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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 AND
CLOSURE OF REGISTER OF MEMBERS,
RE-ELECTION OF DIRECTORS
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 Thursday, 25 May 2023 at 11:00 a.m. is set out on pages 22 to 28 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 office of the Company's branch share registrar in Hong Kong, 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 Tuesday, 23 May 2023, 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.

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 2023

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. ANNUAL GENERAL MEETING	9
7. ACTION TO BE TAKEN	10
8. RECOMMENDATION	10
9. DIRECTORS' RESPONSIBILITY STATEMENT	10
APPENDIX I — EXPLANATORY STATEMENT ON THE BUY-BACK MANDATE	11
APPENDIX II — BIOGRAPHICAL DETAILS OF THE DIRECTORS PROPOSED FOR RE-ELECTION	15
NOTICE OF ANNUAL GENERAL MEETING	22

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 Thursday, 25 May 2023 at 11:00 a.m. and any adjournment thereof, notice of which is set out on pages 22 to 28 of this circular
“AGM Notice”	the notice for convening the AGM set out on pages 22 to 28 of this circular
“Annual Report”	the annual report of the Company for the year ended 31 December 2022
“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 15 HK cents per Share in respect of the year ended 31 December 2022
“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 66.36% of the total issued Shares as at the Latest Practicable Date
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	6 April 2023, 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
“Ordinary Resolution(s)”	the proposed ordinary resolution(s) as referred to in the AGM Notice
“PRC”	People’s Republic of China which, for the purpose of this circular excludes Hong Kong, the Macao Special Administrative Region and Taiwan
“Scrip Dividend Scheme”	the scrip dividend scheme proposed by the Board and announced in the results announcement of the Company on 16 March 2023 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

DEFINITIONS

“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
“Shareholder(s)”	holder(s) of Shares
“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
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs
“HK\$”	Hong Kong dollars, the lawful currency 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. John Ho Hon-ming

(Company Secretary)

Mr. Martin Kee Wai-ngai

(Chief Operating Officer – Gas Business)

Dr. John Qiu Jian-hang

(Chief Operating Officer – Renewable Business)

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

Independent Non-Executive Directors:

Dr. the Hon. Moses Cheng Mo-chi

Mr. Brian David Li Man-bun

Mr. James Kwan Yuk-choi

Dr. LOH Kung Wai Christine

17 April 2023

To the Shareholders

Dear Sir or Madam,

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

1. INTRODUCTION

At the annual general meeting of the Company held on 26 May 2022, 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 16 March 2023 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 15 HK cents per Share in respect of the year ended 31 December 2022. 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 and closure of the register of members of the Company, the re-election of retiring Directors, 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 subdivision 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 3,258,725,526 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 325,872,552 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 16 March 2023, it was the intention of the Board to recommend the payment of the Dividend out of the share premium account of the Company of 15 HK cents per Share in respect of the year ended 31 December 2022 to Shareholders whose names appear on the register of members of the Company as at the close of business on 5 June 2023, totaling not less than HK\$488,808,000, 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 9 June 2023.

The Scrip Dividend Scheme is conditional upon the passing of the resolution 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 11 July 2023.

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 22 May 2023 to 25 May 2023, 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 1 June 2023 to 5 June 2023, 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.

All completed transfer forms accompanied by the relevant share certificates must be lodged with the branch share registrar of the Company in Hong Kong, 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 19 May 2023 and 31 May 2023 respectively.

5. RE-ELECTION OF DIRECTORS

The Board currently consists of ten Directors, namely Dr. Lee Ka-kit (Chairman), Mr. LIU Kai Lap Kenneth, being the non-executive Directors, Mr. Peter Wong Wai-yee (Chief Executive Officer), Mr. John Ho Hon-ming (Company Secretary), 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, Mr. James Kwan Yuk-choi 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 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.

In accordance with Article 112 of the Articles, Mr. Brian David Li Man-bun, Mr. James Kwan Yuk-choi, Mr. Peter Wong Wai-yee and Dr. John Qiu Jian-hang, shall retire from office by rotation at the AGM and all of them, being eligible, would offer themselves for re-election at the AGM.

LETTER FROM THE BOARD

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.

Mr. Brian David Li Man-bun was appointed to the Board on 23 May 2007 and has served on the Board as an independent non-executive director for more than 9 years. The Board is of the view that as Mr. Li is not involved in the daily management of the Group nor in any relationships or circumstances which would interfere with the exercise of his independent judgment as an independent non-executive Director, he has demonstrated his ability to provide independent view to the Company's affairs and is able to continue to fulfill his role as required.

