
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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,
ADOPTION OF SHARE OPTION SCHEME,
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 18th Floor, Harbour East, 218 Electric Road, North Point, Hong Kong on Thursday, 26 May 2022 at 11:00 a.m. is set out on pages 95 to 103 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, 24 May 2022, 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.

PRECAUTIONARY MEASURES FOR ANNUAL GENERAL MEETING

To safeguard the health and safety of shareholders and to prevent and control the spread of the novel coronavirus disease (COVID-19), the following precautionary measures will be implemented at the annual general meeting:

- **compulsory body temperature checks and health declarations**
- **scanning the "LeaveHomeSafe" venue QR Code**
- **wearing of surgical face mask**
- **designated seating area**
- **no distribution of refreshment or gift**

Any person who does not comply with the precautionary measures or is subject to any Hong Kong Government prescribed quarantine may be denied entry into the meeting venue. The Company reminds shareholders that they may consider appointing the chairman of the meeting as their proxy to vote on the relevant resolution(s) at the meeting as an alternative to attending the meeting in person.

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

14 April 2022

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PRECAUTIONARY MEASURES FOR ANNUAL GENERAL MEETING

In view of the ongoing novel coronavirus disease (COVID-19) and recent requirements, if any, for prevention and control of its spread, the following precautionary measures will be implemented at the annual general meeting of the Company (“AGM”):

1. Compulsory body temperature checks will be conducted for every attendee at the entrance of the AGM venue. Any person with a body temperature of over 37.4 degree Celsius may be denied entry into the AGM venue and be required to leave the AGM venue.
2. Every attendee will be required to wear a surgical face mask throughout the AGM and inside the AGM venue, and to sit at a distance from other attendees. Please note that no masks will be provided at the meeting venue and attendees should bring and wear their own masks.
3. Each attendee is required to comply with the entry requirements of the AGM venue, including scanning of the “LeaveHomeSafe” venue QR code.
4. No refreshment will be served, and there will be no gift.
5. Each attendee may be asked whether (a) he/she has travelled outside of Hong Kong within the 14-day period immediately before the AGM; (b) he/she is subject to any HKSAR Government prescribed quarantine; and (c) he/she has any flu-like symptoms or close contact with any person under quarantine or with recent travel history. Anyone who responds positively to any of these questions may be denied entry into the AGM venue and be required to leave the AGM venue.

PRECAUTIONARY MEASURES FOR ANNUAL GENERAL MEETING

LIMITING ATTENDANCE IN PERSON AT THE AGM MEETING VENUE

The Company will limit attendance in person at the AGM venue in accordance with prevailing requirements or guidelines published by the Government of Hong Kong and/or regulatory authorities at the time of the AGM. The Company will continue to closely monitor the development of the pandemic situation in Hong Kong and the latest announcement published by the Government of Hong Kong in respect of the latest social distancing measures and further update on the AGM arrangements.

ATTENDING THE ANNUAL GENERAL MEETING BY MEANS OF ELECTRONIC FACILITIES

The AGM will be a hybrid meeting. In addition to the traditional physical attendance at the AGM, Shareholders have the option of attending, participating and voting at the AGM through online access by visiting website at <https://meetings.computershare.com/TSELAGM2022> (the “**Online Platform**”). Shareholders participating in the AGM using the Online Platform will also be counted towards the quorum and they will be able to cast their votes and submit questions through the Online Platform. Votes cast through the Online Platform are irrevocable once the voting session at the AGM ends.

The Online Platform will be open for registered Shareholders and non-registered Shareholders (see below for login details and arrangements) to log in approximately 30 minutes prior to the commencement of the AGM and can be accessed from any location with internet connection by a smart phone, tablet device or computer. Shareholders should allow ample time to check into the Online Platform to complete the related procedures.

Login details for registered Shareholders

Details regarding the AGM arrangements including login details to access the Online Platform are included in the Company’s notification letter to registered Shareholders sent together with this circular.

