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

If you have sold or transferred all your shares in **Towngas Smart Energy Company Limited**, you should at once hand this circular, together with the enclosed form of proxy, 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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港華智慧能源有限公司 Towngas Smart Energy Company Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1083)

PROPOSALS INVOLVING GENERAL MANDATES TO ISSUE AND BUY BACK SHARES, DECLARATION OF DIVIDEND, SCRIP DIVIDEND SCHEME, CLOSURE OF REGISTER OF MEMBERS, RE-ELECTION OF DIRECTORS, ADOPTION OF NEW MEMORANDUM AND ARTICLES OF ASSOCIATION AND NOTICE OF ANNUAL GENERAL MEETING

The notice convening an annual general meeting of the Company to be held at Meeting Room S421 (Harbour Road Entrance), Hong Kong Convention and Exhibition Centre, Wanchai, Hong Kong on Wednesday, 29 May 2024 at 11:00 a.m. is set out on pages 28 to 34 of this circular. Whether or not you are able to attend the meeting in person, please complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event no later than 11:00 a.m. on Monday, 27 May 2024, or not less than 48 hours before the time appointed for the holding of any adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting at the meeting (or any adjournment thereof) should you so wish.

Members of the Company who are entitled to attend and vote at the annual general meeting are those whose names appear as members of the Company as at the close of business on Thursday, 23 May 2024. In order to be entitled to attend and vote at the annual general meeting, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share transfer office, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Thursday, 23 May 2024.

To the extent that there are any inconsistencies between the English version and the Chinese version of this circular, the English version shall prevail.

17 April 2024

CONTENTS

	<i>Page</i>
DEFINITIONS	1
LETTER FROM THE BOARD	4
1. INTRODUCTION	4
2. GENERAL MANDATE TO BUY BACK SHARES	5
3. GENERAL MANDATE TO ISSUE SHARES	6
4. DECLARATION OF DIVIDEND, SCRIP DIVIDEND SCHEME AND CLOSURE OF REGISTER OF MEMBERS	7
5. RE-ELECTION OF DIRECTORS	8
6. PROPOSED ADOPTION OF NEW MEMORANDUM AND ARTICLES OF ASSOCIATION	9
7. ANNUAL GENERAL MEETING	10
8. ACTION TO BE TAKEN	10
9. RECOMMENDATION	10
10. DIRECTORS' RESPONSIBILITY STATEMENT	11
APPENDIX I — EXPLANATORY STATEMENT ON THE BUY-BACK MANDATE	12
APPENDIX II — BIOGRAPHICAL DETAILS OF THE DIRECTORS PROPOSED FOR RE-ELECTION	16
APPENDIX III — CHANGES BROUGHT BY THE NEW MEMORANDUM AND ARTICLES OF ASSOCIATION	21
NOTICE OF ANNUAL GENERAL MEETING	28

DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be held at Meeting Room S421 (Harbour Road Entrance), Hong Kong Convention and Exhibition Centre, Wanchai, Hong Kong on Wednesday, 29 May 2024 at 11:00 a.m. and any adjournment thereof, notice of which is set out on pages 28 to 34 of this circular
“AGM Notice”	the notice for convening the AGM set out on pages 28 to 34 of this circular
“Annual Report”	the annual report of the Company for the year ended 31 December 2023
“Articles”	the articles of association of the Company as amended, supplemented or modified from time to time
“Board”	the board of Directors
“Buy-back Mandate”	a general mandate to the Directors to exercise the power of the Company to buy back Shares during the period as set out in Ordinary Resolution No. 5 in the AGM Notice up to a maximum of 10% of the total number of issued shares of the Company as at the date of passing of such resolution
“Companies Act”	the Companies Act (as Revised) of the Cayman Islands
“Company”	Towngas Smart Energy Company Limited (Stock Code: 1083), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the main board of the Stock Exchange
“Director(s)”	the director(s) of the Company

DEFINITIONS

“Dividend”	the final dividend proposed to be paid out of the share premium account of the Company of 16 HK cents per Share in respect of the year ended 31 December 2023
“Group”	the Company and its subsidiaries
“HKCG”	The Hong Kong and China Gas Company Limited, a company listed on the Stock Exchange and a controlling Shareholder of the Company holding approximately 67.24% of the total issued Shares as at the Latest Practicable Date
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	10 April 2024, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Memorandum”	the memorandum of association of the Company as amended, supplemented or modified from time to time
“New Memorandum and Articles”	the new memorandum and articles of association of the Company proposed to be adopted at the AGM
“Ordinary Resolution(s)”	the proposed ordinary resolution(s) as referred to in the AGM Notice
“PRC”	the People’s Republic of China which, for the purpose of this circular excludes Hong Kong, the Macao Special Administrative Region and Taiwan

DEFINITIONS

“Scrip Dividend Scheme”	the scrip dividend scheme proposed by the Board and announced in the results announcement of the Company on 19 March 2024 which offers Shareholders a scrip alternative whereby Shareholders may elect to receive the Dividend wholly or partly by the allotment of new Share(s) credited as fully paid to be issued under the Scrip Dividend Scheme in lieu of cash
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	share(s) of HK\$0.10 each in the share capital of the Company
“Share Buy-Back Rules”	the relevant rules set out in the Listing Rules to regulate the buy-backs by companies with primary listing on the Stock Exchange of their own securities
“Share Issue Mandate”	a general mandate to the Directors to exercise the powers of the Company to allot, issue and deal with the Shares during the period as set out in Ordinary Resolution No. 6 in the AGM Notice up to a maximum of 20% of the total number of issued shares of the Company as at the date of passing of such resolution
“Shareholder(s)”	holder(s) of Shares
“Special Resolution”	the proposed special resolution as referred to in the AGM Notice
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs of Hong Kong
“%”	per cent

LETTER FROM THE BOARD



港華智慧能源有限公司
Towngas Smart Energy Company Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1083)

Non-Executive Directors

Dr. Lee Ka-kit (*Chairman*)

Mr. LIU Kai Lap Kenneth

Executive Directors:

Mr. Peter Wong Wai-yee

(Chief Executive Officer)