Mr. Li is an accounting professional and has wide experience in banking, corporate finance and management. After having considered a balance of factors such as skills, experience and diversity of perspectives appropriate to the requirements of the Company's business as set out in the diversity policy of the Company, the Nomination Committee and the Board recommends Mr. Li for re-election at the AGM.

Each of Mr. Brian David Li Man-bun and Mr. James Kwan Yuk-choi has given a confirmation in writing of his independence to the Company 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 Mr. Li and Mr. Kwan meet the guidelines for assessing independence set out in Rule 3.13 of the Listing Rules and has considered them to be independent.

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. 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 and closure of the register of members, and re-election of retiring Directors, is set out on pages 22 to 28 of this circular.

LETTER FROM THE BOARD

7. 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 office of the Company's branch share registrar in Hong Kong, 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 Tuesday, 23 May 2023, 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).

8. 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.

9. 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

John Ho Hon-ming

Executive Director and Company Secretary

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.

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 3,258,725,526 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 325,872,552 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>
May 2022	3.99	3.57
June 2022	4.29	3.88
July 2022	4.37	3.72
August 2022	3.92	3.23
September 2022	3.49	2.97
October 2022	3.33	2.73
November 2022	3.55	2.79
December 2022	4.06	3.47
January 2023	4.44	3.81
February 2023	4.19	3.84
March 2023	4.24	3.27
April 2023 (up to the Latest Practicable Date)	3.41	3.30

7. UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they 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 2,162,535,761 Shares representing approximately 66.36% 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 shall increase from approximately 66.36% to approximately 73.73%. 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. BRIAN DAVID LI MAN-BUN

Mr. Brian David Li Man-bun, JP, FCA, MBA, MA (Cantab), aged 48, has been an Independent Non-Executive Director of the Company since May 2007 and is the Chairman of the Board Audit and Risk Committee and a member of the Remuneration Committee and the Nomination Committee of the Company. Mr. Li is Co-Chief Executive of The Bank of East Asia, Limited (“BEA”) (a listed company on the Stock Exchange). He is responsible for the overall management and control of the BEA Group with a particular focus on its China and international businesses. He was General Manager & Head of Wealth Management Division of BEA from July 2004 to March 2009, and Deputy Chief Executive of BEA from April 2009 to June 2019. Mr. Li was appointed Executive Director of BEA in August 2014 and Co-Chief Executive of BEA in July 2019. He is also an independent non-executive director of Shenzhen Investment Holdings Bay Area Development Company Limited, China Overseas Land & Investment Limited and Guangdong Investment Limited, all of which are listed companies on the Stock Exchange. Mr. Li holds a number of public and honorary positions, including being a member of the National Committee of the Chinese People’s Political Consultative Conference and a Vice Chairman of its Committee on Social and Legal Affairs, a Member of the Chief Executive’s Council of Advisers of the Government of the Hong Kong Special Administrative Region, a Council Member of the Hong Kong Trade Development Council, a Director of the Financial Services Development Council, a Member of the Process Review Panel for the Securities and Futures Commission, a Member of the Disaster Relief Fund Advisory Committee and a Vice Chairman of the Asian Financial Cooperation Association. Mr. Li is a Fellow of the Hong Kong Institute of Certified Public Accountants and the Institute of Chartered Accountants in England and Wales. He is also a Member of the Hong Kong Academy of Finance, an Honorary Certified Banker of The Hong Kong Institute of Bankers and a Full Member of the Treasury Markets Association. Mr. Li holds an MBA degree from Stanford University as well as a BA degree from the University of Cambridge.

Save as disclosed above, Mr. Li 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 17 March 2022 between the Company and Mr. Li, Mr. Li 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. Li’s director’s fee is HK\$500,000 per annum, 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. Li 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. Li 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. Li 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. JAMES KWAN YUK-CHOI

