be called by not less than 14 days' notice in writing. Subject to the requirements under the Listing Rules, the notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the time, place, and agenda of the meeting, particulars of the resolutions and the general nature of the business to be considered at the meeting and in the case of special business (as defined in Article 75) the general nature of that business. The notice convening an annual general meeting shall specify the meeting as such, and the notice convening a meeting to pass a special resolution shall specify the intention to propose the resolution as a special resolution. Subject to the requirements under the Listing Rules, the notice of any general meeting at which Communication Facilities will be utilised (including any Virtual Meeting) must either disclose the Communication Facilities that will be utilised, including the procedures to be followed by any member or other participants of the general meeting who wishes to utilise such Communication Facilities for the purpose of attending, participating and voting at such meeting, or specify how and when (being not less than 72 hours before the time appointed for holding the meeting) such information will be made available to the members and other participants. Notice of every general meeting shall be given to the Auditors and to all members other than such as, under the provisions hereof or the terms of issue of the shares they hold, are not entitled to receive such notice from the Company.

73. (c) There shall appear with reasonable prominence in every notice of general meetings of the Company a statement that a member entitled to attend and vote is entitled to appoint a proxy to attend and, ~~on a poll,~~ vote instead of him and that a proxy need not be a member of the Company.
- Omission to give notice/instrument of proxy**
74. (a) The accidental omission to give any such notice to, or the non-receipt of any such notice by, any person entitled to receive notice shall not invalidate any resolution passed or any proceeding at any such meeting.

Proceedings at General Meetings

- Quorum**
76. For all purposes the quorum for a general meeting shall be two members ~~p~~Present in person or by proxy provided always that if the Company has only one member of record the quorum shall be that one member ~~p~~Present in person or by proxy. No business (except the appointment of a Chairman) shall be transacted at any general meeting unless the requisite quorum shall be ~~p~~Present at the commencement of the business.
- When if quorum not present meeting to be dissolved and when to be adjourned**
77. If within half an hour from the time appointed for the meeting a quorum is not ~~p~~Present, the meeting, if convened upon the requisition of members, shall be dissolved, but in any other case it shall stand adjourned to the same day in the next week and at such time and place as shall be decided by the Board, and if at such adjourned meeting a quorum is not ~~p~~Present within half an hour from the time appointed for holding the meeting, the member or members ~~p~~Present in person or by proxy shall be a quorum and may transact the business for which the meeting was called.

**Chairman of general
meeting**

78. The Chairman of the Board of Directors shall take the chair at every general meeting, or if there be no such Chairman or, if at any general meeting such Chairman shall not be pPresent within 15 minutes after the time appointed for holding such meeting or is unwilling to act, the Directors pPresent shall choose another Director as Chairman, and if no Director be pPresent, or if all the Directors pPresent decline to take the chair, or if the Chairman chosen shall retire from the chair, then the members pPresent shall choose one of their own number to be Chairman.

78A. The Chairman of any general meeting shall be entitled to attend and participate at such general meeting by means of Communication Facilities, and to act as the Chairman, in which event:

(a) the Chairman shall be deemed to be Present at the meeting; and

(b) if the Communication Facilities are interrupted or fail for any reason to enable the Chairman to hear and be heard by all other Persons attending and participating at the meeting, then the other Directors Present at the meeting shall choose another Director Present to act as Chairman of the meeting for the remainder of the meeting; provided that (i) if no other Director is Present at the meeting, or (ii) if all Directors Present decline to take the chair, then the meeting shall be automatically adjourned to the same day in the next week and at such time and place as shall be decided by the Board.

**Power to adjourn
general
meeting/business of
adjourned meeting**

79. The Chairman may, with the consent of any general meeting at which a quorum is ~~p~~Present, and shall, if so directed by the meeting, adjourn any meeting from time to time and from place to place as the meeting shall determine. Whenever a meeting is adjourned for 14 days or more, at least seven clear days' notice, specifying the place, the day and the hour of the adjourned meeting shall be given in the same manner as in the case of an original meeting but it shall not be necessary to specify in such notice the nature of the business to be transacted at the adjourned meeting. Save as aforesaid, no member shall be entitled to any notice of an adjournment or of the business to be transacted at any adjourned meeting. No business shall be transacted at any adjourned meeting other than the business which might have been transacted at the meeting from which the adjournment took place.

**Must vote by poll
Right to demand a
poll and what is to
be evidence of the
passing of a
resolution where
poll not demand**

80. At any general meeting a resolution put to the vote of the meeting shall be decided on a poll, save that the Chairman may, in good faith, pursuant to the Listing Rules allow a resolution which relates purely to a procedural or administrative matter as prescribed under the Listing Rules to be voted on by show of hands, unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is duly demanded. A poll may be demanded by:

- (a) ~~the Chairman of the meeting; or~~
- (b) ~~at least five members present in person or by proxy and entitled to vote; or~~
- (c) ~~any member or members present in person or by proxy and representing in the aggregate not less than one-tenth of the total voting rights of all members having the right to attend and vote at the meeting; or~~

- (d) ~~any member or members present in person or by proxy and holding shares conferring a right to attend and vote at the meeting on which there have been paid up sums in the aggregate equal to not less than one-tenth of the total sum paid up on all shares conferring that right.~~

~~Unless a poll is so demanded and not withdrawn, a declaration by the Chairman that a resolution has on a show of hands been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the Company's book containing the minutes of proceedings of meetings of the Company shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.~~

Poll

81. (a) ~~A~~ If a poll is demanded as aforesaid, it shall (subject as provided in Article 82) be taken in such manner (including the use of ballot or voting papers or tickets) and at such time and place, not being more than 30 days from the date of the meeting or adjourned meeting, ~~at which the poll was demanded~~ as the Chairman directs. No notice need be given of a poll not taken immediately. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was taken. ~~demande~~. The demand for a poll may be withdrawn, with the consent of the Chairman, at any time before the close of the meeting at which the poll was demanded or the taking of the poll, whichever is earlier.

Business may proceed notwithstanding demand for poll

81. (b) ~~The demand of a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.~~

In what case poll taken without adjournment

82. Any poll ~~duly demanded~~ on the election of a Chairman of a meeting or on any question of adjournment shall be taken at the meeting and without adjournment.

**Chairman to have
casting vote**

83. In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is taken ~~demanded~~, shall be entitled to a second or casting vote.

Votes of Members**Votes of ~~m~~Members**

85. Subject to any special rights, privileges or restrictions as to voting for the time being attached to any class or classes of shares, at any general meeting ~~on a show of hands~~ every member who is ~~p~~Present in person (or, in the case of a member being a corporation by its duly authorised representative) or by proxy (a) shall have the right to speak, (b) on a show of hands, shall have one vote, and (c) on a poll, every member present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy shall have one vote for each share registered in his name in the register, except, in the cases of sub-paragraphs (b) and (c) above, where a member is required, by the Listing Rules, to abstain from the matter under consideration. On a poll a member entitled to more than one vote is under no obligation to cast all his votes in the same way.

Votes of joint holders

87. Where there are joint registered holders of any share, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be ~~p~~Present at any meeting ~~personally or by proxy~~, that one of the said persons so ~~p~~Present being the most or, as the case may be, the more senior shall alone be entitled to vote in respect of the relevant joint holding and, for this purpose, seniority shall be determined by reference to the order in which the names of the joint holders stand on the register in respect of the relevant joint holding. Several executors or administrators of a deceased member in whose name any share stands shall for the purposes of this Article be deemed joint holders thereof.

- Qualification for voting**
89. (a) Save as expressly provided in these Articles or as otherwise determined by the Board, no person other than a member duly registered and who shall have paid everything for the time being due from him payable to the Company in respect of his shares shall be entitled to be ~~p~~Present or to vote (save as proxy for another member), or to be reckoned in a quorum, either personally or by proxy at any general meeting.
- Objections to voting**
89. (b) No objection shall be raised as to the qualification of any person exercising or purporting to exercise any vote or to the admissibility of any vote except at the meeting or adjourned meeting at which the person exercising or purporting to exercise his vote or the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. In the case of any dispute as to the admission or rejection of any vote, the Chairman of the meeting shall determine the same and such determination shall be final and conclusive.;
- Provided that, where any member is, under the Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such member in contravention of such requirement or restriction shall not be counted.
- Proxies**
90. Any member of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person (who must be an individual) as his proxy to attend and vote instead of him. ~~On a poll~~ Votes may be given either personally or by proxy. A proxy need not be a member of the Company. A member may appoint any number of proxies to attend in his stead at any one general meeting or at any one class meeting.

- Form of proxy**
93. Every instrument of proxy, whether for a specified meeting or otherwise, shall be in common form or such other form that complies with the Listing Rules as the Board may from time to time approve, provided that it shall enable a member, according to his intention, to instruct his proxy to vote in favour of or against (or in default of instructions or in the event of conflicting instructions, to exercise his discretion in respect of) each resolution to be proposed at the meeting to which the form of proxy relates.
- Authority under instrument appointing proxy**
94. The instrument appointing a proxy to vote at a general meeting shall: (a) be deemed to confer authority ~~to demand or join in demanding a poll and~~ to vote on any amendment of a resolution put to the meeting for which it is given as the proxy thinks fit; and (b) unless the contrary is stated therein, be valid as well for any adjournment of the meeting as for the meeting to which it relates, provided that the meeting was originally held within 12 months from such date.
- Corporations/ clearing houses acting by representatives at meetings**
96. (a) Any corporation which is a member of the Company may, by resolution of its directors or other governing body or by power of attorney, authorise such person as it thinks fit to act as its representative at any meeting of the Company or of members of any class of shares of the Company and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member of the Company and where a corporation is so represented, it shall be treated as being ~~p~~Present at any meeting ~~in~~ person.

96. (b) If a recognised clearing house (or its nominee) is a member of the Company it may, by resolution of its directors or other governing body or by power of attorney, authorise such person or persons as it thinks fit to act as its representative or representatives at any general meeting of the Company, ~~or~~ at any general meeting of any class of members of the Company or at any meeting of the creditors of the Company provided that, if more than one person is so authorised, the authorisation shall specify the number and class of shares in respect of which each such person is so authorised. A person so authorised pursuant to this provision shall be entitled to exercise the same rights and powers on behalf of the recognised clearing house (or its nominee) which he represents as that recognised clearing house (or its nominee) could exercise as if such person were an individual member of the Company holding the number and class of shares specified in such authorisation, including, where a show of hands is allowed, the right to vote individually on a show of hands, notwithstanding any contrary provision contained in these Articles.