PRECAUTIONARY MEASURES FOR ANNUAL GENERAL MEETING

Login details for non-registered Shareholders

Non-registered Shareholders who wish to attend, participate and vote at the AGM using the Online Platform should (1) contact and instruct their banks, brokers, custodians, nominees or HKSCC Nominees Limited through which their shares are held (together, the “**Intermediary**”) to appoint themselves as proxy or corporate representative to attend the AGM and (2) provide their email address to their Intermediary before the time limit required by the relevant Intermediary. Details regarding the AGM arrangements including login details to access the Online Platform will be sent by the branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, to the email address of the non-registered Shareholders provided by the Intermediary. Any non-registered Shareholder who has provided an email address through the relevant Intermediary for this purpose but has not received the login details by email by 11:00 a.m. on Wednesday, 25 May 2022 should reach out to the branch share registrar of the Company in Hong Kong for assistance. Without the login details, non-registered Shareholders will not be able to participate and vote using the Online Platform. Non-registered Shareholders should therefore give clear and specific instructions to their Intermediary in respect of both (1) and (2) above.

Registered and non-registered Shareholders should note that only one device is allowed per login. Please also keep the login details in safe custody for use at the AGM and do not disclose them to anyone else. Neither the Company nor its agents assume any obligation or liability whatsoever in connection with the transmission of the login details or any use of the login details for voting or otherwise.

If any Shareholder has any question relating to the AGM, please contact the branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited as follows:

Computershare Hong Kong Investor Services Limited
17M Floor, Hopewell Centre
183 Queen’s Road East,
Wanchai, Hong Kong

Website: www.computershare.com/hk/contact
Telephone: (852) 2862 8555
Facsimile: (852) 2865 0990

PRECAUTIONARY MEASURES FOR ANNUAL GENERAL MEETING

Shareholders will be able to raise questions by text related to the proposed resolutions during the live online webcast. Shareholders can also send the questions in writing before the AGM, to our principal place of business or to our email at tse1.ir@towngassmartenergy.com

The Company may not be able to answer all the questions during the time allocated. Unanswered questions may be responded to after the AGM.

In addition, the Company reminds all Shareholders that physical attendance in person at the AGM is not necessary for the purpose of exercising voting rights. Shareholders may consider submitting their completed forms of proxy in advance of the AGM. Completion and return of the form of proxy will not preclude a Shareholder from attending and voting (whether physically or online) at the AGM or any adjournment thereof should the Shareholder so desire, and, in the such event, the proxy appointment shall be deemed to be revoked.

As at the date of this circular, conduct of physical general meetings of companies are not permitted pursuant to the Prevention and Control of Disease (Requirements and Directions) (Business and Premises) Regulation (Cap. 599F). A ban on the conducting of physical general meetings of companies may still in force on the date of the AGM. The Company may implement further procedures and precautionary measures and change the AGM arrangements at short notice. Shareholders should visit the Company's website at www.towngassmartenergy.com for future announcements and updates on the AGM arrangements.

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 18th Floor, Harbour East, 218 Electric Road, North Point, Hong Kong on Thursday, 26 May 2022 at 11:00 a.m. and any adjournment thereof, notice of which is set out on pages 95 to 103 of this circular
“AGM Notice”	the notice for convening the AGM set out on pages 95 to 103 of this circular
“Adoption Date”	the date on which the Share Option Scheme is conditionally adopted by a resolution of the Shareholders as set out in Ordinary Resolution No. 9 of the AGM Notice
“Annual Report”	the annual report of the Company for the year ended 31 December 2021
“Articles”	the articles of association of the Company as amended, supplemented or modified from time to time
“associate”	has the meaning ascribed to it under the Listing Rules
“Auditors”	the auditors for the time being of the Company
“Board”	the board of Directors
“Business Day”	a day on which banks in Hong Kong are generally open for normal banking business and which is not a Saturday, Sunday or public holiday in Hong Kong
“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

DEFINITIONS

“chief executive”	has the meaning ascribed to it under the Listing Rules
“close associate”	has the meaning ascribed to it under the Listing Rules
“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
“connected person”	has the meaning ascribed to it under the Listing Rules
“core connected persons”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Dividend”	the final dividend proposed to be paid out of the retained earnings account and share premium account of the Company of HK fifteen cents per Share in respect of the year ended 31 December 2021
“electronic communication”	a communication sent by electronic transmission in any form through any medium
“Grantee”	any Participant who accepts an Offer in accordance with the terms of the Share Option Scheme or (where the context so permits) the legal personal representative(s) entitled to any such Option in consequence of the death of the original Grantee
“Group”	the Company and its subsidiaries
“HKCG”	The Hong Kong and China Gas Company Limited, a controlling Shareholder of the Company holding approximately 65.98% of the total issued Shares as at the Latest Practicable Date