Mr. James Kwan Yuk-choi, *J.P., R.P.E.(Gas), C.Eng., Hon.F.H.K.I.E., F.I.G.E.M., F.I.Mech.E., F.E.I., F.C.I.B.S.E., M.B.A., B.Sc. (Eng)*, aged 71, was appointed as an Executive Director of the Company in 2007 and was re-designated as a Non-Executive Director of the Company in 2013. Mr. Kwan was re-designated as an Independent Non-Executive Director and appointed as a member of the Board Audit and Risk Committee, the Remuneration Committee and the Nomination Committee of the Company with effect from May 2015. Mr. Kwan was previously an independent non-executive director of MTR Corporation Limited (“MTR”) (a listed public company) until his retirement at MTR on 26 May 2021. He was awarded an Honorary Fellowship by The Hong Kong University of Science and Technology in 2011 and a VTC Honorary Fellowship by the Vocational Training Council in 2015. He was the President of The Institution of Gas Engineers (currently known as The Institution of Gas Engineers & Managers) in the United Kingdom in 2000/2001 and The Hong Kong Institution of Engineers in 2004/2005. Mr. Kwan was also a former member of the Construction Industry Council, the Transport Advisory Committee, the Vocational Training Council and the Standing Committee on Disciplined Services Salaries and Conditions of Service of the Hong Kong Special Administrative Region. Mr. Kwan is a Registered Professional Engineer (Gas), a Chartered Engineer, Honorary Fellow of The Hong Kong Institution of Engineers, Fellow of The Institution of Mechanical Engineers, Fellow of The Institution of Gas Engineers & Managers, Fellow of The Energy Institute and Fellow of Chartered Institution of Building Services Engineers of the United Kingdom.

Save as disclosed above, Mr. Kwan 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 17 March 2022 between the Company and Mr. Kwan, Mr. Kwan has no fixed or proposed term of director's service with the Company. 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. Kwan's director's fee is HK\$500,000 per annum, 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. Kwan had personal interest in 2,265,000 Shares, representing approximately 0.07% of the total number of the then issued Shares. Mr. Kwan also had personal and family interest in 121,275 and 142,299 shares respectively in HKCG, being an associated corporation of the Company, as at the Latest Practicable Date, representing approximately 0.0014% of the total number of the then issued shares of HKCG.

Save as disclosed herein, as at the Latest Practicable Date, (a) Mr. Kwan 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 Mr. Kwan 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) MR. PETER WONG WAI-YEE

Mr. Peter Wong Wai-ye, *C.P.A.(CANADA), C.M.A., C.P.A.(HK), A.C.G., H.K.A.C.G., F.I.G.E.M., F.H.K.I.o.D., M.B.A.*, aged 71, has been an Executive Director and the Chief Executive Officer of the Company since March 2007. Mr. Wong was appointed to the Board of Directors of HKCG in February 2013 and has been the Managing Director of HKCG with effect from 6 June 2022. Mr. Wong also holds directorships in various subsidiaries of the HKCG Group. He is a director of Shenzhen Gas Corporation Ltd. (“Shenzhen Gas”) and was appointed as the Vice Chairman of Shenzhen Gas with effect from 26 April 2022. Mr. Wong was appointed as a director of Foran Energy Group Co., Ltd. (“Foran Energy”) with effect from 8 April 2022 and was appointed as the Vice Chairman of Foran Energy with effect from 29 December 2022. He was previously a director of China-Singapore Suzhou Industrial Park Development Group Co., Ltd. (“CSSD”) until his retirement at CSSD on 29 June 2020. All of the above companies are listed public companies. Mr. Wong was named consecutively as one of “The Best CEO of Chinese Listed Companies” by Forbes in 2012 and 2013. He is a chartered professional accountant of Canada, a certified public accountant of Hong Kong and a chartered company secretary and chartered governance professional both in Hong Kong and the United Kingdom. Mr. Wong is a Fellow of The Hong Kong Institute of Directors and a Fellow of The Institution of Gas Engineers and Managers of the United Kingdom. He completed the Advanced Management Program from Harvard Business School in the United States. Mr. Wong was formerly a director of the Certified Management Accountants Society of British Columbia, Canada and the president of its Hong Kong branch, a member of the Advisory Board of the Department of Accounting of Hong Kong Shue Yan University, and a member of the Mainland Business Advisory Committee of the Hong Kong Trade Development Council. He is a Council Member of the Vocational Training Council, a Council Member of the Employers’ Federation of Hong Kong, and a member of the Advisory Committee and an External Advisor of the Career Planning and Development Steering Committee of the College of Professional and Continuing Education, The Hong Kong Polytechnic University. He is also the Chairman of the Advisory Board of The Hong Kong Management Association (“HKMA”) Global Centre for ESG Education and Research 2021/2022 and a council member of HKMA 2021/2022. Mr. Wong has over 46 years of experience in corporate finance, management and international working experience.