Board of Directors

**Board may fill
vacancies/appoint
additional Directors**

99. The Board shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an addition to the Board. Any Director so appointed shall hold office only until the ~~next following first annual general meeting of the Company~~ after his or her appointment ~~(in the case of filling a casual vacancy)~~ (in the case of filling a casual vacancy) ~~or until the next following annual general meeting of the Company~~ (in the case of an addition to the Board), and shall then be eligible for re-election at that meeting provided that any Director who so retires shall not be taken into account in determining the number of Directors who are to retire at such meeting by rotation pursuant to Article 116.

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| Alternate Directors | 100. | (e) In addition to the foregoing provisions of this Article, a Director may be represented at any meeting of the Board (or of any committee of the Board) by a proxy appointed by him, in which event the presence or vote of the proxy shall for all purposes be deemed to be that of the Director. A proxy need not himself be a Director and the provisions of Articles 90 to 95 shall apply (<i>mutatis mutandis</i>) to the appointment of proxies by Directors, save that an instrument appointing a proxy shall not become invalid after the expiration of twelve months from its date of execution but shall remain valid for such period as the instrument shall provide, or if no provision is made in the instrument, until revoked in writing and save also that a Director may only appoint one proxy to attend in his stead at such meetings of the Board. |
| Qualification of Directors | 101. | A Director need not hold any qualification shares. No Director shall be required to vacate office or be ineligible for re-election or re-appointment as a Director and no person shall be ineligible for appointment as a Director by reason only of his having attained any particular age. |
| When office of Director to be vacated | 106. | The office of a Director shall be vacated: <ul style="list-style-type: none"> (v) if he ceases to be or is prohibited from being a Director by law or by virtue of any provisions in these Article; |
| Director may not vote where he has a material interest | 107. | (c) A Director shall not be entitled to vote on (nor shall be counted in the quorum in relation to) any resolution of the Board approving any contract or arrangement or any other proposal whatsoever in which he or any of his associates <u>(or, if required by the Listing Rules, his other associates)</u> has any material interest, but this prohibition shall not apply to any of the following matters, namely: |

Director may vote in
respect of certain
matters

107. (c) (i) the giving of any security or indemnity either:-
- (aa) to the Director or his associate(s) in respect of money lent or obligations incurred by him or any of them at the request of or for the benefit of the Company or any of its subsidiaries; or
- ~~107. (c) (iii) any proposal concerning any other company in which the Director or his associate(s) is/are interested only, whether directly or indirectly, as an officer or executive or shareholder or in which the Director or his associate(s) is/are beneficially interested in the shares of that company, provided that the Director and any of his associates are not in aggregate beneficially interested in 5% or more of the issued shares of any class of such company (or of any third company through which his interest or that of his associates is derived) or of the voting rights;~~
107. (c) (iviii) any proposal or arrangement concerning the benefit of employees of the Company or any of its subsidiaries including:-
- (aa) the adoption, modification or operation of any employees' share scheme or any share incentive scheme or share option scheme under which the Director or his associate(s) may benefit;

(bb) the adoption, modification or operation of a pension or provident fund or retirement, death or disability benefits scheme which relates ~~both to the Directors~~, his associate(s) and employee(s) of the Company or any of its subsidiaries and does not provide in respect of any Director or his associate(s), as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates; and

107. (c) (~~v~~iv) any contract or arrangement in which the Director or his associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company.

**Who to decide
whether a Director
may vote**

107. (e) If any question shall arise at any meeting of the Board as to the materiality of the interest of a Director's or his associate(s) ~~/associates' interest~~ or the significance of a contract, arrangement or transaction or proposed contract, arrangement or transaction or as to the entitlement of any Director to vote or form part of a quorum and such question is not resolved by his voluntarily agreeing to abstain from voting or not to be counted in the quorum, such question shall be referred to the Chairman of the meeting (or, where such question relates to the interest of the Chairman or his associate(s), to the other Directors at the meeting) and his ruling (or, as appropriate, the ruling of the other Directors) in relation to any other Director (or, as appropriate, the Chairman) shall be final and conclusive except in a case where the nature or extent of the interests of the Director or his associate(s) concerned (or, as appropriate, the Chairman or his associate(s)) as known to such Director (or, as appropriate, the Chairman) has not been fairly disclosed to the Board.

Management**General powers of
Company vested in
Board**

112. (a) Subject to any exercise by the Board of the powers conferred by Articles 113 to 115, the management of the business of the Company shall be vested in the Board which, in addition to the powers and authorities by these Articles expressly conferred upon it, may exercise all such powers and do all such acts and things as may be exercised or done or approved by the Company and are not hereby or by the Act Law expressly directed or required to be exercised or done by the Company in general meeting, but subject nevertheless to the provisions of the Act Law and of these Articles and to any regulation from time to time made by the Company in general meeting not being inconsistent with such provisions or these Articles, provided that no regulation so made shall invalidate any prior act of the Board which would have been valid if such regulation had not been made.
112. (c) For so long as the shares of the Company are listed on the Exchange, the Company shall not make any loan, directly or indirectly, to a Director or his associate(s) if and to the extent it would be prohibited by the Companies Ordinance, if the Company were a company incorporated in Hong Kong. Except as would, if the Company were a company incorporated in Hong Kong, be permitted by Section 157H of the Companies Ordinance as in force at the date of adoption of these Articles, and except as permitted under the Companies Law, the Company shall not directly or indirectly:
- (i) ~~make a loan to a Director or a director of any holding company of the Company;~~
 - (ii) ~~enter into any guarantee or provide any security in connection with a loan made by any person to a Director or such a director; or~~

- (iii) ~~if any one or more of the Directors hold (jointly or severally or directly or indirectly) a controlling interest in another company, make a loan to that other company or enter into any guarantee or provide any security in connection with a loan made by any person to that other company.~~

Rotation of Directors

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| Power of general meeting to increase or reduce the number of Directors | 119. The Company may from time to time in general meeting by ordinary resolution increase or reduce the number of Directors but so that the number of Directors shall not be less than two. Subject to the provisions of these Articles and the <u>Act</u> Law , the Company may by ordinary resolution elect any person to be a Director either to fill a casual vacancy or as an addition to the existing Directors. |
| Register of Directors and notification of changes to Registrar | 121. The Company shall keep at its <u>registered</u> office a register of directors and officers containing their names and addresses and occupations and any other particulars required by the <u>Act</u> Law and shall send to the Registrar of Companies of the Cayman Islands a copy of such register and shall from time to time notify to the Registrar of Companies of the Cayman Islands any change that takes place in relation to such Directors as required by the <u>Act</u> Law . |
| Power to remove Director by ordinary resolution | 122. (a) The Company may by ordinary resolution at any time remove any Director (including a Managing Director or other executive Director) before the expiration of his period <u>term</u> of office notwithstanding anything in these Articles or in any agreement between the Company and such Director and may by ordinary resolution elect another person in his stead. Any person so elected shall hold office during such time only as the Director in whose place he is elected would have held the same if he had not been removed. |

Proceedings of Directors

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| Convening of board meeting | 124. | A Director may, and on request of a Director the Secretary shall, at any time summon a meeting of the Board. Notice thereof shall be given to each Director either in writing or by telephone or by facsimile, telex or telegram <u>or electronic mail</u> at the address or telephone, facsimile or telex number <u>or electronic mail address</u> from time to time notified to the Company by such Director or in such other manner as the Board may from time to time determine provided that notice need not be given to any Director or alternate Director for the time being absent from Hong Kong. |
| Power of meeting | 127. | A meeting of the Board for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under these Articles for the time being vested in or exercisable by the Board generally. |
| Directors' powers when vacancies exist | 132. | The continuing Directors may act notwithstanding any vacancy in their body, but, if and so long as their number is reduced below the number fixed by or pursuant to these Articles as the necessary quorum of Directors, the continuing Director or Directors may act for the purpose of increasing the number of Directors to that number or of summoning a general meeting of the Company but for no other purpose. |

- Directors' resolutions** 133. Unless otherwise required by the Listing Rules, Aa resolution in writing signed by each and every one of the Directors (or their respective alternates pursuant to Article 100(c)) shall be as valid and effectual as if it had been passed at a meeting of the Board duly convened and held and may consist of several documents in like form each signed by one or more of the Directors or alternate Directors.

Secretary

- Appointment of Secretary** 134. The Secretary shall be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit, and any Secretary so appointed may be removed by the Board. Anything by the Act Law or these Articles required or authorised to be done by or to the Secretary, if the office is vacant or there is for any other reason no Secretary capable of acting, may be done by or to any assistant or deputy Secretary appointed by the Board, or if there is no assistant or deputy Secretary capable of acting, by or to any officer of the Company authorised generally or specifically in that behalf by the Board.
- Same person not to act in two capacities at once** 135. A provision of the Act Law or of these Articles requiring or authorising a thing to be done by or to a Director and the Secretary shall not be satisfied by its being done by or to the same person acting both as Director and as or in place of the Secretary.

General Management and Use of the Seal

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| Custody and use of seal | <p>136. The Board shall provide for the safe custody of the common seal and the securities seal which shall only be used by the authority of the Board or of a committee of the Board authorised by the Board in that behalf, and every instrument to which such seal shall be affixed shall be signed by a Director and shall be countersigned by the Secretary or by a second Director or by some other person appointed by the Board for the purpose. The securities seal which shall be a facsimile of the common seal with the word "Securities" engraved thereon shall be used exclusively for affixing to certificates for shares, warrants, debentures or any other form of security and whether by facsimile or other mechanical means including autographic to be specified in such authority or the authority may specify that such certificates need not be signed by any person. Every instrument to which the common seal or the securities seal is affixed as aforesaid shall, as regards all persons dealing in good faith with the Company, be deemed to have been affixed to that instrument with the authority of the Directors previously given.</p> |
| Duplicate seal | <p>137. The Company may have a duplicate seal of the common seal or securities seal for use abroad under the provisions of the Act Law where and as the Board shall determine, and the Company may by writing under the seal appoint any agents or agent, committees or committee abroad to be the agents of the Company for the purpose of affixing and using such duplicate seal and they may impose such restrictions on the use thereof as may be thought fit. Wherever in these Articles reference is made to the seal, the reference shall, when and so far as may be applicable, be deemed to include any such duplicate seal as aforesaid.</p> |
| Power to appoint attorney | <p>139. (a) The Board may from time to time and at any time, by power of attorney under the seal, appoint any company, firm or person or any fluctuating body of persons, whether nominated directly or indirectly by the Board, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these Articles) and for such period and subject to such conditions as it may think fit, and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Board may think fit, and may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions vested in him.</p> |

Capitalisation of Reserves**Power to capitalise**

142. The Company in general meeting may upon the recommendation of the Board by ordinary resolution resolve that it is desirable to capitalise all or any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or funds or to the credit of the profit and loss account or otherwise available for distribution (and not required for the payment or provision of dividend on any shares with a preferential right to dividend) and accordingly that such sums be set free for distribution amongst the members who would have been entitled thereto if distributed by way of dividend and in the same proportion on condition that the same be not paid in cash but be applied either in or towards paying up any amounts for the time being unpaid on any shares held by such members respectively or paying up in full unissued shares, debentures or other securities of the Company to be allotted and distributed credited as fully paid up to and amongst such members in proportion aforesaid or partly in one way and partly in the other, and the Board shall give effect to such resolution, provided that a share premium account and a capital redemption reserve and any reserve or fund representing unrealised profits may, for the purposes of this Article, only be applied in paying up unissued shares to be issued to members of the Company as fully paid up shares or paying up calls or instalments due or payable on partly paid securities of the Company subject always to the provisions of the Act~~Law~~.