Mr. Martin Kee Wai-ngai

(Chief Operating Officer – Gas Business)

Dr. John Qiu Jian-hang

(Chief Operating Officer – Renewable Business)

Independent Non-Executive Directors:

Dr. the Hon. Moses Cheng Mo-chi

Mr. Brian David Li Man-bun

Dr. LOH Kung Wai Christine

Registered Office:

P.O. Box 309

Ugland House

Grand Cayman

KY1-1104

Cayman Islands

*Head Office and Principal Place of
Business in Hong Kong:*

23rd Floor

363 Java Road

North Point

Hong Kong

17 April 2024

To the Shareholders

Dear Sir or Madam,

**PROPOSALS INVOLVING GENERAL MANDATES
TO ISSUE AND BUY BACK SHARES,
DECLARATION OF DIVIDEND, SCRIP DIVIDEND SCHEME,
CLOSURE OF REGISTER OF MEMBERS,
RE-ELECTION OF DIRECTORS,
ADOPTION OF NEW MEMORANDUM AND
ARTICLES OF ASSOCIATION AND
NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

At the annual general meeting of the Company held on 25 May 2023, resolutions were passed by the Shareholders, amongst other things, to give general unconditional mandates to the Directors to exercise the powers of the Company to:

LETTER FROM THE BOARD

- (i) allot, issue and otherwise deal with Shares not exceeding 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of such resolution;
- (ii) buy back Shares up to a maximum of 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of such resolution; and
- (iii) extend the general mandate for issuing Shares as mentioned in paragraph (i) above by an amount representing the aggregate nominal amount of the share capital of the Company bought back by the Company under the general mandate granted to the Directors to buy back Shares as mentioned in paragraph (ii) above.

The above general mandates will lapse at the conclusion of the AGM. It is therefore proposed to seek your approval at the AGM to grant fresh general mandates to the Directors to exercise the above powers.

The Board announced in the results announcement of the Company dated 19 March 2024 that it was the intention of the Board to recommend the payment of the Dividend out of the share premium account of the Company of 16 HK cents per Share in respect of the year ended 31 December 2023. It is therefore proposed to seek your approval at the AGM for the payment of the Dividend.

The purpose of this circular is to, inter alia, provide you with information regarding the proposals for the grant of the Buy-back Mandate and the Share Issue Mandate, the declaration of the Dividend, the Scrip Dividend Scheme, the closure of the register of members of the Company, the re-election of retiring Directors and the proposed adoption of the New Memorandum and Articles, and to seek your approval in connection with such matters at the AGM.

2. GENERAL MANDATE TO BUY BACK SHARES

An ordinary resolution will be proposed at the AGM to grant to the Directors the Buy-back Mandate, details of which are set out in Ordinary Resolution No. 5 in the AGM Notice. The Shares which may be bought back by the Company pursuant to the Buy-back Mandate shall not exceed 10% of the total number of issued shares of the Company as at the date of passing of the Ordinary Resolution approving the Buy-back Mandate (subject to adjustment in the total number of issued shares of the Company in the case of consolidation, division or sub-division of all or any of the share capital of the Company).

LETTER FROM THE BOARD

As at the Latest Practicable Date, the total number of issued shares of the Company was 3,354,500,581 Shares. Subject to the passing of Ordinary Resolution No. 5 in the AGM Notice and on the basis that no further Shares will be issued or bought back by the Company prior to the AGM, the Company would be allowed under the Buy-back Mandate to buy back a maximum of 335,450,058 Shares.

As at the Latest Practicable Date, the Directors have no present intention to exercise the Buy-back Mandate (if approved at the AGM) to buy back any Shares.

An explanatory statement as required under the Share Buy-Back Rules to be sent to the Shareholders, giving certain information regarding the Buy-back Mandate to enable the Shareholders to make an informed decision on whether to vote for or against Ordinary Resolution No. 5, is set out in Appendix I hereto.

3. GENERAL MANDATE TO ISSUE SHARES

Two ordinary resolutions, namely Ordinary Resolutions Nos. 6 and 7 in the AGM Notice, will be proposed at the AGM (i) to grant to the Directors a general mandate to allot, issue and deal with new Shares not exceeding 20% of the total number of issued shares of the Company as at the date of passing of Ordinary Resolution No. 6 in the AGM Notice (subject to adjustment in the total number of issued shares of the Company in the case of consolidation, division or sub-division of all or any of the share capital of the Company) and (ii) to extend such general mandate so granted to the Directors by adding thereto any Shares bought back by the Company pursuant to the Buy-back Mandate up to 10% of the total number of issued shares of the Company as at the date of passing of Ordinary Resolution No. 7 in the AGM Notice (subject to adjustment in the total number of issued shares of the Company in the case of consolidation, division or sub-division of all or any of the share capital of the Company).

Details of the Share Issue Mandate and the extension of the Share Issue Mandate are respectively set out in Ordinary Resolutions Nos. 6 and 7 in the AGM Notice.

LETTER FROM THE BOARD

4. DECLARATION OF DIVIDEND, SCRIP DIVIDEND SCHEME AND CLOSURE OF REGISTER OF MEMBERS

As mentioned in the results announcement of the Company dated 19 March 2024, the Board recommended the payment of the Dividend out of the share premium account of the Company of 16 HK cents per Share in respect of the year ended 31 December 2023 to Shareholders whose names appear on the register of members of the Company as at the close of business on 6 June 2024, totaling not less than HK\$536,720,000, subject to the approval of the Shareholders at the AGM and compliance with the Companies Act.

The Dividend will be payable in cash, with an option granted to Shareholders to receive new and fully paid Shares in lieu of cash in whole or in part under the Scrip Dividend Scheme. The new Shares will, on issue, rank *pari passu* in all respects with Shares in issue on the date of the allotment and issue of the new Shares except that they shall not be entitled to the Dividend. The circular containing details of the Scrip Dividend Scheme and the relevant election form is expected to be sent to Shareholders on or about 14 June 2024.