DEFINITIONS

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	7 April 2022, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	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
“Offer”	the offer of the grant of an Option made by the Board in accordance with the Share Option Scheme
“Offer Date”	the date on which an Offer is made to a Participant in accordance with the Share Option Scheme
“Option(s)”	option(s) granted to the Participant(s) to subscribe for Shares pursuant to the terms of the Share Option Scheme
“Option Period”	a period to be determined by the Board at its absolute discretion and notified by the Board to each Grantee as being the period during which an Option may be exercised and in any event, such period shall not be longer than 10 years from the date upon which any particular Option is granted in accordance with the Share Option Scheme
“Ordinary Resolution(s)”	the proposed ordinary resolution(s) as referred to in the AGM Notice

DEFINITIONS

“Participant(s)”	(i) any director, chief executive or employee (whether full-time or part-time) of each member of the Group; and (ii) any consultant and other adviser to each member of the Group who is also a director and/or senior management staff of subsidiary(ies) of HKCG, provided that the Board may at its absolute discretion determine whether or not one falls within the above categories
“Relevant Company”	the Company or the relevant subsidiary of the Company
“Scrip Dividend Scheme”	the scrip dividend scheme proposed by the Board and announced in the results announcement of the Company on 17 March 2022 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 Option Scheme”	the share option scheme proposed to be conditionally approved and adopted by the Company at the AGM and by HKCG at its annual general meeting expected to be held on 6 June 2022, a summary of the principal terms of which is set out in Appendix III to this circular
“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

DEFINITIONS

“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
“Special Resolution”	the proposed special resolution as referred to in the AGM Notice
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the price per Share at which a Grantee may subscribe for Shares on the exercise of an Option pursuant to the Share Option Scheme
“subsidiary” or “subsidiaries”	has the same meaning ascribed to it under the Listing Rules
“substantial shareholder(s)”	has the same meaning ascribed to it under the Listing Rules
“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. Alfred Chan Wing-kin

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

14 April 2022

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,
ADOPTION OF SHARE OPTION SCHEME,
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 27 May 2021, 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 17 March 2022 that it was the intention of the Board to recommend the payment of the Dividend out of the retained earnings account and share premium account of the Company of HK fifteen cents per Share in respect of the year ended 31 December 2021. 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, the proposed adoption of the Share Option Scheme 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 3,159,895,343 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 315,989,534 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 17 March 2022, it was the intention of the Board to recommend the payment of the Dividend out of the retained earnings account and share premium account of the Company of HK fifteen cents per Share in respect of the year ended 31 December 2021 to Shareholders whose names appear on the register of members of the Company as at the close of business on 6 June 2022, totaling not less than HK\$473,984,000, 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 10 June 2022.

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 12 July 2022.

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 23 May 2022 to 26 May 2022, 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 2022 to 6 June 2022, 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, 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on 20 May 2022 and 31 May 2022 respectively.

5. RE-ELECTION OF DIRECTORS

The Board currently consists of eleven Directors, namely Dr. Lee Ka-kit (Chairman), Mr. LIU Kai Lap Kenneth, being the non-executive Directors, Mr. Alfred Chan Wing-kin, 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.

LETTER FROM THE BOARD

In accordance with Article 112 of the Articles, Dr. the Hon. Moses Cheng Mo-chi, Mr. John Ho Hon-ming and Mr. Martin Kee Wai-ngai shall retire from office by rotation at the AGM and all of them, being eligible, would offer themselves for re-election at the AGM. Separately, Mr. Alfred Chan Wing-kin has informed the Company that he will retire after the conclusion of the AGM pursuant to Article 112 and will not stand for re-election.

Pursuant to Article 95 of the Articles, any Director appointed by the Board shall hold office only until the next following general meeting of the Company (in the case of filling a casual vacancy) or until the next following annual general meeting of the Company (in the case of an addition to the Board) and shall then be eligible for re-election at that meeting. By virtue of Article 95 of the Articles, Dr. Lee Ka-kit, Mr. LIU Kai Lap Kenneth, Dr. John Qiu Jian-hang and Dr. Loh Kung Wai Christine shall hold office from the date of their respective appointment until the forthcoming AGM and, being eligible, will offer themselves for re-election.

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.

Dr. the Hon. Moses Cheng Mo-chi was appointed to the Board on 23 May 2007 and has served on the Board for more than 9 years. The Board is of the view that as Dr. Cheng 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.

The Board has been informed by Dr. Cheng that he has already held directorships in more than 6 listed public companies. Dr. Cheng (i) is of the view that he would be able to and would have the capacity to devote sufficient time to fulfill his duties as a director of the Company; and (ii) would from time to time review his workload and timing arrangements in relation thereto.