**Effect of resolution to
capitalise**

143. (a) Wherever such a resolution as referred to in Article 142 shall have been passed the Board shall make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid up shares, debentures or other securities, if any, and generally shall do all acts and things required to give effect thereto, with full power to the Board:
- (i) to make such provision by the issue of fractional certificates or by payment in cash or otherwise (including provisions whereby, in whole or in part, fractional entitlements are aggregated and sold and the net proceeds distributed to those entitled, or are disregarded or rounded up or down or whereby the benefit of fractional entitlements accrues to the Company rather than to the members concerned) as they think fit in cases where shares, debentures or other securities become distributable in fractions;
 - (iii) to authorise any person to enter on behalf of all members entitled thereto into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares, debentures or other securities to which they may be entitled upon such capitalisation, or, as the case may require, for the payment up by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised, of the amounts or any part of the amounts remaining unpaid on their existing shares, and any agreement made under such authority shall be effective and binding on all such members.

143. (b) The Board may, in relation to any capitalisation sanctioned under this Article in its absolute discretion specify that, and in such circumstances and if directed so to do by a member or members entitled to an allotment and distribution credited as fully paid up of unissued shares or debentures in the Company pursuant to such capitalisation, shall allot and distribute credited as fully paid up the unissued shares, debentures or other securities to which that member is entitled to such person or persons as that member may nominate by notice in writing to the Company, such notice to be received not later than the day for which the general meeting of the Company to sanction the capitalisation is convened.

Dividends and Reserves

Power to declare dividends

144. (a) Subject to the ~~Act Law~~ and these Articles, the Company in general meeting may declare dividends in any currency but no dividends shall exceed the amount recommended by the Board.

Share Premium and Reserves

148. (a) The Board shall establish an account to be called the share premium account and shall carry to the credit of such account from time to time a sum equal to the amount or value of the premium paid on the issue of any share in the Company. The Company may apply the share premium account in any manner permitted by the ~~Act Companies Law~~. The Company shall at all times comply with the provisions of the ~~Act Companies Law~~ in relation to the share premium account.

- Dividend in specie**
152. The Board, with the sanction of the members in general meeting, may direct that any dividend be satisfied wholly or in part by the distribution of specific assets of any kind and in particular of paid up shares, debentures or warrants to subscribe securities of any other company, or in any one or more of such ways, and where any difficulty arises in regard to the distribution the Board may settle the same as it thinks expedient, and in particular may issue fractional certificates, disregard fractional entitlements, round the same up or down or provide that the same shall accrue to the benefit of the Company, and may fix the value for distribution of such specific assets, or any part thereof, and may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties, and may vest any such specific assets in trustees as may seem expedient to the Board and may appoint any person to sign any requisite instruments of transfer and other documents on behalf of the persons entitled to the dividend and such appointment shall be effective. Where required, a contract shall be filed in accordance with the provisions of the Act ~~Law~~ and the Board may appoint any person to sign such contract on behalf of the persons entitled to the dividend and such appointment shall be effective.

Untraceable Shareholders

- Sale of shares of untraceable shareholders**
157. (a) The Company shall be entitled to sell any shares of a member or the shares to which a person is entitled by virtue of transmission on death or bankruptcy or operation of law if and provided that:
- (i) all cheques or warrants, not being less than three in number, for any sums payable in cash to the holder of such shares have remained uncashed for a period of 12 years;

Annual Returns and Filings

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| Annual returns and filings | 159. The Board shall make the requisite annual returns and any other requisite filings in accordance with the <u>ActLaw</u> . |
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Accounts

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| Accounts to be kept | 160. The Board shall cause to be kept such books of account as are necessary to give a true and fair view of the state of the Company's affairs and to show and explain its transactions and otherwise in accordance with the <u>ActLaw</u> . |
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| Where accounts are to be kept | 161. The books of account shall be kept at the Company's principal place of business in Hong Kong or, subject to the provisions of the <u>ActLaw</u> , at such other place or places as the Board thinks fit and shall always be open to the inspection of the Directors. |
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| Inspection by members | 162. The Board shall from time to time determine whether, to what extent, at what times and places and under what conditions or regulations, the accounts and books of the Company, or any of them, shall be open to the inspection of the members (other than officers of the Company) and no member shall have any right of inspecting any accounts or books or documents of the Company except as conferred by the <u>Act Law</u> or any other relevant law or regulation or as authorised by the Board or by the Company in general meeting. |
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| Annual profit and loss account and balance sheet | 163. (a) The Board shall, commencing with the first annual general meeting cause to be prepared and to be laid before the members of the Company at every annual general meeting a profit and loss account for the period, in the case of the first account, since the incorporation of the Company and, in any other case, since the preceding account, together with a balance sheet as at the date to which the profit and loss account is made up and a Directors' report with respect to the profit or loss of the Company for the period covered by the profit and loss account and the state of the Company's affairs as at the end of such period, an Auditors' report on such accounts prepared pursuant to Article 164 and such other reports and accounts as may be required by <u>Actlaw</u> . |
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**Annual report of
Directors and
balance sheet to be
sent to members etc.**

163. (b) Printed copies of those documents to be laid before the members of the Company at an annual general meeting shall not less than 21 days before the date of the meeting be sent at the same time as the notice of annual general meeting to every member of the Company and every holder of debentures of the Company, provided that the Company shall not be required to send printed copies of those documents to any person of whose address the Company is not aware or to more than one of the jointholders of any shares or debentures.
163. (c) To the extent permitted by and subject to due compliance with these Articles, the Act Law and all applicable rules and regulations, including, without limitation, the Listing Rules, and to obtaining all necessary consents, if any, required thereunder, the requirements of Article 163:(b) shall be deemed satisfied in relation to any member or any holder of debentures of the Company by sending to such person instead of such copies, not less than 21 days before the date of the meeting, a summary financial report, which shall be in the form and containing the information required by these Articles, the Act Law and all applicable laws and regulations, provided that such person may, if he so requires, by notice in writing served on the Company, demand that, in addition to the summary financial report, a complete printed copy of the Company's annual accounts, together with the Directors' report and the Auditor's report thereon be sent to him.

163. (d) The requirement to send to a person referred to in Article 163-(b) the documents referred to in that article or a summary financial report in accordance with Article 163-(c) shall be deemed satisfied where, in accordance with these Articles, the ~~Act~~Law, all applicable laws and regulations, including, without limitation, the Listing Rules, the Company publishes copies of the documents referred to in Article 163-(b) and, if applicable, a summary financial report complying with Article 163-(c), on the Company's computer network or website or in any other permitted manner (including by sending any form of electronic communication), and that person has agreed or is deemed to have agreed to treat the publication or receipt of such documents in such manner as discharging the Company's obligation to send to him a copy of such documents.

Audit

Appointment and remuneration of Auditors

165. The Company shall at ~~any~~every annual general meeting ~~by ordinary resolution~~ appoint an ~~a~~Auditor or ~~a~~Auditors of the Company who shall hold office until the next annual general meeting. The removal of an Auditor before the expiration of his period of office shall require the approval of an ordinary resolutions of the members in general meeting. The remuneration of the Auditors shall be fixed by the Company by ordinary resolution at the annual general meeting at which they are appointed provided that in respect of any particular year the Company in general meeting may delegate the fixing of such remuneration to the Board. No person may be appointed as the, or an, Auditor, unless he is independent of the Company. The Board may before the first annual general meeting appoint an auditor or auditors of the Company who shall hold office until the first annual general meeting unless previously removed by an ordinary resolution of the members in general meeting in which case the members at that meeting may appoint Auditors. The Board may fill any casual vacancy in the office of Auditor but while any such vacancy continues the surviving or continuing Auditor or Auditors, if any, may act. The remuneration of any Auditor appointed by the Board under this Article may be fixed by the Board.

Notices

Service of notice

167. (a) Except as otherwise provided in these Articles, any notice or document may be served by the Company and any notices may be served by the Board on any member either personally or by sending it through the post in a prepaid letter addressed to such member at his registered address as appearing in the register or, to the extent permitted by the Listing Rules and all applicable laws and regulations, by electronic means by transmitting it to any electronic number or address or website supplied by the member to the Company or by placing it on the Company's Website or the Exchange's website ~~computer network or website~~ provided that the Company has obtained either (a) the member's prior express positive confirmation in writing or (b) the member's deemed consent in the manner specified in the Listing Rules, to receive or otherwise have made available to him notices and documents to be given or issued to him by the Company by such electronic means, or (in the case of notice) by advertisement published in the manner prescribed in the Listing Rules ~~newspapers~~. In the case of joint holders of a share, all notices shall be given to that holder for the time being whose name stands first in the register and notice so given shall be sufficient notice to all the joint holders.

**When notice by post
deemed to be served**

169. Any notice or document sent by post shall be deemed to have been served on the day following that on which it is put into a post office situated within Hong Kong and in proving such service it shall be sufficient to prove that the envelope or wrapper containing the notice or document was properly prepaid, addressed and put into such post office and a certificate in writing signed by the Secretary or other person appointed by the Board that the envelope or wrapper containing the notice or document was so addressed and put into such post office shall be conclusive evidence thereof. Any notice or other document delivered or left at a registered address otherwise than by post shall be deemed to have been served or delivered on the day it was so delivered or left. Any notice served by advertisement shall be deemed to have been served on the day of issue of the official publication and/or newspaper(s) in which the advertisement is published (or on the last day of issue if the publication and/or newspaper(s) are published on different dates). Any notice given by electronic means as provided herein shall be deemed to have been served and delivered on the day following that on which it is successfully transmitted or at such later time as may be prescribed by the Listing Rules or any applicable laws or regulations, and it shall not be necessary for the receipt of the electronic transmission to be acknowledged by the recipient. Any notice served by being placed on the Company's Website or the Exchange's website shall be deemed to be served at such time as may be prescribed by the Listing Rules.