The Scrip Dividend Scheme is conditional upon the passing of the Ordinary Resolution No. 8 relating to the payment of the Dividend at the AGM and the listing committee of the Stock Exchange granting the listing of, and permission to deal in, the new Shares to be issued under the Scrip Dividend Scheme.

It is expected that the cheques for cash dividends and the share certificates to be issued under the Scrip Dividend Scheme will be sent by ordinary mail to Shareholders at their own risk on or about 12 July 2024.

Under Section 34(2) of the Companies Act, the share premium account may be applied by the company paying dividends to shareholders provided that no dividend may be paid to members out of the share premium account unless, immediately following the date on which the dividend is proposed to be paid, the company shall be able to pay its debts as they fall due in the ordinary course of business. The Board confirms that with respect to the Dividend, the Company meets the solvency test as laid down under the Companies Act and shall be able to pay its debts as they fall due in the ordinary course of business immediately following the date on which the Dividend is proposed to be paid.

LETTER FROM THE BOARD

The register of members will be closed for the following periods:

- (1) from 24 May 2024 to 29 May 2024, both days inclusive, during which period no transfer of Shares will be registered for the purpose of ascertaining the Shareholders entitled to attend and vote at the AGM; and
- (2) from 4 June 2024 to 6 June 2024, both days inclusive, during which period no transfer of Shares will be registered for the purpose of ascertaining the Shareholders entitled to the Dividend to be approved at the AGM.

Members of the Company who are entitled to attend and vote at the AGM are those whose names appear as members of the Company as at the close of business on Thursday, 23 May 2024. In order to be entitled to attend and vote at the AGM and to be entitled to the Dividend to be approved at the AGM, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Hong Kong branch share transfer office of the Company, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Thursday, 23 May 2024 and Monday, 3 June 2024 respectively.

5. RE-ELECTION OF DIRECTORS

The Board currently consists of 8 Directors, namely Dr. Lee Ka-kit (Chairman) and Mr. LIU Kai Lap Kenneth, being the non-executive Directors, Mr. Peter Wong Wai-yee (Chief Executive Officer), Mr. Martin Kee Wai-ngai (Chief Operating Officer – Gas Business) and Dr. John Qiu Jian-hang (Chief Operating Officer – Renewable Business), being the executive Directors, and Dr. the Hon. Moses Cheng Mo-chi, Mr. Brian David Li Man-bun and Dr. LOH Kung Wai Christine, being the independent non-executive Directors.

Pursuant to Article 112 of the Articles, at each annual general meeting, one-third of the Directors for the time being (or, if their number is not three or a multiple of three, then the number nearest to, but not less than, one-third) who have been longest in office since their last election shall retire from office by rotation such that each Director will be subject to retirement by rotation at least once every three years at the annual general meeting.

LETTER FROM THE BOARD

In accordance with Article 112 of the Articles, Mr. LIU Kai Lap Kenneth, Mr. Martin Kee Wai-ngai and Dr. LOH Kung Wai Christine, shall retire from office by rotation at the AGM and all of them, being eligible, would offer themselves for re-election at the AGM.

The re-election of retiring Directors for re-appointment at the forthcoming AGM has been considered by the Nomination Committee of the Company in accordance with the nomination procedures and selection criteria as set out under the nomination policy of the Company (including without limitation, skills, knowledge and experience, time commitment and standing) as well as taking into account the diversity aspects (including without limitation, gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service), with due regard to the benefits of diversity, as set out under the board diversity policy of the Company.

The Company has received from Dr. LOH Kung Wai Christine an annual confirmation of her independence pursuant to Rule 3.13 of the Listing Rules. The Board, through the assessment and recommendation by the Nomination Committee, is of the view that Dr. Loh meets the guidelines for assessing independence set out in Rule 3.13 of the Listing Rules and has considered her to be independent. With Dr. Loh's wide experience in environment, social and governance and corporate management, she would continue to provide related valuable, objective and independent advice to the business development of the Company and contribute to the diversity of the existing Board.

Brief biographical details of the above-mentioned Directors who are proposed to be re-elected at the AGM are set out in Appendix II to this circular.

6. PROPOSED ADOPTION OF NEW MEMORANDUM AND ARTICLES OF ASSOCIATION

The Board proposes to amend the existing Articles by adopting the New Memorandum and Articles in order to conform to the latest paperless regime for electronic dissemination of corporate communications by listed issuers to holders of their securities pursuant to the Listing Rules which took effect on 31 December 2023; and to make consequential and some other housekeeping amendments.

Please refer to Appendix III to this circular for further particulars relating to the changes to the existing Articles brought about by the adoption of the New Memorandum and Articles.

LETTER FROM THE BOARD

The legal advisers to the Company as to Hong Kong laws and the Cayman Islands laws have respectively confirmed that the proposed amendments to the Articles conform with the requirements of the Listing Rules, where applicable, and are not inconsistent with the laws of the Cayman Islands. The Company also confirms that there is nothing unusual about the proposed amendments to the Articles for a company listed in Hong Kong.

The proposed adoption of the New Memorandum and Articles is subject to the approval of the Shareholders by way of a Special Resolution at the AGM.

7. ANNUAL GENERAL MEETING

The AGM Notice, which contains, inter alia, the Ordinary Resolutions for the Buy-back Mandate, the Share Issue Mandate, the extension of the Share Issue Mandate, the declaration of the Dividend, the Scrip Dividend Scheme, record date for determining the Shareholders eligible for the Dividend and re-election of retiring Directors, and the Special Resolution for the proposed adoption of the New Memorandum and Articles is set out on pages 28 to 34 of this circular.

8. ACTION TO BE TAKEN

A form of proxy for use at the AGM is enclosed with this circular. Whether or not you are able to attend the AGM in person, please complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event no later than 11:00 a.m. on Monday, 27 May 2024, or not less than 48 hours before the time appointed for the holding of any adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjourned meeting (as the case may be).

9. RECOMMENDATION

The Directors are of the opinion that the proposals referred to in this circular are in the best interests of the Company and the Shareholders and therefore recommend you to vote in favour of all the relevant resolutions to be proposed at the AGM.