LETTER FROM THE BOARD

Dr. Cheng is a legal professional with an illustrious career, and has extensive experiences in corporate law. Dr. Cheng was the Chairman of the Insurance Authority. With his professional legal and insurance experience, skills and knowledge, Dr. Cheng would provide related valuable advice to the business development of the Company and contribute to diversity of the existing Board. Dr. Cheng has actively participated in meetings of the Board and various committees held by the Company in the past. In view of this, the Board, through the assessment and recommendation by the Nomination Committee, believes that Dr. Cheng would still be able to devote sufficient time to the Board and demonstrate his ability to provide professional and independent views to the Company's affairs and is able to continue to fulfill his role as required and thus recommends him for re-election at the AGM.

Dr. Cheng 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 Dr. Cheng 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. PROPOSED ADOPTION OF THE SHARE OPTION SCHEME

To provide the Company with a flexible means of giving incentive to, rewarding, remunerating, compensating and/or providing benefits to the eligible Participants, attracting and retaining persons with the right calibre and experience to work for or make contribution to the Group, fostering a sense of belonging with the Group, and allowing the Participants to enjoy the results of the Company achieved through their contributions to the Group, the Board proposes to recommend to the Shareholders to approve the Share Option Scheme so that Options may be granted to the Participants pursuant to the terms thereof. A summary of the principal terms of the Share Option Scheme is set out in Appendix III to this circular. The Listing Rules also requires that a share option scheme of the subsidiary of a listed issuer be approved by the shareholders of the listed issuer at its general meeting. As the Company is a subsidiary of HKCG, the adoption of the Share Option Scheme is conditional upon the passing of the relevant resolution by the shareholders of HKCG at the annual general meeting of HKCG which is expected to be held on 6 June 2022.

LETTER FROM THE BOARD

Whilst the scope of the Participants does not limit to the employees and directors of the Group but also includes consultants and other advisers to members of the Group who are also directors and/or senior management staff of subsidiaries of HKCG, the Directors consider that there can be circumstances when such category of persons would make contribution to the Group. The Participants under the category of consultants and other advisers to members of the Group will be directors or senior management staff of subsidiaries of HKCG who will play a part in the business and operations of the Group by providing assistance to the Group from time to time including but not limited to liaising and coordinating with local authorities in the PRC in relation to various projects of the Group in the PRC, thereby contributing to the development of the Group. As the purpose of the Share Option Scheme is to recognize contributions made to the Group and to provide incentive to motivate relevant personnel to continue contributing to the growth and development of the Group, the Directors consider that the inclusion of such consultants and other advisers of the Group as Participants is appropriate.

In assessing whether Options are to be granted to a Participant who is a consultant or adviser of the Group, the Board will take into account a wide range of factors, including but not limited to, the nature and extent of services provided by such person to the Group, the number of years which such person had been providing the relevant services to the Group, the positive impacts which such person has brought to the Group's business and development and whether granting options to such person is an appropriate incentive to motivate such person to continue to contribute towards the betterment of the Group.

The Share Option Scheme shall take effect subject to the passing of an ordinary resolution approving the adoption of the Share Option Scheme by the Shareholders and authorising the Directors to grant Options to subscribe for Shares thereunder and to allot and issue Shares pursuant to the exercise of any Options granted under the Share Option Scheme, and is conditional upon:

- (a) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in the Shares to be issued pursuant to the exercise of Options under the Share Option Scheme, whether the granting of the listing and permission is subject to conditions or not; and
- (b) the passing of an ordinary resolution by the shareholders of HKCG in general meeting approving the Share Option Scheme.

LETTER FROM THE BOARD

Pursuant to the terms of the Share Option Scheme, the Board may make an Offer to any Participant, taking into account such factors as the Board may at its discretion consider appropriate, and as the Board may in its absolute discretion select, and subject to any such conditions as the Board may at its absolute discretion think fit, to subscribe for such number (being a board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof) of Shares as the Board may determine at the Subscription Price.

The Board shall at its sole discretion determine such performance targets that needs to be achieved by the relevant Grantee before an Option can be exercised and/or any minimum period for which an Option must be held before the Option can be exercised, after taking into account a wide range of matters including but not limited to the responsibilities of eligible Participants and contributions made or likely to be made by such persons in representing the Group's interest and in fostering the business development, financial performance and other areas concerning the business, operation, reputation and sustainable development of the Group.