Winding Up**Power to wind up
Company**

- 175A. Subject to the Act, the Company may by special resolution resolve that the Company be wound up voluntarily.

**Power to distribute
assets *in specie*
following
liquidation**

176. If the Company shall be wound up (whether the liquidation is voluntary, under supervision or by the court) the liquidator may, with the authority of a special resolution of the Company and any other sanction required by the ~~Act Law~~ divide among the members *in specie* or kind the whole or any part of the assets of the Company (whether the assets shall consist of property of one kind or shall consist of properties of different kinds) and may for such purpose set such value as he deems fair upon any property to be divided and may determine how such division shall be carried out as between the members or different classes of members. The liquidator may, with the like authority or sanction vest the whole or any part of such assets in trustees upon such trusts for the benefit of the members as the liquidator, with the like authority or sanction and subject to the ~~Act Law~~, shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no member shall be compelled to accept any assets, shares or other securities in respect of which there is a liability.

Indemnities**Indemnities of
Directors and
officers**

179. (b) Subject to the ~~Act Companies Law~~, if any Director or other person shall become personally liable for the payment of any sum primarily due from the Company, the Board may execute or cause to be executed any mortgage, charge, or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Director or person so becoming liable as aforesaid from any loss in respect of such liability.

Financial Year**Financial year**

180. Unless the Directors otherwise prescribe, the financial year of the Company shall begin on 1 January and end on 31 December in each year. ~~be prescribed by the Board and may, from time to time, be changed by it.~~

Amendment of Memorandum and Articles**Amendment of
Memorandum and
Articles**

181. Subject to the ~~Act Law~~, the Company may at any time and from time to time by special resolution alter or amend its Memorandum of Association and Articles of Association in whole or in part.

Set out below is a summary of the principal terms and conditions of the New Share Option Scheme to provide sufficient information to Shareholders for their consideration of the New Share Option Scheme proposed to be adopted at the AGM.

1. PURPOSE AND DURATION

The purpose of the New Share Option Scheme is to enable the Company to recruit and retain high-calibre employees and talents 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.

The effective period of the New Share Option Scheme is to be notified by the Board, such period shall not exceed a period of 10 years from the Adoption Date.

2. ELIGIBLE PARTICIPANT

The eligibility of any of the Eligible Participants to an offer of a grant of an Option shall be determined by the Board from time to time on the basis of the Board's opinion as to the Eligible Participant's contribution to the development and growth of the Group. In assessing whether Options are to be granted to any Eligible Participant, the Board shall take into account various factors, including but not limited to, the nature and extent of contributions provided by such Eligible Participant to the members of the Group, the special skills or technical knowledge possessed by them which is beneficial to the continuing development of the Group, the positive impacts which such Eligible Participant has brought to the business and development of the Group and whether granting the Options to such Eligible Participant is an appropriate incentive to motivate such Eligible Participant to continue to contribute towards the betterment of the Group. Generally:

- (A) with respect to Employee Participants, the Board will consider, among others,
 - (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/catalysing 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);

- (B) with respect to Related Entity Participants, the Board will consider, among others, the degree of involvement in and/or cooperation with the Group, the length of collaborative relationship the Related Entity Participant has established with the Group, the extent of positive impact provided by or expected from business development activities in terms of the actual or expected change in the Group's revenue or profits attributable to the Related Entity Participant, whether the Related Entity Participant has assisted the Group to tap into new markets or increase its existing market share, whether the Related Entity Participant has provided measurable assistance to improve any aspect of the Group's operations, the amount of actual or potential support, assistance, guidance, advice, effort or contribution the Related Entity Participant give or is likely to be able to give or make towards the success of the Group; and
- (C) with respect to Service Providers, the Board will consider, among others, their experience and expertise, continuity and frequency of their services to the Group, the nature of the services provided to the Group by the Service Provider, their involvement in promoting the business of the Group, or where appropriate, contribution or potential contribution to the long-term growth of the Group.

3. MAXIMUM NUMBER OF SHARES

The maximum number of new Shares which may be allotted and issued in respect of all Option to be granted under the New Share Option Scheme and all options and awards to be granted under any other share scheme(s) shall not exceed 10% of the total number of Shares in issue as at the Adoption Date. The maximum number of new Shares which may be allotted and issued in respect of all Options to be granted under the New Share Option Scheme and all options and awards to be granted to Service Providers shall not in aggregate exceed 1% of the total number of Shares in issue as at the Adoption Date.

The Scheme Mandate Limit (and the Service Provider Sublimit) may be refreshed by obtaining approval of the Shareholders in general meeting from time to time after three years from the Adoption Date or the date of Shareholders' approval for the last refreshment, provided that the total number of new Shares which may be issued in respect of all share options and share awards to be granted under all of the share option scheme(s) or share award scheme(s) of the Company under the Scheme Mandate Limit as refreshed must not exceed 10% (and the Service Provider Sublimit as refreshed must not exceed 1%) of the Shares in issue at the date of the Shareholders' approval of such new Scheme Mandate Limit (and new Service Provider Sublimit). Options, share options or share awards previously granted under the New Share Option Scheme or any other share option scheme(s) or share award scheme(s) of the Company lapsed in accordance with the terms of the New Share Option Scheme or any other share option scheme(s) or share award scheme(s) of the Company will not be regarded as utilised for the purpose of calculating the new Scheme Mandate Limit (and new Service Provider Sublimit). The Company must send a circular to its Shareholders containing the number of Options, share options and

share awards that were already granted under the existing Scheme Mandate Limit and the existing Service Provider Sublimit, and the reason for the refreshment.

Where the refreshment of the Scheme Mandate Limit (and the Service Provider Sublimit) is sought within any three-year period from the Adoption Date or the date of Shareholders' approval for the last refreshment, such refreshment must be approved by the Shareholders, where any controlling Shareholders and their associates (or if there is no controlling Shareholder, Directors (excluding independent non-executive Directors) and the chief executive of Company and their respective associates) must abstain from voting in favour of the relevant resolution at the general meeting and in accordance with the requirements under the Listing Rules. The requirements under this paragraph do not apply if the refreshment is made immediately after an issue of securities by the Company to the Shareholders on a pro rata basis as set out in Rule 13.36(2)(a) of the Listing Rules such that the unused part of the Scheme Mandate Limit (and the Service Provider Sublimit) (as a percentage of the total number of Shares in issue) upon refreshment is the same as the unused part of the Scheme Mandate Limit (and the Service Provider Sublimit) immediately before the issue of securities, rounded to the nearest whole Share.

The Board may grant Options in excess of the Scheme Mandate Limit (or the Service Provider Sublimit) if the grant of such Options is to specifically identified Eligible Participants and the grant of such Options to specifically identified Eligible Participants is first approved by the Shareholders in general meeting. In obtaining the approval of the Shareholders, the Company shall send a circular to the Shareholders containing the name of each specified Eligible Participant who may be granted such Options, the number and terms of the Options to be granted to each Eligible Participant, and the purpose of granting Options to the specified Eligible Participants with an explanation as to how the terms of the Options serve such purpose. The number and terms of Options to be granted to such Eligible Participant must be fixed before the Shareholders' approval.

4. MAXIMUM ENTITLEMENT OF EACH PARTICIPANT

The total number of new Shares issued and which may fall to be issued upon exercise of the Options and the share options and share awards granted under the New Share Option Scheme or any other share option scheme(s) or share award scheme(s) of the Company (including both exercised or outstanding share options and share awards but excluding any share options and share awards lapsed in accordance with the terms of the scheme) to each Eligible Participant in any 12-month period up to and including the date of such grant shall not in aggregate exceed 1% of the total number of Shares in issue. The Company may further grant Options, share options or share awards to an Eligible Participant that would result in the new Shares issued and to be issued upon exercise of all Options, share options or share awards granted and proposed to be granted to such person (including exercised, cancelled and outstanding Options but excluding any share options and share awards lapsed in accordance with the terms of the scheme) under the New Share Option Scheme and any other share option scheme(s) or share award scheme(s) of the Company in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the Shares in issue, provided that:

- (A) such further grant must be separately approved by the Shareholders in general meeting with such Eligible Participant and his close associates (or associates if the Eligible Participant is a connected person) abstaining from voting;
- (B) the Company has first sent a circular to Shareholders disclosing the identity of the Eligible Participant, the number and terms of the Options to be granted (and Options, share options or share awards previously granted to such Eligible Participant in the aforesaid 12-month period), the purpose of granting the Options to the Eligible Participant and an explanation as to how the terms of the Options serve such purpose; and
- (C) the number and terms of Options to be granted to such Eligible Participant must be fixed before the Shareholders' approval.

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 shall 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.

Where any grant of Options to an independent non-executive Director or a substantial shareholder of the Company (or any of their respective associates) would result in the new Shares issued and to be issued in respect of all Options, share options or share awards granted (excluding any Options, share options or share awards lapsed in accordance with the New Share Option Scheme or other share option scheme(s) or share award scheme(s) of the Company) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the Shares in issue, such further grant of Options shall be subject to:

- (A) the issue of a circular by the Company to the Shareholders;
- (B) the approval by the Shareholders in general meeting at which the Participant, his associates and all core connected persons of the Company shall abstain from voting in favour at such general meeting; and
- (C) the Company's compliance with the requirements under Rule 17.04(4) (or its successor provision) of the Listing Rules.

5. VESTING PERIOD

The Vesting Period in respect of any Options granted to any Participant shall be determined by the Board at its discretion and shall not be shorter than 12 months. The Remuneration Committee (where the arrangements relate to grants of Options to the Directors and/or senior management) or the Board (where the arrangements do not relate to grants of Options to the Directors and/or senior management) shall have the authority to determine a shorter Vesting Period, if the Remuneration Committee (or, as the case may be, the Board) considers that a shorter Vesting Period in respect of the Employee Participants is appropriate to align with the purpose of the New Share Option Scheme, including only where:

- (A) grants of “make-whole” Options to Participants who newly joined the Group to replace the share options they forfeited when leaving the previous employers;
- (B) grants to a Participant whose employment is terminated due to death or disability or occurrence of any out of control event;
- (C) grants of Options with performance-based Vesting conditions provided in the New Share Option Scheme, in lieu of time-based Vesting criteria;
- (D) grants that are made in batches during a year for administrative or compliance reasons, which may include Options that should have been granted earlier but had to wait for a subsequent batch, in such cases, the Vesting Period may be adjusted to take account of the time from which the Options would have been granted if not for such administrative or compliance requirements;
- (E) grants of Options with a mixed or accelerated Vesting schedule such that the Options may vest evenly over a period of 12 months;
- (F) grants of Options with a total vesting and holding period of more than 12 months; and
- (G) the Board (where the arrangements do not relate to grant of Options to the Directors or senior management) or the Remuneration Committee (where the arrangement relate to grant of Options to the Directors or senior management) is of the view that a shorter Vesting Period is appropriate and serves the purpose of the New Share Option Scheme.