LETTER FROM THE BOARD

10. DIRECTORS' RESPONSIBILITY STATEMENT

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

Yours faithfully,

By Order of the Board

Towngas Smart Energy Company Limited

Peter Wong Wai-ye

Executive Director and Chief Executive Officer

APPENDIX I EXPLANATORY STATEMENT ON THE BUY-BACK MANDATE

1. LISTING RULES

The Listing Rules permit companies with a primary listing on the Stock Exchange to buy back their own shares on the Stock Exchange subject to certain restrictions. This appendix serves as an explanatory statement as required by the Share Buy-Back Rules to be sent to the Shareholders in connection with the proposed Buy-back Mandate. The Company confirms that neither this explanatory statement nor the proposed Buy-back Mandate has any usual features.

2. REASONS FOR BUY-BACK

The Directors believe that the Buy-back Mandate is in the best interests of the Company and its Shareholders as a whole. Such buy-back 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 buy-back will benefit the Company and its Shareholders.

3. TOTAL NUMBER OF ISSUED SHARES

As at the Latest Practicable Date, the total number of issued shares of the Company comprised 3,354,500,581 Shares.

Subject to the passing of Ordinary Resolution No. 5 in the AGM Notice and on the basis that no further Shares will be issued or bought back by the Company prior to the AGM, the Company would be allowed under the Buy-back Mandate to buy back a maximum of 335,450,058 Shares (representing 10% of the total number of issued shares of the Company as at the Latest Practicable Date) (subject to adjustment in the total number of issued shares of the Company in the case of consolidation, division or sub-division of all or any of the share capital of the Company) during the period from the date of passing of Ordinary Resolution No. 5 set out in the AGM Notice up to (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles or any applicable laws of the Cayman Islands to be held; or (iii) the revocation, variation or renewal of the Buy-back Mandate by ordinary resolution of the Shareholders in general meeting, whichever is the earliest.

APPENDIX I EXPLANATORY STATEMENT ON THE BUY-BACK MANDATE

4. FUNDING OF BUY-BACK

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with the Memorandum, the Articles and the applicable laws and regulations of the Cayman Islands. The Company may not purchase securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

5. GENERAL

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) in the event that the Buy-back Mandate is exercised in full. However, the Directors do not propose to exercise the Buy-back Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or on its gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

6. SHARE PRICES

The highest and lowest prices at which the Shares were traded on the Stock Exchange during each of the previous twelve months and up to the Latest Practicable Date were as follows:

	Share Price	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
April 2023	3.85	3.30
May 2023	3.94	3.39
June 2023	3.69	3.24
July 2023	3.82	3.25
August 2023	3.79	2.95
September 2023	3.51	2.98
October 2023	3.67	3.15
November 2023	3.39	3.06
December 2023	3.31	3.05
January 2024	3.32	2.86
February 2024	2.97	2.66
March 2024	3.33	2.80
April 2024 (up to the Latest Practicable Date)	3.24	2.98

APPENDIX I EXPLANATORY STATEMENT ON THE BUY-BACK MANDATE

7. GENERAL

The Directors, so far as the same may be applicable, will exercise the powers of the Company to make buy-back pursuant to the Buy-back Mandate and in accordance with the Listing Rules, the Memorandum, the Articles and the applicable laws of the Cayman Islands.

None of the Directors nor, to the best of their knowledge, having made all reasonable enquiries, any of their close associates (as defined in the Listing Rules), has any present intention to sell any Shares to the Company under the Buy-back Mandate if such is approved by the Shareholders and exercised by the Board.

No core connected person (as defined in the Listing Rules) of the Company has notified the Company that it has a present intention to sell Shares to the Company, nor has undertaken not to do so, in the event that the Buy-back Mandate is approved by the Shareholders and exercised by the Board.

8. TAKEOVERS CODE AND SHARES BUY-BACKS

If as a result of a buy-back of Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of Rule 32 of the Takeovers Code. As a result, 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 relevant Shareholder's interests, could obtain or consolidate control of the Company and become(s) obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

Saved as disclosed above, the Directors are not aware of any other consequences which will arise under the Takeovers Code as a result of the exercise of the Buy-back Mandate. The Directors do not intend to exercise the Buy-back Mandate to an extent which would, in the circumstances, trigger any potential consequences under the Takeovers Code.

APPENDIX I EXPLANATORY STATEMENT ON THE BUY-BACK MANDATE

As at the Latest Practicable Date, so far as is known to the Directors, the number of Shares held by HKCG, through its various wholly-owned subsidiaries, was 2,255,481,423 Shares representing approximately 67.24% of the total number of issued shares of the Company as at the Latest Practicable Date. In the event that the Directors exercise in full the power to buy back Shares under the Buy-back Mandate, the percentage shareholding of HKCG, through its various wholly-owned subsidiaries, in the Company would increase from approximately 67.24% to approximately 74.71%. The Directors consider that such an increase would not give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code. However, the Directors will not exercise the Buy-back Mandate such that the number of Shares held by the public will fall below 25% of the total number of issued Shares, being the minimum public float requirement under the Listing Rules.

9. SHARE BUY-BACKS BY THE COMPANY

No buy-back of Shares have been made by the Company in the six months preceding the Latest Practicable Date, whether on the Stock Exchange or otherwise.

(1) MR. LIU KAI KAP KENNETH

Mr. LIU Kai Lap Kenneth, aged 49, has been a Non-Executive Director of the Company since November 2021. Mr. Liu obtained a Bachelor of Science in Computer Science degree from the University of Washington. Mr. Liu joined Affinity Equity Partners (which is a buy-out fund manager managing private equity funds focusing on control-oriented transactions, control buyouts, growth capital and public-to-private transactions with an emphasis in the regions of Korea, Australia, New Zealand, Greater China and Southeast Asia) in 2006 and was part of the founding team in 2012 to set up its franchise in Mainland China which is based in Beijing. Mr. Liu has over 20 years of experience investing in and advising companies in Greater China across a wide range of industries, including consumer and retail, industrials, business services, technology, media telecommunications, and healthcare. Mr. Liu currently sits on the board of directors of various investee companies of Affinity Equity Partners. Prior to making his career in private equity, he spent his early career in the technology sector, and worked as a senior software engineer at Amazon's headquarters in Seattle, Washington until 2000.