The Board believes that this will provide the Board with more flexibility in setting the terms and conditions of the Options under particular circumstances of each grant and facilitate the achievement of the purposes of the Share Option Scheme which is to provide the Company with a flexible means of giving incentive to, rewarding, remunerating, compensating and/or providing benefits to the Participants.

The Board considers that it is inappropriate to state the value of the Options as if they had been granted on the Latest Practicable Date given that a number of variables which are necessary for the calculation of the value of the Options cannot be ascertained at this stage. Such variables include the Subscription Price, Option Period, interest rate and other relevant variables. The Board believes that any calculation of such value of the Options on the Latest Practicable Date would be based on a number of speculative assumptions and would therefore not be meaningful but would instead be misleading the Shareholders.

None of the Director is a trustee of the Share Option Scheme or has a direct or indirect interest in the trustee of the Share Option Scheme, if any. With respect to the operation of the Share Option Scheme, the Company will, where applicable, comply with the relevant requirements under Chapter 17 of the Listing Rules.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, no Shareholder is required under the Listing Rules to abstain from voting on the resolution to approve the adoption of the Share Option Scheme at the AGM.

LETTER FROM THE BOARD

As at the Latest Practicable Date, there were aggregate of 3,159,895,343 Shares in issue. Assuming that there is no change in the total number of Shares in issue between the period from the Latest Practicable Date up to the Adoption Date, unless refreshed pursuant to the Share Option Scheme, the maximum number of Shares that may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option scheme(s) of the Company (if any) is 315,989,534 Shares, representing 10% of the Shares in issue as at the Adoption Date. As at the Latest Practicable Date, the Board does not have any plan or intention to grant any Options under the Share Option Scheme.

An application will be made to the Stock Exchange for the listing of, and permission to deal in the Shares to be issued pursuant to the exercise of Options under the Share Option Scheme.

A copy of the rules of the Share Option Scheme will be published on the websites of the Stock Exchange (<https://www.hkexnews.hk>) and the Company (<https://www.towngassmartenergy.com/>) for a period of not less than 14 days before the date of the AGM and will also be available for inspection at the AGM.

7. PROPOSED ADOPTION OF NEW MEMORANDUM AND ARTICLES OF ASSOCIATION

The Board proposes to amend the existing Memorandum and existing Articles and to adopt the New Memorandum and Articles in order to (i) conform to the core shareholder protection standards set out in Appendix 3 of the Listing Rules; (ii) allow Board meetings to be held and notice of Board meeting to be given by electronic means; (iii) clarify that general meetings may be held as a hybrid meeting, to allow general meetings to be held in more than one location and to allow general meetings to be held as an electronic meeting where Shareholders may attend by electronic means in addition to as a physical meeting where Shareholders attend in person; (iv) set out other related powers of the Board and the chairman of the general meeting, including making arrangements for attendance at the meetings as well as ensuring the security and orderly conduct of the meetings; (v) bring the existing Memorandum and existing Articles in line with the relevant requirements of the Listing Rules and the applicable laws of the Cayman Islands; and (vi) to make some other housekeeping amendments, including consequential amendments in line with the above amendments to the existing Memorandum and existing Articles.

LETTER FROM THE BOARD

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

The legal advisers to the Company as to Hong Kong laws and the Cayman Islands laws have respectively confirmed that the proposed New Memorandum and Articles comply with the applicable requirements of the Listing Rules and are not inconsistent with the laws of the Cayman Islands. The Company also confirms that there is nothing unusual in the proposed New Memorandum and Articles from the perspective of a Cayman Islands company listed on the Stock Exchange.

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.

8. 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, re-election of retiring Directors, and the proposed adoption of the Share Option Scheme and the Special Resolution for the proposed adoption of the New Memorandum and Articles, is set out on pages 95 to 103 of this circular.

9. 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, 24 May 2022, 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).

LETTER FROM THE BOARD

10. 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.