6. PERFORMANCE TARGETS

Unless otherwise determined by the Board and specified in the offer of a grant of an Option, there is generally no performance target that needs to be achieved before the exercise of an Option granted to a Participant.

7. EXERCISE PERIOD, AMOUNT PAYABLE AND EXERCISE PRICE

The Exercise Period shall 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.

The amount payable for the acceptance of an Option shall be a sum of HK\$1.00 which shall be paid upon acceptance of the offer of such Option, the acceptance period of which shall be specified in the Option Certificate, provided that no such Option shall be opened for acceptance after the New Share Option Scheme has been terminated in accordance with the provisions of the New Share Option Scheme or after the Eligible Participant to whom the grant is made has ceased to be an Eligible Participant. 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. This consideration shall not be refundable to the Participant and shall not be deemed to be a part payment of the Exercise Price.

The Exercise Price shall be at a price determined by the Board and notified to a Participant 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.

8. 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 such Participant in a particular grant under the New Share Option Scheme, except for the following circumstances:

- (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; or
- (C) exercise of Options within the first anniversary of the death of the Participant or within three months after the Participant ceases to be in employment with the Group or be a Related Entity Participant in the circumstances as set out in paragraph 10(F) 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.

9. RIGHTS ATTACHING TO THE OPTIONS

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 of Association. They shall 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 shall not carry voting rights until the registration of the Participant (or any other person) as the holder thereof in the register of members of the Company.

10. LAPSE OF OPTIONS

An Option shall lapse forthwith (to the extent not already exercised) 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) the Participant committing an act of bankruptcy or being declared or adjudged to be bankrupt by a competent court or governmental body or having become insolvent or making any arrangements or composition with his creditors generally;
- (D) in the case of a Participant who is an Employee Participant, upon the Participant ceasing to be an employee of the Group by reason of dismissal from employment or termination from office on the ground of:
 - (1) the Participant's misconduct, including any act of fraud or dishonesty or serious misconduct; or
 - (2) the Participant being convicted of any criminal offence involving his integrity or honesty, or 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 decision of the Board on whether Options lapse under this sub-paragraph shall be conclusive and binding on such Participant;

- (E) in the case of a Participant other than an Employee Participant, where the Board at their absolute discretion determines that:
- (1) the Participant has committed any breach of any contract entered into between the Participant on the one part and any member of the Group on the other part; or
 - (2) the Participant could no longer make any contribution to the growth and development of any member of the Group by reason of the cessation of its relations with the Group or by any other reason whatsoever.

The decision of the Board on whether Options lapse under this sub-paragraph shall be conclusive and binding on such Participant;

- (F) three months after the Participant ceases to be in employment with the Group or be a Related Entity Participant by reason of:
- (1) his retirement on or after attaining normal retirement age;
 - (2) his resignation;
 - (3) ill health or disability;
 - (4) the company by which he is employed ceasing to be a subsidiary or a Related Entity;
 - (5) the expiry of his contract of employment with the Group or the Related Entity; or
 - (6) termination of employment for reasons other than the reasons specified in paragraph (B) and paragraph (D) above;
- (G) in respect of takeover, scheme of compromise or arrangement, the date when the offer is closed or the proposed compromise or arrangement becomes effective;
- (H) in respect of winding up of the Company, the date of the commencement of the winding up of the Company; and
- (I) any breach of the provisions of paragraph 13.

Transfer of employment of a Participant who is an employee of the Group from one member of the Group to another member of the Group shall not be considered a cessation of employment. It shall not be considered a cessation of employment if a Participant who is an employee of the Group is placed on such leave of absence which is considered by the directors of the relevant member of the Group not to be a cessation of employment of the Participant.

11. CLAWBACK MECHANISM

Notwithstanding the terms and conditions of the New Share Option Scheme, the Directors may provide in the Option Certificate that any Option may be subject to clawback or a longer Vesting Period if any of the following events shall occur:

- (A) there being a material misstatement in the audited financial statements of the Company that requires a restatement; or
- (B) the Participant being guilty of fraud or persistent or serious misconduct, regardless of whether there is any accounting restatement or a material error in calculating or determining the performance metrics or other criteria; or
- (C) if the Option is linked to any performance targets and the Directors are of the opinion that there occur any circumstances that show or lead to any of the prescribed performance targets having been assessed or calculated in a materially inaccurate manner.

The Directors may by notice in writing to the Participant concerned (i) claw back all or a specified part of the Options granted as the Directors may consider appropriate; or (ii) extend the Vesting Period (regardless of whether the vesting has occurred) in relation to all or a specified part of the Options (to the extent not already exercised) to such longer period as the Directors may consider appropriate. The Option(s) that are clawed back pursuant to this paragraph will be regarded as cancelled and the Options so cancelled will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit (and the Service Provider Sublimit).

12. CAPITAL REORGANISATION

Subject to paragraph 3, 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 in relation to any Subsisting Option 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,

as the auditors of the Company or independent financial adviser shall, at the request of the Company, certify in writing, either generally or, if applicable, as regards any particular Participant, to be in their opinion fair and reasonable, provided that:

- (1) subject to sub-paragraphs (2) and (3) below, any such alteration shall give a Participant the same proportion of the issued share capital of the Company as that to which he was previously entitled;
- (2) no such adjustments shall be made to the advantage of Participants (including, but not limited to, adjustments which would increase the intrinsic value of any Subsisting Option) except with the prior sanction of a resolution of the Shareholders in general meeting; and
- (3) no such adjustment shall 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.

Where any such adjustment shall be required for any alteration in the capital structure of the Company (other than by way of a capitalisation of profits or reserves) such adjustment shall be further conditional on the auditors of the Company also certifying in writing that (i) such adjustment shall give a Participant the same proportion of the issued share capital of the Company as that to which he was previously entitled, and (ii) such adjustment shall not have the effect of enabling a Share to be issued at less than its nominal value. The certifications of the auditors of the Company shall be final and binding on the Company and the Participants. The costs of the auditors of the Company in so certifying shall be borne by the Company. The Company shall notify Participants of any adjustment made under this paragraph. In the event that the auditors of the Company are unwilling or unable or it is impracticable for the Company to instruct the auditors of the Company to provide a certification as required by this paragraph, the Company may appoint another person possessing the appropriate qualifications (such as but not limited to an alternative firm of accountants or an investment bank) and of international repute to provide the certification required by this paragraph and in such event, references to this paragraph to "auditors of the Company" shall be construed as references to the person appointed by the Company in place of the auditors of the Company.

For the purpose of this paragraph, "intrinsic value" is the difference between the market price (or theoretical ex-entitlement price) of the Shares subject to the Subsisting Option and the Exercise Price (or revised Exercise Price following an alteration in the capital structure of the Company) of the Subsisting Option.

13. TRANSFERABILITY OF OPTIONS GRANTED

A Subsisting Option and an offer to grant an Option shall be personal to the Participant to whom it is granted or made and shall not be assignable. Save where the Stock Exchange has granted a waiver to the Participant to transfer his Option to a vehicle (such as a trust or a private company) for the benefit of the Participant and any family members of such Participant (e.g. for estate planning or tax planning purposes) that would continue to meet the purpose of the New Share Option Scheme and comply with other requirements under the Listing Rules, no Participant shall 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.

14. TERMINATION AND ALTERATION OF THE NEW SHARE OPTION SCHEME, CHANGE TO THE TERMS OF THE OPTIONS GRANTED, AND CANCELLATION OF OPTIONS GRANTED

Subject to below, the Board may amend any of the provisions of the New Share Option Scheme or withdraw or otherwise terminate the New Share Option Scheme at any time but no alterations 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. In the event that the Board elects to terminate the operation of the New Share Option Scheme, 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.

Any proposed change to 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 shall be subject to the approval of the Shareholders in general meeting.

Any change to the terms of Options granted to an Eligible Participant must be approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders (as the case may be) if the initial grant of the Options was approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders (as the case may be), unless the alterations take effect automatically under the existing terms of the New Share Option Scheme.

Any alterations to the terms and conditions of the New Share Option Scheme which are of a material nature or any alteration to the provisions of the New Share Option Scheme relating to the matters governed by Rule 17.03 of the Listing Rules to the advantage of Participants shall be subject to the approval of the Shareholders in general meeting.

Except as described above, the Board shall not require the approval of the Shareholders in general meeting for any minor changes:

- (A) to benefit the administration of the New Share Option Scheme;
- (B) to comply with or take account of the provisions of any proposed or existing legislation or the Listing Rules;
- (C) to take account of any changes to the legislation or the Listing Rules; or
- (D) to obtain or maintain favourable tax, exchange control or regulatory treatment of the Company or any Subsidiary or any present or future Participant.

Unless otherwise approved by the Stock Exchange, the amended terms of the New Share Option 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).

Any cancellation of any Subsisting Option shall be conditional on the approval by the Board (including the approval of the independent non-executive Directors of the Company) and the Participant(s) concerned.

In the event that the Board elects to cancel Subsisting 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 Service Provider Sublimit) or the refreshed Scheme Mandate Limit (or the refreshed Service Provider Sublimit), as the case may be.

15. TAKEOVER, SCHEMES OF COMPROMISE OR ARRANGEMENT AND LIQUIDATION

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 (whether vested or unvested) 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 (or such longer period as the Board shall decide) exercise his vested Option to its full extent or to the extent specified in such notice.

If during the Exercise Period a compromise or arrangement between the Company and its creditors (or any class of them) or between the Company and its members (or any class of them) (otherwise than where the Company is being voluntarily wound up) is formally proposed for the purposes of the amalgamation of the Company with or its takeover by any other company pursuant to the Companies Act and/or the Companies Ordinance, the Company shall give notice thereof to all Participants then holding Options (whether vested or unvested) on the same date as it gives notice of the meeting to the Shareholders and the Company's creditors, and a Participant may by notice in writing to

APPENDIX IV SUMMARY OF THE NEW SHARE OPTION SCHEME
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the Company at any time not later than the earliest of (i) the Exercise Period, (ii) the record date for entitlements under such compromise or arrangement, or (iii) the date on which such compromise or arrangement is sanctioned by the court (or such longer period as the Board shall decide), exercise his vested Option to its full extent or to the extent specified in such notice.