Save as disclosed above, Mr. Liu did not hold any directorship in any other public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the previous 3 years, or hold any other major appointments or professional qualifications.

Pursuant to an appointment letter dated 26 May 2022 between the Company and Mr. Liu, Mr. Liu has no fixed or proposed term of director's service with the Company. His term of office is also subject to the Listing Rules and the provisions of the Memorandum and the Articles in force from time to time, including but not limited to, the requirements for retirement, rotation and vacation of office of directors as set forth in the Articles. Mr. Liu has not received any remuneration during the year ended 31 December 2023.

As at the Latest Practicable Date, Mr. Liu did not have any interests in Shares within the meaning of Part XV of the SFO.

Save as disclosed herein, as at the Latest Practicable Date, (a) Mr. Liu did not have any relationship with any other Directors, senior management or substantial or controlling shareholders of the Company; and (b) so far as the Directors are aware, there were no other matters concerning Mr. Liu that need to be brought to the attention of the Shareholders nor any information to be disclosed pursuant to the requirements of Rule 13.51(2)(h) to Rule 13.51(2)(w) of the Listing Rules.

(2) MR. MARTIN KEE WAI-NGAI

Mr. Martin Kee Wai-ngai, *C.Eng., M.I.G.E.M., M.B.A., B.Sc.(Eng)*, aged 57, has been an Executive Director of the Company since May 2015 and was appointed as the Chief Operating Officer – Gas Business of the Company in July 2017. Mr. Kee graduated from the Department of Engineering, The University of Hong Kong and holds a master degree in Business Administration. He joined The Hong Kong and China Gas Company Limited (“HKCG”, a listed public company and the controlling shareholder of the Company) in 1990 and has been the Chief Operating Officer – Mainland Utilities of HKCG since 2022. In 2012, Mr. Kee was appointed as the executive vice president of Hong Kong & China Gas Investment Limited, responsible for the operation and management of the gas project companies in East China region. He was also appointed as the executive vice president of Hua Yan Water business in 2017. He is the Vice Chairman of Anhui Province Natural Gas Development Co., Ltd.. Mr. Kee was appointed as a director of Changchun Gas Co., Ltd. with effect from 24 June 2021. Mr. Kee was also appointed as a director of Shenzhen Gas Corporation Ltd. with effect from 26 May 2022. He was appointed as a director of Foran Energy Group Co., Ltd. (“Foran Energy”) with effect from 12 January 2024. He resigned as a director of Nanjing Public Utilities Development Co., Ltd. with effect from 27 September 2022 and resigned as chairman and supervisor of the Supervisory Board of Foran Energy with effect from 12 January 2024, all of which are listed public companies. He completed the Advanced Management Program of Harvard Business School in the United States. Mr. Kee, a Chartered Engineer, is a member of The Institution of Gas Engineers & Managers of the United Kingdom, and was formerly the chairman of its Far East District Section. Mr. Kee is a member of the 13th Hebei Committee of the Chinese People’s Political Consultative Conference and was a member of the 14th Nanjing Committee of the Chinese People’s Political Consultative Conference.

Save as disclosed above, Mr. Kee did not hold any directorship in any other public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the previous 3 years, or hold any other major appointments or professional qualifications.

Pursuant to an appointment letter dated 29 May 2015 between the Company and Mr. Kee, Mr. Kee has no fixed or proposed term of director's service with the Company but his term of office is subject to the Listing Rules and the provisions of the Memorandum and the Articles in force from time to time, including but not limited to, the requirements for retirement, rotation and vacation of office of directors as set forth in the Articles. Mr. Kee's current director's fee is HK\$200,000 per annum. In addition, Mr. Kee has also received other emoluments of approximately HK\$9,263,000 for the year ended 31 December 2023. His remuneration is subject to determination by the Board from time to time with reference to his duties and responsibilities and the Company's performance and profitability.

As at the Latest Practicable Date, Mr. Kee had personal interest in 1,800,000 Shares, and he is deemed to be interested in 900,000 shares of the Company in respect of the share options granted to him under the share option scheme of the Company adopted on 26 May 2022, representing approximately 0.08% of the total number of the issued Shares as at the Latest Practicable Date.

Save as disclosed herein, as at the Latest Practicable Date, (a) Mr. Kee did not have any relationship with any other Directors, senior management or substantial or controlling shareholders of the Company; and (b) so far as the Directors are aware, there were no other matters concerning Mr. Kee that need to be brought to the attention of the Shareholders nor any information to be disclosed pursuant to the requirements of Rule 13.51(2)(h) to Rule 13.51(2)(w) of the Listing Rules.

(3) DR. LOH KUNG WAI CHRISTINE

Dr. LOH Kung Wai Christine, *S.B.S., O.B.E., J.P., Chevalier de l'Ordre National du Mérite*, aged 68, has been an Independent Non-Executive Director of the Company since April 2022 and is the member of Board Audit and Risk Committee, Nomination Committee, Remuneration Committee and Environmental, Social and Governance Committee of the Company. She obtained her Bachelor of Laws degree from the University of Hull and her Master of Law degree in Chinese and Comparative Law from the City University of Hong Kong. She was awarded the Honorary degrees of Doctor of Law by the University of Hull in 2001 and Doctor of Science by the University of Exeter in 2016.

Dr. Loh is the Chief Development Strategist at the Institute for the Environment of the Hong Kong University of Science and Technology. She is also a director and trustee of CDP Worldwide, a London-based organization running a global disclosure system for companies, cities, states, and regions to manage environmental impacts; a director of the Global Maritime Forum, an industry platform managed from Denmark for senior management to discuss maritime issues; and a director of New Forests Proprietary Limited, a sustainable forestry company headquartered in Australia.