Save as disclosed above, Mr. Wong 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 1 April 2012 between the Company and Mr. Wong, Mr. Wong 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. Wong's current director's fee is HK\$200,000 per annum. In addition, Mr. Wong has also received other emoluments of approximately HK\$9,325,000 for the year ended 31 December 2022. 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. Wong had personal interest in 5,120,000 Shares, and he is deemed to be interested in 1,800,000 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 0.21% of the total number of the then issued Shares.

Save as disclosed herein, as at the Latest Practicable Date, (a) Mr. Wong 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. Wong 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.

(4) DR. JOHN QIU JIAN-HANG

Dr. John Qiu Jian-hang, aged 59, has been an Executive Director and the Chief Operating Officer – Renewable Business of the Company since November 2021. Dr. Qiu obtained his bachelor's degree and master's degree in engineering from Tsinghua University in the PRC, and his doctorate degree in engineering from Heriot-Watt University in the United Kingdom successively. In 2008, Dr. Qiu completed the Executive Development Programme of the Wharton School of the University of Pennsylvania. Dr. Qiu is a Chartered Engineer of the Institution of Gas Engineers & Managers of the United Kingdom. Dr. Qiu joined HKCG Group in 2003 and has been the Chief Operating Officer – Renewable Business of HKCG since 2021. He was appointed various management roles in different business joint ventures in mainland China throughout his 19 years with the HKCG Group. These include positions of General Manager of both 馬鞍山港華燃氣有限公司 (Maanshan Hong Kong and China Gas Company Limited), a joint venture of the Company and 西安秦華天然氣有限公司 (now known as 西安秦華燃氣集團有限公司) (Xian Qinhuo Gas Group Co., Ltd.), a joint venture of HKCG, in 2003 and 2006 respectively. He successively served as Regional General Manager of the South China region in 2009 overseeing sixteen joint ventures. In the same year, Dr. Qiu's role was expanded to Senior Vice-President, Commercial & Industrial Marketing on top of managing the South China region. In 2021, Dr. Qiu was appointed to his current position as Executive Vice-President – Smart Energy of the HKCG Group leading the high potential business of renewable energy in mainland China. He resigned as the supervisor and Chairman of the Supervisory Board of Foran Energy with effect from 8 April 2022.

Save as disclosed above, Dr. Qiu 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 Dr. Qiu, Dr. Qiu 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. Dr. Qiu's current director's fee is HK\$200,000 per annum. In addition, Dr. Qiu has also received other emoluments of approximately HK\$6,749,000 for the year ended 31 December 2022. 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, Dr. Qiu had personal interest in 1,350,000 Shares, and he is deemed to be interested in 1,350,000 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 then issued Shares.

Save as disclosed herein, as at the Latest Practicable Date, (a) Dr. Qiu 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 Dr. Qiu 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.

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 Thursday, 25 May 2023, 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 2022;
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).”

NOTICE OF ANNUAL GENERAL MEETING

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 15 HK cents per share in respect of the year ended 31 December 2022 to the shareholders of the Company whose names appear on the register of members of the Company on 5 June 2023 be and is hereby approved.”

By Order of the Board
Towngas Smart Energy Company Limited
John Ho Hon-ming
Executive Director and Company Secretary

Hong Kong, 17 April 2023

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. A member of the Company entitled to attend and vote at the Annual General Meeting convened by the above notice is entitled to appoint one or more proxies to attend and vote instead of such member. A proxy need not be a member of the Company.
2. 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.
3. 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 to put each of the resolutions set out in this notice of Annual General Meeting to vote by way of poll.
4. 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 branch share registrar in Hong Kong, 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 Tuesday, 23 May 2023, or not less than 48 hours before the time appointed for holding of any adjourned meeting (as the case may be).
5. With regard to item no. 2 in this notice, the Board proposes that the retiring Directors, namely, Mr. Brian David Li Man-bun, Mr. James Kwan Yuk-choi, Mr. Peter Wong Wai-yee and Dr. John Qiu Jian-hang, 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 2023.
6. 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. John Ho Hon-ming (Company Secretary), 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, Mr. James Kwan Yuk-choi and Dr. LOH Kung Wai Christine.
7. Shareholders who wish to attend the Annual General Meeting are encouraged to take note that Hong Kong Government appealed to the public to wear a mask when having respiratory symptoms or weakened immunity and going to crowded places.

Subject to the public health requirements or guidelines of Hong Kong Government and/or regulatory authorities, the Company may announce further updates on the arrangement of the Annual General Meeting on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.towngassmartenergy.com) as and when appropriate.
8. To the extent that there are any inconsistencies between the English version and the Chinese version of this notice, the English version shall prevail.