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 Subsisting 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.

Upon the occurrence of any of the events referred to above, notice of that event and the effect thereof shall be given by the Company to all Participants as soon as reasonably practicable.

APPENDIX V SUMMARY OF THE NEW SHARE AWARD SCHEME

Set out below is a summary of the principal terms and conditions of the New Share Award Scheme to provide sufficient information to Shareholders for their consideration of the New Share Award Scheme proposed to be adopted at the AGM.

1. PURPOSE AND DURATION

The purpose of the New Share Award Scheme is to enable the Company to recruit and retain high-calibre employees and talents 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.

Subject to any early termination as may be determined by the Board pursuant to paragraph 14, the New Share Award Scheme shall be valid and effective for a term of 10 years commencing on the Adoption Date, and after the expiry of such 10-year term no further Awards may be made but the rules of the New Share Award Scheme shall remain in full force and effect to the extent necessary to give effect to any Awards made prior thereto and the administration of the Trust property held by the Trustee pursuant to the Trust Deed.

2. ELIGIBLE PARTICIPANT

The eligibility of any of the Eligible Participants to an Award shall be determined by the Board from time to time on the basis of the Board's opinion as to the Eligible Participant's contribution to the development and growth of the Group. In assessing whether Awards are to be granted to any Eligible Participant, the Board shall take into account various factors, including but not limited to, the nature and extent of contributions provided by such Eligible Participant to the Group, the special skills or technical knowledge possessed by them which is beneficial to the continuing development of the Group, the positive impacts which such Eligible Participant has brought to the business and development of the Group and whether granting Awards to such Eligible Participant is an appropriate incentive to motivate such Eligible Participant to continue to contribute towards the betterment of the Group. Generally:

- (A) with respect to Employee Participants, the Board will consider, among others,
 - (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/catalysing 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);

- (B) with respect to Related Entity Participants, the Board will consider, among others, the degree of involvement in and/or cooperation with the Group, the length of collaborative relationship the Related Entity Participant has established with the Group, the extent of positive impact provided by or expected from business development activities in terms of the actual or expected change in the Group's revenue or profits attributable to the Related Entity Participant, whether the Related Entity Participant has assisted the Group to tap into new markets or increase its existing market share, whether the Related Entity Participant has provided measurable assistance to improve any aspect of the Group's operations, the amount of actual or potential support, assistance, guidance, advice, effort or contribution the Related Entity Participant give or is likely to be able to give or make towards the success of the Group; and
- (C) with respect to Service Providers, the Board will consider, among others, their experience and expertise, continuity and frequency of their services to the Group, the nature of the services provided to the Group by the Service Provider, their involvement in promoting the business of the Group, or where appropriate, contribution or potential contribution to the long-term growth of the Group.

3. OPERATION OF THE SCHEME

- 3.1 The Group may from time to time transfer funds to the Trustee for the purposes of the Trust. After actual receipt of the funds from the Group or the cash income or the deemed cash income of the Shares held upon the Trust in immediately available and freely transferrable funds, the Trustee shall apply the same towards the purchase or subscription of such number of existing Shares or new Shares at such prices, such time and either on-market or off-market (if applicable) as specified by the Board to the Trustee by way of written instructions. Subject to prior written direction and/or consent of the Board, the Trustee may accept Shares transferred, gifted, assigned, or conveyed to the Trust from the trustee of other share award scheme of the Company or its subsidiaries, any Shareholder or any party designated by the Company from time to time in such number as such trustee, Shareholder or party designated by the Company may at their respective discretion determine, which shall constitute part of the funds and properties held under the Trust. If any portion of the aforesaid funds transferred or assigned to the Trust which is intended for a subscription for or for a purchase of the Shares is not fully utilised for such subscription or purchase, the Trustee shall arrange for such unutilised portion to be refunded to the Company (or such other person who contributed the funds) at the instruction of the Board in writing within 30 days from the date of the receipt of the funds. If no written instruction is received by the Trustee within the prescribed 30-day period, such unutilised portion of the funds shall form part of the funds and assets of the Trust.

3.2 The Trustee shall hold the capital and income of the Trust upon trust until the expiry of the trust period as stipulated in the Trust Deed. The Trustee shall, subject to the receipt of the transfer documents prescribed by the Trustee and duly executed by the Participant (if applicable) within the period stipulated by the Trustee, transfer the Shares which shall vest in accordance with the rules of the New Share Award Scheme promptly. The Trustee shall, within twenty (20) Business Days (on which the trading of the Shares has not been suspended) from the expiration of the trust period, sell or otherwise dispose of such other Shares and non-cash assets remaining in the Trust fund to the extent permissible by the prevailing market conditions and remit or transfer the net proceeds of sale, cash remaining in the Trust and such other assets and property remaining in the Trust (after making the appropriate deductions in respect of all disposal costs, liabilities and expenses properly incurred in accordance with its powers as set out herein) to the Company, unless the Board requests the whole or any part of any Shares and non-cash assets remaining in the Trust be transferred to such other employee award scheme trust as may be selected by the Board (in particular, but without limitation, a replacement for the New Share Award Scheme intended to operate following the expiry of the New Share Award Scheme).

4. MAXIMUM NUMBER OF SHARES

The maximum number of new Shares which may be allotted and issued in respect of all Awards to be granted under the New Share Award Scheme and all options and awards to be granted under any other share scheme(s) shall not exceed 10% of the total number of Shares in issue as at the Adoption Date. The maximum number of new Shares which may be allotted and issued in respect of all Awards to be granted under the New Share Award Scheme and all options and awards to be granted to Service Providers shall not in aggregate exceed 1% of the total number of Shares in issue as at the Adoption Date. Unless expressly approved by the Shareholders in general meeting and expressly allowed by the Stock Exchange, no option or awards may be granted under the New Share Award Scheme or any other share scheme(s), if the grant of such option or award will result in the limit referred to in this paragraph being exceeded. For the avoidance of doubt, the existing Shares purchased by the Trustee under the new Share Award Scheme will not be counted towards the Scheme Mandate Limit and the Service Provider Sublimit.

The Company may seek approval of its shareholders in general meeting to refresh the Scheme Mandate Limit (and the Service Provider Sublimit) under the New Share Award Scheme, provided that:

- (A) the total number of new Shares which may be allotted and issued in respect of all Awards to be granted under the New Share Award Scheme and all options and awards to be granted under any other share scheme(s) must not exceed 10% (and the Service Provider Sublimit as refreshed must not exceed 1%) of the Shares in issue as at the date of approval of the refreshed limit, and for the purpose of calculating the refreshed Scheme Mandate Limit (and the refreshed Service Provider Sublimit), Awards lapsed in accordance with the

APPENDIX V SUMMARY OF THE NEW SHARE AWARD SCHEME

terms of the New Share Award Scheme and options and awards lapsed in accordance with the terms of any other share scheme(s) will not be regarded as utilised;

- (B) where the refreshment of the Scheme Mandate Limit (and the Service Provider Sublimit) is sought:
- (1) within three years from the date of shareholders' approval for the last refreshment (or, as the case may be, the Adoption Date):
 - (i) at the general meeting for considering and approving the proposed resolution of such refreshment, any controlling shareholders and their associates (or if there is no controlling shareholder, Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates) shall abstain from voting in favour of the relevant resolutions; and
 - (ii) the Company shall comply with the requirements under Rules 17.03C(1)(b)(ii) of the Listing Rules (or the successor provisions then prevailing),

provided that the requirements under this paragraph do not apply if the refreshment is made immediately after an issue of securities by the Company to its shareholders on a pro rata basis as set out in Rule 13.36(2)(a) of the Listing Rules such that the unused part of the Scheme Mandate Limit (and the Service Provider Sublimit) (as a percentage of the relevant class of shares in issue) upon refreshment is the same as the unused part of the Scheme Mandate Limit (and the Service Provider Sublimit) immediately before the issue of securities, rounded to the nearest whole share; and

- (2) after three years from the date of shareholders' approval for the last refreshment (or, as the case may be, the Adoption Date), the requirements under paragraph (B)(1) shall not be applicable.

The Company may seek separate shareholders' approval in general meeting to grant Awards under the New Share Award Scheme beyond the Scheme Mandate Limit (or the Service Provider Sublimit) or, if applicable, the refreshed limit referred to above to Participants specifically identified by the Company before such approval is sought. The number and terms of Awards to be granted to such Participant must be fixed before shareholders' approval.

5. MAXIMUM ENTITLEMENT OF EACH PARTICIPANT

Where any grant of Awards to a Participant under the New Share Award Scheme would result in new Shares issued and to be issued in respect of all options or awards granted to such person (excluding any options and awards lapsed in accordance with the terms of the New Share Award Scheme or any other share scheme(s)) in the 12-month

APPENDIX V SUMMARY OF THE NEW SHARE AWARD SCHEME

period up to and including the date of such grant representing in aggregate over 1% of the issued share capital of the Company, such grant of Awards must be separately approved by the Shareholders in general meeting with such Participant and his close associates (or his associates if the Participant is a connected person of the Company) abstaining from voting. The number and terms of Awards to be granted to such Participant must be fixed before shareholders' approval.

Where any grant of Awarded Shares is proposed to be made to any Participant who is a director, chief executive or substantial shareholder of the Company, or any of their respective associates, such grant must be approved by the independent non-executive Directors (excluding any independent non-executive Director who or whose associate is the Participant of the Awarded Shares). The requirements for the grant of Awarded Shares to a Director or chief executive of the Company set out in this paragraph do not apply where the Participant is only a proposed Director or proposed chief executive of the Company.

Where any grant of Awards under the New Share Award Scheme to a Director (other than an independent non-executive Director) or chief executive of the Company, or any of their respective associates would result in the new Shares issued and to be issued in respect of all awards granted (excluding any awards lapsed in accordance with the terms of the New Share Award Scheme or any other share scheme(s)) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the issued share capital of the Company, such grant of Awards must be approved by the Shareholders in general meeting (with such Participant, his/her associates and all core connected persons of the Company abstaining from voting in favour at such general meeting). In such connection, the Company shall comply with the requirements under Rule 17.04(4) of the Listing Rules (or the successor provisions then prevailing).

Where any grant of Awards under the New Share Award Scheme and options and awards to be granted under any other share scheme(s) to an independent non-executive Director or a substantial shareholder of the Company, or any of their respective associates, would result in the new Shares issued and to be issued in respect of all options and awards granted (excluding any options and awards lapsed in accordance with the terms of the New Share Award Scheme or any other share scheme(s)) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the issued share capital of the Company, such grant of Awards must be approved by the Shareholders in general meeting (with such Participant, his/her associates and all core connected persons of the Company abstaining from voting in favour at such general meeting). In such connection, the Company shall comply with the requirements under Rule 17.04(4) of the Listing Rules (or the successor provisions then prevailing).