Dr. Loh was the Under Secretary for the Environment in the HKSAR Government from 2012 to 2017. Her direct policy responsibilities included air quality, energy, climate change and biodiversity. She worked with Chinese mainland counterparts to define new policies to control shipping emissions, an area of work she pioneered prior to joining the HKSAR Government and changed China's national policy in this area. Between April 2019 and March 2020, she was the Special Consultant to the Office of the Chief Executive of the HKSAR Government on the ecological civilization aspects of the Outline Development Plan for the Greater Bay Area.

Save as disclosed above, Dr. Loh did not hold any directorship in any other public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the previous 3 years, or hold any other major appointments or professional qualifications.

Pursuant to the appointment letters dated 4 April 2022 and 1 January 2024 between Dr. Loh and the Company, Dr. Loh's term of office is subject to the Listing Rules and the provisions of the Memorandum and the Articles in force from time to time, including but not limited to, the requirements for retirement, rotation, re-election and vacation of office of directors as set forth in the Articles. Dr. Loh's director's fee is HK\$600,000 per annum, subject to determination by the Board from time to time with reference to her duties and responsibilities and the Company's performance and profitability.

As at the Latest Practicable Date, Dr. Loh did not have any interests in the Shares within the meaning of Part XV of the SFO.

Save as disclosed herein, as at the Latest Practicable Date, (a) Dr. Loh did not have any relationship with any other Directors, senior management or substantial or controlling shareholders of the Company; and (b) as far as the Directors are aware, there were no other matters concerning Dr. Loh that need to be brought to the attention of the Shareholders nor any information to be disclosed pursuant to the requirements of Rule 13.51(2)(h) to Rule 13.51(2)(w) of the Listing Rules.

The following are the changes to the existing Articles introduced by the New Memorandum and Articles:

Article No.	Proposed amendments (showing changes to the existing Articles)
Article 2	<p>...</p> <p>Corporate Communication <u>has the same meaning as in the Listing Rules</u>“Corporate Communication” shall mean any document issued or to be issued by the Company for the information or action of holders of any of its securities, including but not limited to: (a) the directors’ report, its annual accounts together with a copy of the auditor’s report, where applicable, its summary financial report; (b) the interim report and, where applicable, its summary interim report; (c) a notice of meeting; (d) a listing document; (e) a circular; and (f) a proxy form, within the meaning ascribed thereto under the Listing Rules;</p> <p>electronic means <u>“electronic means” includes means sending or otherwise making the notice or document (including any Corporate Communication) available to the intended recipients of the Corporate Communication in the an electronic format;</u></p> <p>...</p>

Article No.	Proposed amendments (showing changes to the existing Articles)
Article 15(c)	<p>The register may, on the Company giving at least 14 days' notice published on the Exchange's website, 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 or by advertisement published in the newspapers, 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. In the event that there is an alteration of book closure dates, the Company shall give at least 5 business days' notice in accordance with the procedures set out in this Article <u>and the Listing Rules</u>.</p>
Article 26	<p>A copy of the notice referred to in Article 25 shall be sent in the manner in which notices may be sent to members by the Company as herein provided in <u>Article 163</u>.</p>
Article 28	<p>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 published on the Exchange's website, 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 or by advertisement published in the newspapers.</p> <p>[Reserved]</p>

Article No.	Proposed amendments (showing changes to the existing Articles)
Article 163(a)	<p data-bbox="416 357 1406 602">Except as otherwise provided in these Articles, any Corporate Communication, and any notices or other documents (including a share certificate <u>any Corporate Communication</u>) may be served by the Company or by the Board on any member either personally or by <u>in any of the following manners to the extent permitted by, and in compliance with the requirements of, the Listing Rules:</u></p> <ul data-bbox="416 655 1406 1634" style="list-style-type: none"><li data-bbox="416 655 1406 729"><u>(i) personally or by leaving it at the registered address of such member as appearing in the register;</u><li data-bbox="416 783 1406 942"><u>(ii) 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 (which shall be sent by airmail where it is posted from one country to another);</u><li data-bbox="416 995 1406 1368"><u>(iii) by the Listing Rules and all applicable laws and regulations, by electronic means, including but not limited to, 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 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 by 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;</u><li data-bbox="416 1421 1406 1495"><u>(iv) by placing it on the Company's Website and the Exchange's website; <u>or</u></u><li data-bbox="416 1549 1406 1623"><u>(v) (in the case of notice) by advertisement published in the manner prescribed under the Listing Rules.</u> <p data-bbox="416 1687 1406 1836">In the case of joint holders of a share, all notices it shall be served on given to that holder for the time being whose name stands first in the register and such service notice so given shall be sufficient <u>service on notice to all the joint holders.</u></p>

Article No.	Proposed amendments (showing changes to the existing Articles)
Article 164	<p>A member shall be entitled to have notice served on him at any address within Hong Kong. The Company shall give notice sufficient to enable members, whose registered addresses are in Hong Kong, to exercise their rights or comply with the terms of the notice. Any member who has not given an express positive confirmation in writing to the Company or is not deemed to have given an express confirmation 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 electronic means and whose registered address is outside Hong Kong may notify the Company in writing of an address in Hong Kong which for the purpose of service of notice shall be deemed to be his registered address. A member who has no registered address in Hong Kong shall be deemed to have received any notice which shall have been displayed at the transfer office and shall have remained there for a period of 24 hours and such notice shall be deemed to have been received by such member on the day following that on which it shall have been first so displayed, provided that, without prejudice to the other provisions of these Articles, nothing in this Article 164 shall be construed as prohibiting the Company from sending, or entitling the Company not to send, notices or other documents of the Company to any member whose registered address is outside Hong Kong.</p> <p>[Reserved]</p>

Article No.	Proposed amendments (showing changes to the existing Articles)
Article 165	<p data-bbox="432 357 1273 385"><u>Any notice or document, including any Corporate Communication:</u></p> <p data-bbox="432 421 1390 523">(a) <u>delivered personally 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;</u></p> <p data-bbox="432 559 1390 917">(b) 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 or on such later day as may be prescribed by the Listing Rules, 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;</p> <p data-bbox="432 953 1390 1055">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.</p> <p data-bbox="432 1091 1390 1300">(c) <u>given by electronic means as provided herein shall be deemed to have been served and delivered on the day on which it is 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;</u></p> <p data-bbox="432 1336 1390 1476">(d) <u>served by being placed on the Company's Website and the Exchange's website shall be deemed to be served at such time as it first appears on such website or at such later time as may be prescribed by the Listing Rules; and</u></p> <p data-bbox="432 1513 1390 1683">(e) 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).</p> <p data-bbox="432 1719 1390 1857">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.</p>

Article No.	Proposed amendments (showing changes to the existing Articles)
Article 166	<p>A notice <u>or document (including a Corporate Communication)</u> may be given by the Company to the person or persons entitled to a share in consequence of the death, mental disorder or bankruptcy of a member by sending it through the post in a prepaid letter addressed to him or them by name in the same manner as other notices or documents which are required to be given under the Articles, and shall be addressed to them by name, or by the title of representative of the deceased, or trustee of the bankrupt, or by any like description, at the address, <u>electronic number or address or website, if any,</u> within Hong Kong supplied for the <u>that</u> purpose by the person <u>or persons</u> claiming to be so entitled;₂ or (until such an address has been so supplied) at the option of the Company, <u>such by giving the notice or document may be given</u> in any manner in which the same might have been given if the death, mental disorder or bankruptcy had not occurred.</p>
Article 167	<p>Any person₂, who by operation of law, transfer or other means whatsoever shall <u>becomes</u> entitled to any share₂, shall be bound by every notice <u>or document (including every Corporate Communication)</u> in respect of such share₂, which prior to his name and address being entered on the register shall have been duly given to the person from whom he derives his title to such share.</p>
Article 168	<p>Any notice or document <u>(including every Corporate Communication)</u> delivered or sent to any member in pursuance of these Articles, shall notwithstanding that such member be then deceased and whether or not the Company has notice of his death be deemed to have been duly served in respect of any registered shares whether held solely or jointly with other persons by such member until some other person be registered in his stead as the holder or joint holder thereof, and such service shall for all purposes of these Articles be deemed a sufficient service of such notice or document on his personal representatives and all persons (if any) jointly interested with him in any such shares.</p>
Article 169	<p>The signature to any notice <u>or document (including any Corporate Communication)</u> to be given by the Company may be written or printed by means of facsimile or, where relevant, by Electronic Signature.</p>

Article No.	Proposed amendments (showing changes to the existing Articles)
Article 178	Where a person has in accordance with the Act, the Listing Rules and other applicable laws, rules and regulations consented to receive notices and other documents <u>(including Corporate Communication)</u> from the Company in English language only or the Chinese language only but not both, it shall be sufficient for the Company to serve on or deliver to him any notice or document in such language only in accordance with these presents unless and until there is a notice of revocation or amendment of such consent given or deemed to have <u>be</u> given by such person to the Company in accordance with the Act and other applicable laws, rules and regulations, which shall have effect in respect of any notice or document to be served on or delivered to such person subsequent to the giving of such notice of revocation or amendment.

NOTICE OF ANNUAL GENERAL MEETING



港華智慧能源有限公司 Towngas Smart Energy Company Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1083)

NOTICE IS HEREBY GIVEN THAT the annual general meeting (the “**Annual General Meeting**”) of TOWNGAS SMART ENERGY COMPANY LIMITED (the “**Company**”) will be held at Meeting Room S421 (Harbour Road Entrance), Hong Kong Convention and Exhibition Centre, Wanchai, Hong Kong, on Wednesday, 29 May 2024, at 11:00 a.m., for the following purposes:

1. To receive and adopt the audited consolidated financial statements and the reports of the directors of the Company (the “**Directors**”) and the auditor of the Company for the year ended 31 December 2023;
2. To re-elect the retiring Directors, each as a separate resolution;
3. To authorise the board of Directors (the “**Board**”) to fix the remuneration of the Directors;
4. To re-appoint the auditor of the Company and to authorise the Board to fix the remuneration of the auditor of the Company;
5. To consider and, if thought fit, pass (with or without modifications) the following resolution as an ordinary resolution of the Company:

NOTICE OF ANNUAL GENERAL MEETING

“**THAT:**

- (a) subject to paragraph (b) of this resolution, the exercise by the directors of the Company (the “**Directors**”) during the Relevant Period (as hereinafter defined) of all powers of the Company to buy back the issued shares in the share capital of the Company (the “**Shares**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or 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 such purpose, subject to and in accordance with the rules and regulations of the Securities and Futures Commission, the Stock Exchange or of any other stock exchange as amended from time to time and all applicable laws in this regard, be and is hereby generally and unconditionally approved;
- (b) the aggregate number of Shares which the Directors are authorised to buy back pursuant to the approval in paragraph (a) of this resolution during the Relevant Period shall not exceed 10% of the total number of issued Shares as at the date of passing of this resolution (subject to adjustment in the total number of issued Shares in the case of consolidation, division or sub-division of all or any of the share capital of the Company during the Relevant Period) and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and
- (c) for the purpose of this resolution, “**Relevant Period**” means the period from the date of passing of this resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the 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 law of the Cayman Islands to be held; and
 - (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution.”

NOTICE OF ANNUAL GENERAL MEETING

6. To consider and, if thought fit, pass (with or without modifications) the following resolution as an ordinary resolution of the Company:

“THAT:

- (a) subject to paragraph (c) of this resolution, and pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the exercise by the directors of the Company (the “**Directors**”) during the Relevant Period (as hereinafter defined) of all powers of the Company to allot, issue and deal with additional shares of HK\$0.10 each in the share capital of the Company (the “**Shares**”) and to make or grant offers, agreements and options (including bonds, warrants, debentures, notes and any securities which carry rights to subscribe for or are convertible into shares of the Company) which would or might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this resolution shall authorise the Directors during the Relevant Period to allot, issue and deal with additional Shares and to make or grant offers, agreements and options (including bonds, warrants, debentures, notes and any securities which carry rights to subscribe for or are convertible into shares of the Company) which would or might require the exercise of such powers after the end of the Relevant Period;

NOTICE OF ANNUAL GENERAL MEETING

- (c) the aggregate number of Shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) by the Directors pursuant to the approval in paragraph (a) of this resolution during the Relevant Period, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); or (ii) any issue of Shares for the grant or exercise of any option under any share option scheme of the Company or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company; or (iii) any issue of Shares as scrip dividend or similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on Shares in accordance with the Articles of Association of the Company in force from time to time; or (iv) any issue of Shares in the Company upon the exercise of rights of subscription or conversion under the terms of any existing warrants of the Company or any existing securities of the Company, shall not exceed 20% of the total number of issued Shares as at the date of passing of this resolution (subject to adjustment in the total number of issued Shares in the case of consolidation, division or sub-division of all or any of the share capital of the Company during the Relevant Period) and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and
- (d) for the purpose of this resolution, “**Relevant Period**” means the period from the date of passing of this resolution until whichever is the earliest of:
- (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the 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 law of the Cayman Islands to be held; and
 - (iii) the passing of an ordinary resolution by the Shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution.