6. VESTING PERIOD

The Vesting Period in respect of any Awarded Shares granted to any Participant shall not be shorter than 12 months. The Remuneration Committee (where the arrangements relate to grants of Awards to the Directors and/or senior management) or the Board (where the arrangements do not relate to grants of Awards to the Directors and/or senior management) shall have the authority to determine a shorter Vesting Period, if the Remuneration Committee (or, as the case may be, the Board) considers that a shorter Vesting Period is appropriate in respect of the Employee Participants to align with the purpose of the New Share Award Scheme, including only where:

- (A) grants of “make-whole” Awarded Shares to Participants who newly joined the Group to replace the share awards they forfeited when leaving the previous employers;
- (B) grants to a Participant whose employment is terminated due to death or disability or occurrence of any out of control event;
- (C) grants to a Participant who retires by agreement with a member of the Group;
- (D) grants of Awarded Shares with performance-based vesting conditions provided in the New Share Award Scheme, in lieu of time-based vesting criteria;
- (E) grants that are made in batches during a year for administrative or compliance reasons, which may include Awarded Shares that should have been granted earlier but had to wait for a subsequent batch, in such cases, the Normal Vesting Date may be adjusted to take account of the time from which the Awarded Shares would have been granted if not for such administrative or compliance requirements;
- (F) grants of Awarded Shares with a mixed or accelerated vesting schedule such that the Awarded Shares may vest evenly over a period of 12 months;
- (G) grants of Awarded Shares with a total vesting and holding period of more than 12 months; and
- (H) the Board (where the arrangements do not relate to grants of Awards to the Directors and/or senior management) or the Remuneration Committee (where the arrangements relate to grants of Awards to the Directors or senior management) is of the view that a shorter Vesting Period is appropriate and serves the purpose of the New Share Award Scheme.

7. PERFORMANCE TARGETS

Unless otherwise determined by the Board and specified in the offer of a grant of an Award, there is generally no performance target that needs to be achieved before the Awarded Shares are vested to a Participant.

8. PURCHASE PRICE

Subject to the provision of the New Share Award Scheme, the Board may grant Awards to any Participant at nil consideration unless otherwise decided by the Board.

The purchase price of the Awarded Shares (if any) shall be such price which shall be determined by the Board from time to time based on considerations such as the prevailing closing price of the Shares, the purpose of the Award and the characteristics and profile of the Eligible Participants. Such room for discretion provides the Board with flexibility to stipulate, if necessary, a purchase price for Awarded Shares, while balancing the purpose of the Award and the interests of Shareholders.

9. RIGHTS ATTACHING TO THE AWARDS

A Participant is not entitled to vote or to receive any dividends (unless otherwise expressly provided in the offer of the grant of the Award(s)) and will not have any other rights of a shareholder until Shares subject to an Award are issued or transferred to him or her.

10. LAPSE OF AWARD

When granting an Award, the Company may make its vesting conditional on the satisfaction of one or more conditions. These conditions may be linked to the performance of the Company, the Group and/or the Participant and may provide that the Award will automatically lapse to the extent that any of the vesting condition(s) is not satisfied.

The Award will vest on the date of the relevant event to the extent determined by the Board, having regard to the extent to which the all of the vesting condition(s) are satisfied to the date of the relevant event and the time between the date of the relevant event and the Normal Vesting Date. An Award will automatically lapse to the extent that it does not vest in connection with the relevant event.

If:

- (A) a Participant is found to be an Excluded Participant or is deemed to cease to be a Participant;
- (B) a Participant transfers, assigns or otherwise disposes of an Award or any rights in respect of it. If the Participant does, whether voluntarily or involuntarily, without the grant of a waiver by the Stock Exchange;

- (C) a Participant leaves employment (for reasons other than death or retirement by agreement with a member of the Group or a Related Entity) or in the case of a Service Provider, whose engagement with the Group terminates before the Normal Vesting Date;
- (D) a Participant other than an Employee Participant is determined by the Board at the Board's absolute discretion that:
 - (1) the Participant has committed any breach of any contract entered into between the Participant on the one part and any member of the Group on the other part; or
 - (2) the Participant could no longer make any contribution to the growth and development of any member of the Group by reason of the cessation of its relations with the Group or by any other reason whatsoever; or
- (E) an effective resolution is passed for the voluntary winding-up of the Company or an order of winding-up of the Company is made,

then the Award will immediately lapse.

Subject to the above and Chapter 17 of the Listing Rules, any unvested Award granted may not be cancelled except with the prior written consent of the relevant Participant of the Award and the approval of the Directors.

11. CLAWBACK MECHANISM

Notwithstanding the terms and conditions of the New Share Award Scheme, the Directors may provide in the grant letter that any Award may be subject to clawback or a longer Vesting Period if any of the following events shall occur:

- (A) there being a material misstatement in the audited financial statements of the Company that requires a restatement; or
- (B) the Participant being guilty of fraud or persistent or serious misconduct, regardless of whether there is any accounting restatement or a material error in calculating or determining the performance metrics or other criteria; or
- (C) if the Award is linked to any performance targets and the Directors are of the opinion that there occur any circumstances that show or lead to any of the prescribed performance targets having been assessed or calculated in a materially inaccurate manner.

The Directors may by notice in writing to the Participant concerned (i) claw back all or a specified part of the Awarded Shares granted as the Directors may consider appropriate; or (ii) extend the Vesting Period (regardless of whether the vesting has occurred) in relation to all or a specified part of the Awarded Shares (to the extent not already sold) to such longer period as the Directors may consider appropriate. The Awarded Share(s) that are clawed back pursuant to this paragraph will be regarded as cancelled and the Awards so cancelled will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit (and the Service Provider Sublimit if applicable).

12. CAPITAL REORGANISATION

If there is:

- (A) a rights issue or similar transaction;
- (B) a variation in the equity share capital of the Company, including a capitalisation, sub-division, consolidation or reduction of share capital;
- (C) a demerger;
- (D) a special dividend or distribution (including a distribution in specie), or
- (E) any other corporate event which might affect the current or future value of any Award,

the Board may adjust the number or class of Shares or securities subject to the Award and/or any vesting condition to take account of such event. Any adjustments made under this paragraph should give such Participant the same proportion of those Awarded Shares (rounded to the nearest whole share) as that to which such Participant was immediately entitled prior to such event, and the Board shall as soon as reasonably practicable after such event has been effected, notify such Participant (with a copy of the notification to the Trustee) the adjustment on the number of Awarded Shares that he or she has become entitled to on vesting after such event, provided that: (i) no such adjustments may be made to the extent that a Share would be issued at less than its nominal value; and (ii) in respect of any adjustments other than an adjustment made on a capitalisation issue, the auditors or an independent financial adviser of the Company must confirm to the Directors in writing that the such adjustment(s) satisfies the requirements of the relevant provisions of the Listing Rules. The issue of Shares or other securities of the Group as consideration in a transaction may not be regarded as a circumstance requiring adjustment.

13. TRANSFERABILITY OF AWARDS GRANTED

A Participant may not transfer, assign or otherwise dispose of an Award or any rights in respect of it. If the Participant does, whether voluntarily or involuntarily, then the Award will immediately lapse. This paragraph does not apply if the Stock Exchange grants a waiver to allow a transfer to a vehicle (such as a trust or a private company) for the benefit of the Participant and any family members of such Participant (e.g. for estate planning or tax planning purposes) that would continue to meet the purpose of the New Share Award Scheme and comply with other requirements of the Listing Rules.

14. TERMINATION AND ALTERATION OF THE NEW SHARE AWARD SCHEME, CHANGE TO THE TERMS OF THE AWARDS GRANTED AND CANCELLATION OF AWARDS GRANTED

The New Share Award Scheme will terminate on the tenth anniversary of the Adoption Date or such other earlier date as the Board may determine. No further Awards may be granted after termination but termination will not affect Awards previously granted.

Subject to below, the New Share Award Scheme may be altered in any respect by a resolution of the Directors except that: (i) any alterations to the terms and conditions of the New Share Award Scheme which are of a material nature; (ii) the provisions of the New Share Award Scheme relating to the matters governed by Rule 17.03 of the Listing Rules to the advantage of the Eligible Participants; shall not be altered except with the approval by the Shareholders in general meeting, provided that no such alteration shall operate to affect adversely the terms of any Award granted or agreed to be granted prior to such alteration.

Any change to the terms of any Award granted to a Participant must be approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders in general meeting (as the case may be) if the initial grant of the Awards was approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders in general meeting (as the case may be), in accordance with the terms of the New Share Award Scheme and Chapter 17 of the Listing Rules. The foregoing provisions of this paragraph shall not apply where the alterations take effect automatically under the existing terms of the New Share Award Scheme.

Any change to the authority of the Directors or the administrators of the New Share Award Scheme to alter the terms of the New Share Award Scheme must be approved by the Shareholders in general meeting.

The terms of the New Share Award Scheme and/or any Awards amended pursuant to this paragraph must comply with the applicable requirements under Chapter 17 of the Listing Rules.

Where the terms of the New Share Award Scheme are amended, the Company shall, immediately upon such changes taking effect, provide to all Eligible Participants all details relating to changes in the terms of the New Share Award Scheme during the life of the New Share Award Scheme.

Where the Company cancels any unvested Award and grants new Award(s) to the same Participant, the grant of such new Award(s) may only be made with available Scheme Mandate Limit (and Service Provider Sublimit if applicable) approved by the Shareholders pursuant to paragraph 3. The Awards cancelled shall be regarded as utilised for the purpose of calculating the Scheme Mandate Limit (and the Service Provider Sublimit if applicable).

15. DISQUALIFICATION OF PARTICIPANT

In the event that prior to or on the Vesting Date, a Participant is found to be an Excluded Participant or is deemed to cease to be a Participant, the relevant Award made to such Participant shall automatically lapse forthwith and the relevant Awarded Shares shall not vest on the relevant Vesting Date but shall remain part of the assets of the Trust. Such Participant shall have no right or claim against the Company, any other member of the Group, the Board, the Trust or the Trustee or with respect to those or any other Shares or any right thereto or interest therein in any way.

Unless the Board determines otherwise, the circumstances under which a person shall be treated as having ceased to be a Participant shall include, without limitation, the following:

- (A) where such person has committed any act of fraud or dishonesty or serious misconduct, whether or not in connection with his employment or engagement by any member of the Group and whether or not it has resulted in his employment or engagement being terminated by the relevant member of the Group;
- (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.

In respect of a Participant 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 Participant 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 unless otherwise determined by the Board. If the accelerating vesting under the circumstances of death or retirement by agreement results in the Vesting Period being shorter than 12 months, approval by the Remuneration Committee or the Board (as the case may be) is required in accordance with paragraph 6.

In the event of the death of a Participant, the Trustee shall hold the vested Awarded Shares upon trust to transfer the same to the legal personal representative or lawful successors of the Participant within two years of the death of the Participant (or such longer period as the Trustee and the Board shall agree from time to time). If such vested Awarded Shares fail to be transferred within the time stipulated, or would otherwise become bona vacantia, such vested Awarded Shares shall be forfeited and cease to be transferable and such vested Awarded Shares shall remain part of the assets of the Trust.

16. TAKEOVER, PRIVATISATION, SCHEME OF COMPROMISE OR ARRANGEMENT AND LIQUIDATION

If :

- (A) a general offer is made for Shares and such offer becomes or is declared unconditional;
- (B) a privatisation is declared or becomes unconditional or effective;
- (C) a general offer for Shares is made by way of scheme of arrangement which becomes effective; or
- (D) an effective resolution is passed for the voluntary winding-up of the Company or an order of winding-up of the Company is made,

subject to the below, the Award will Vest (in the case of paragraph 16(A) to 16(C)) or lapse (in the case of paragraph 16(D)) on the date of the relevant event to the extent determined by the Board, having regard to the extent to which all of the Vesting Condition(s) are satisfied to the date of the relevant event and the time between the date of the relevant event and the Normal Vesting Date, where applicable. For the avoidance of doubt, an Award will automatically lapse to the extent that it does not Vest in connection with the relevant event.

The Board will make its determination in relation to this paragraph 16 before the offer or privatisation becomes or is declared unconditional, or the scheme of arrangement becomes effective, or the meeting(s) of Shareholders (as the case may be).

The Board may also decide that Awards be automatically exchanged for an equivalent award over or in relation to the shares of the company which acquires control of the Company.

NOTICE OF 2023 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 2023 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2023 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, 31 May 2023 at 11:00 a.m. for the following purposes:

ORDINARY RESOLUTIONS

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 2022.
2. To re-elect Mr. David An as director of the Company (the “Director”).
3. To re-elect Mr. Yang Dong as Director.
4. To re-elect Mr. Li Wai Keung, who has served the Company for more than nine years, as independent non-executive 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

NOTICE OF 2023 ANNUAL GENERAL MEETING

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;

- (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:
 - (1) the conclusion of the next annual general meeting of the Company;
 - (2) 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
 - (3) 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:
 - (1) a rights issue;

NOTICE OF 2023 ANNUAL GENERAL MEETING

- (2) the exercise of options granted or to be granted under any share option schemes of the Company;
 - (3) 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;
 - (4) any scrip dividend schemes or similar arrangements implemented in accordance with the articles of association of the Company; or
 - (5) 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:
- (1) the conclusion of the next annual general meeting of the Company;
 - (2) 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
 - (3) 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:

“**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 2023 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 conditional 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”** and produced to the Meeting and for the purposes of identification initialled by the chairman of the Meeting, the New Share Option Scheme be and is hereby approved and adopted and the Directors be and are hereby authorised to take all such steps and attend all such matters, approve and execute (whether under hand or under seal) such documents and do such other things, for and on behalf of the Company, as the Directors may consider necessary, desirable or expedient to effect and implement the New Share Option Scheme, including without limitation:
- (i) to administer the New Share Option Scheme in accordance with its terms;
 - (ii) to grant the Options to selected participants under the New Share Option Scheme and allotting and issuing from time to time such number of new Shares as may be required to be issued pursuant to the vesting of the Options that may be granted under New Share Option Scheme;
 - (iii) 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 (as amended from time to time) (the **“Listing Rules”**);
 - (iv) to make application at the appropriate time or times to the Stock Exchange for the listing of, and permission to deal in, any new Shares that may be allotted and issued pursuant to the exercise of the Options granted or to be granted under the New Share Option Scheme; and
 - (v) 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

NOTICE OF 2023 ANNUAL GENERAL MEETING

(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 15 June 2022 (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.”

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

“**THAT** subject to and conditional upon the passing of ordinary resolution 10 as set out in the notice convening this meeting, the Service Provider Sublimit (as defined in the rules of the New Share Option Scheme) on the total number of new Shares that may be issued in respect of all share options and share awards to be granted to Service Providers (as defined in the rules of the New Share Option Scheme) under the New Share Option Scheme and all other share option schemes and share award schemes of the Company (i.e. 1% of the shares of the Company in issue as at the date of passing of this resolution) be and is hereby approved and adopted and the Directors be and are hereby authorised to take all such steps and attend all such matters, approve and execute (whether under hand or under seal) such documents and do such other things, for and on behalf of the Company, as the directors of the Company may consider necessary, desirable or expedient to effect and implement the Service Provider Sublimit.”

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

“**THAT**

(A) subject to and conditional 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 on to the vesting of any awarded Shares pursuant to any awards (the “**Awards**”) which may be granted under the new share award scheme of the Company (the “**New Share Award Scheme**”), the rules of which are contained in the document marked “B” and produced to the Meeting and for the purposes of identification initialled by the chairman of the Meeting, the New Share Award Scheme be and is hereby approved and adopted and the Directors be and are hereby authorised to take all such steps and attend all such matters, approve and execute (whether under hand or under seal) such documents and do such other things, for and on behalf of the Company, as the Directors may consider necessary, desirable or expedient to effect and implement the New Share Award Scheme, including without limitation to the following:

- (i) administering the New Share Award Scheme in accordance with its terms;

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- (ii) to grant the Awards to selected participants under the New Share Award Scheme and allotting and issuing from time to time such number of Shares as may be required to be issued pursuant to the vesting of the Awards that may be granted under the New Share Award Scheme;
 - (iii) to modify and/or amend the New Share Award Scheme from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the New Share Award Scheme relating to modification and/or amendment and is in compliance with Chapter 17 of the Listing Rules;
 - (iv) to make application at the appropriate time or times to the Stock Exchange for the listing of, and permission to deal in, any new Shares that may be allotted and issued pursuant to the vesting of the Award granted or to be granted under the New Share Award Scheme; and
 - (v) 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 Award Scheme;
- (B) the proposed amendments to the trust deed dated 21 February 2019 entered into between the Company and Unity Trust Limited in relation to the existing share award scheme of the Company which was adopted by the Company on 15 April 2019 (the “**Existing Share Award Scheme**”), details of which are set out in the Company’s circular dated 28 April 2023, be and is hereby approved, and any one Director be and is hereby authorised to enter into an amended and restated trust deed (the “**Amended and Restated Trust Deed**”, a copy of which has been marked “C” and produced to the Meeting and for the purposes of identification initialled by the chairman of the Meeting) with Unity Trust Limited and to take all steps and acts and things and to sign and execute all documents, instruments and agreements (including the affixation of the Company’s common seal) deemed by the Directors to be incidental to, ancillary to or in connection with the Amended and Restated Trust Deed; and
- (C) subject to and conditional upon the New Share Award Scheme becoming unconditional, the Existing Share Award Scheme be and is hereby terminated except that the provisions of the Existing Share Award Scheme will remain in full force and effect to the extent necessary to give effect to the Awards granted or Shares purchased pursuant to the Existing Share Award Scheme prior to its termination, or otherwise as may be required in accordance with the provisions of the Existing Share Award Scheme.”

NOTICE OF 2023 ANNUAL GENERAL MEETING

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

“**THAT** subject to and conditional upon the passing of ordinary resolution 12 as set out in the notice convening this meeting, the Service Provider Sublimit (as defined in the rules of the New Share Award Scheme) on the total number of new Shares that may be issued in respect of all share options and share awards to be granted to Service Providers (as defined in the rules of the New Share Award Scheme) under the New Share Award Scheme and all other share option schemes and share award schemes of the Company (i.e. 1% of the shares of the Company in issue as at the date of passing of this resolution) be and is hereby approved and adopted and the Directors be and are hereby authorised to take all such steps and attend all such matters, approve and execute (whether under hand or under seal) such documents and do such other things, for and on behalf of the Company, as the Directors may consider necessary, desirable or expedient to effect and implement the Service Provider Sublimit.”

SPECIAL RESOLUTION

14. As special business, to consider and, if thought fit, pass the following resolution as a special resolution:

“**THAT**

- (A) the proposed amendments to the existing amended and restated memorandum and articles of association of the Company (the “**Proposed Amendments to the Memorandum and Articles of Association**”), the details of which are set out in Appendix III to the circular of the Company dated 28 April 2023, be and are hereby approved;
- (B) the amended and restated memorandum and articles of association of the Company (the “**Amended and Restated Memorandum and Articles of Association**”), which contains all the Proposed Amendments to the Memorandum and Articles of Association and a copy of which marked “D” and produced to the Meeting and for the purposes of identification initialled by the chairman of the Meeting, be and is hereby approved and adopted in substitution for and to the exclusion of the existing amended and restated memorandum and articles of association of the Company with immediate effect; and

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- (C) any Director or company secretary of the Company be and is hereby authorised to do all such acts, deeds and things and execute all such documents and make all such arrangements that he/she shall, in his/her absolute discretion, deem necessary or expedient to give effect to the Proposed Amendments to the Memorandum and Articles of Association and the adoption of the Amended and Restated Memorandum and Articles of Association, including without limitation, attending to the necessary registrations and in accordance with the relevant requirements of the applicable laws, rules and regulations in the Cayman Islands and Hong Kong.”

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, 28 April 2023

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 17/F, Far East Finance Centre, 16 Harcourt Road, 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, 29 May 2023) 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 Thursday, 25 May 2023 to Wednesday, 31 May 2023, 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 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 24 May 2023.

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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.

6. Shareholders who would like to raise questions in relation to any resolution set out in this notice or the business of the Company at the AGM can submit questions not less than 48 hours before the time appointed for holding the AGM (i.e. by 11:00 a.m. on Monday, 29 May 2023) or any adjournment thereof via email to info@hansenergy.com.hk or via telephone at (852) 2922 0600 providing personal particulars of (a) full name; (b) registered address; (c) number of Shares held; (d) Hong Kong Identity Card Number or passport number (in case of natural person)/company registration number (in case of body corporate); (e) contact telephone number; and (f) email address for verification purposes. Shareholders attending the AGM can also submit questions during the AGM. The Board will arrange to answer the questions raised by Shareholders at the AGM and those submitted in advance to the extent possible.

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.