NOTICE OF ANNUAL GENERAL MEETING

“**Rights Issue**” means an offer of shares in the Company, or offer or issue of warrants, options or other securities giving rights to subscribe for shares open for a period fixed by the Directors to holders of shares in the Company whose names appear on the register on a fixed record date in proportion to their holdings of such shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction applicable to the Company, or any recognised regulatory body or any stock exchange applicable to the Company).”

7. To consider and, if thought fit, pass (with or without modifications) the following resolution as an ordinary resolution of the Company:

“**THAT** conditional upon the passing of resolutions nos. 5 and 6 set out in the notice convening this meeting, the unconditional general mandate granted to the directors of the Company to allot, issue and deal with additional Shares and to make or grant offers, agreements and options which might require the exercise of such powers pursuant to resolution no. 6 set out in the notice convening this meeting be and is hereby extended by the addition thereto of such number of Shares representing the aggregate number of Shares bought back by the Company under the authority granted pursuant to resolution no. 5 set out in the notice convening this meeting, provided that such number of additional Shares shall not exceed 10% of the total number of issued Shares as at the date of passing of this resolution (subject to adjustment in the total number of issued Shares in the case of consolidation, division or sub-division of all or any of the share capital of the Company during the Relevant Period).”

8. As special business, to consider and, if thought fit, pass (with or without modifications) the following resolution as an ordinary resolution of the Company:

“**THAT** the payment of a final dividend, with an option for scrip dividend, from the share premium account of the Company of 16 HK cents per share in respect of the year ended 31 December 2023 to the shareholders of the Company whose names appear on the register of members of the Company on 6 June 2024 be and is hereby approved.”

NOTICE OF ANNUAL GENERAL MEETING

9. As special business, to consider and, if thought fit, pass (with or without modifications) the following resolution as a special resolution of the Company:

Special Resolution

“**THAT** the new memorandum and articles of association of the Company (the “**New Memorandum and Articles**”, a copy of which is produced to the meeting marked “**A**” and initialed by the Chairman of this meeting for the purpose of identification) be and is hereby approved and adopted as the memorandum and articles of association of the Company in substitution for, and to the exclusion of, the existing articles of association of the Company with immediate effect after the close of this meeting and that any one Director or the company secretary of the Company be and are hereby authorised to do all things necessary to implement the adoption of the New Memorandum and Articles.”

By Order of the Board
Towngas Smart Energy Company Limited
Elsa Wong Lai-kin
Company Secretary

Hong Kong, 17 April 2024

Registered Office:

P.O. Box 309
Ugland House
Grand Cayman
KY1-1104
Cayman Islands

Head Office and Principal Place of Business in Hong Kong:

23rd Floor
363 Java Road
North Point
Hong Kong

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. Members of the Company who are entitled to attend and vote at the Annual General Meeting are those whose names appear as members of the Company as at the close of business on Thursday, 23 May 2024. In order to be entitled to attend and vote at the Annual General Meeting, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Hong Kong branch share transfer office of the Company, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Thursday, 23 May 2024.
2. A member of the Company entitled to attend, speak and vote at the Annual General Meeting convened by the above notice is entitled to appoint one or more proxies to attend, speak and vote instead of such member. A proxy need not be a member of the Company.
3. Completion and delivery of the form of proxy will not preclude a member of the Company from attending and voting at the meeting if the member so desires. In such event, the appointment of proxy will be deemed to be revoked.
4. At the Annual General Meeting, in compliance with Rule 13.39(4) of the Rules Governing the Listing of Securities on the Stock Exchange, the chairman of the meeting will exercise his power under Article 76 of the articles of association of the Company to put each of the resolutions set out in this notice of Annual General Meeting to vote by way of poll.
5. In order to be valid, the form of proxy together with a power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority must be deposited with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 11:00 a.m. on Monday, 27 May 2024, or not less than 48 hours before the time appointed for holding of any adjourned meeting (as the case may be).
6. With regard to item no. 2 in this notice, the Board proposes that the retiring Directors, namely, Mr. LIU Kai Lap Kenneth, Mr. Martin Kee Wai-ngai and Dr. LOH Kung Wai Christine, be re-elected as Directors. Biographical details of these Directors are set out in Appendix II to the circular despatched to shareholders of the Company dated 17 April 2024.
7. As at the date of this notice, the non-executive Directors are Dr. Lee Ka-kit (Chairman) and Mr. LIU Kai Lap Kenneth, the executive Directors are Mr. Peter Wong Wai-yee (Chief Executive Officer), Mr. Martin Kee Wai-ngai (Chief Operating Officer – Gas Business) and Dr. John Qiu Jian-hang (Chief Operating Officer – Renewable Business), and the independent non-executive Directors are Dr. the Hon. Moses Cheng Mo-chi, Mr. Brian David Li Man-bun and Dr. LOH Kung Wai Christine.
8. In the event that a typhoon signal no. 8 or above is hoisted or a black rainstorm warning signal is in force on the day of the Annual General Meeting, shareholders are suggested to visit the Company's website (www.towngassmartenergy.com) for arrangements of the Annual General Meeting.
9. To the extent that there are any inconsistencies between the English version and the Chinese version of this notice, the English version shall prevail.