11. 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 3,159,895,343 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 315,989,534 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 its memorandum of association, 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 2021	5.34	3.73
June 2021	5.82	4.97
July 2021	5.92	4.80
August 2021	5.74	4.59
September 2021	5.79	4.58
October 2021	5.60	4.21
November 2021	5.73	5.03
December 2021	7.07	5.26
January 2022	7.29	5.62
February 2022	6.27	5.32
March 2022	5.62	4.02
April 2022 (up to the Latest Practicable Date)	4.29	4.08

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 of association of the Company, 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 2,084,895,656 Shares representing approximately 65.98% 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 65.98% to approximately 73.31%. 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) DR. LEE KA-KIT

Dr. Lee Ka-kit, *G.B.S., J.P., D.B.A. (Hon.)*, aged 58, has been the Chairman and a Non-Executive Director of the Company since October 2021. Dr. Lee is the chairman and a non-executive director of the board of directors of HKCG (a listed public company and the controlling shareholder of the Company). He was educated in the United Kingdom. Dr. Lee is a chairman and managing director of Henderson Land Development Company Limited (“**Henderson Land Development**”) and a vice chairman of Henderson Investment Limited. He was previously a non-executive director of The Bank of East Asia, Limited and an independent non-executive director of Xiaomi Corporation. All of the above companies are listed public companies. Dr. Lee is a Member of the Standing Committee of the 13th National Committee of the Chinese People’s Political Consultative Conference and a Member as well as the Chairman of the Board of Directors of One Country Two Systems Research Institute. He was awarded an Honorary University Fellowship by The University of Hong Kong in 2009 and an Honorary Degree of Doctor of Business Administration by Edinburgh Napier University in 2014. He is the son of Dr. Lee Shau-kee, the controlling shareholder of HKCG. Save as disclosed above, Dr. Lee 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.

Dr. Lee is also a vice chairman of Henderson Development Limited (“**Henderson Development**”) and a director of each of Hopkins (Cayman) Limited (“**Hopkins**”), Rimmer (Cayman) Limited (“**Rimmer**”) and Riddick (Cayman) Limited (“**Riddick**”). Henderson Land Development, Henderson Development, Hopkins, Rimmer, Riddick and HKCG have discloseable interests in the Company under the provisions of the Securities and Futures Ordinance.

Pursuant to an appointment letter dated 25 October 2021 between the Company and Dr. Lee, Dr. Lee holds office as a Non-Executive Director for the initial term commencing from 25 October 2021 until the conclusion of the next following annual general meeting of the Company whereupon he shall be eligible for re-election at the meeting. Dr. Lee’s term of office is subject to the Listing Rules and the provisions of the memorandum and articles of association of the Company 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. Lee’s director’s fee is HK\$300,000 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, Dr. Lee, as a discretionary beneficiary of discretionary trusts, was deemed under the SFO to be interested in 41.53% of the issued shares in HKCG and 2,084,895,656 Shares representing approximately 65.98% of the total issued Shares.

So far as the Directors are aware, save as disclosed herein, as at the Latest Practicable Date, (a) Dr. Lee 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. Lee 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. LIU KAI LAP KENNETH

Mr. LIU Kai Lap Kenneth, aged 47, 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 twenty 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 10 November 2021 between Mr. Liu and the Company, he shall hold office as a Non-Executive Director for the initial term commencing from 18 November 2021 until the conclusion of the next following annual general meeting of the Company whereupon he shall be eligible for re-election at that meeting. Mr. Liu's term of office is subject to the Listing Rules and the provisions of the memorandum and articles of association of the Company 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. Mr. Liu has not received any remuneration during the year ended 31 December 2021.

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

So far as the Directors are aware, 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) as 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.

(3) DR. JOHN QIU JIAN-HANG

Dr. John Qiu Jian-hang, aged 58, 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 the HKCG Group in 2003 and was appointed various management roles in different business joint ventures in mainland China throughout his 18 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 Qinhu 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 leading the high potential business of renewable energy in mainland China. He is currently the Chairman of the Supervisory Board of Foran Energy Group Co., Ltd., a listed public company. 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.

According to the letter of appointment dated 10 November 2021 between Dr. Qiu and the Company, he holds office as an Executive Director for the initial term commencing from 10 November 2021 until the conclusion of the next following annual general meeting of the Company whereupon he shall be eligible for re-election at that meeting. Dr. Qiu's term of office is subject to the Listing Rules and the provisions of the memorandum and articles of association of the Company 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. Qiu's director's fee is HK\$200,000 per annum. In addition, he received other emoluments of HK\$683,000 for the year ended 31 December 2021. 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 disclosed in the announcement of the Company dated 18 March 2022 relating to the proposed issue of Shares to connected persons, Dr. Qiu had entered into a subscription agreement with the Company on 18 March 2022 to subscribe for 1,350,000 Shares on and subject to the terms and conditions thereof. Dr. Qiu is therefore deemed under the SFO to be interested in such 1,350,000 Shares, representing approximately 0.04% of the total number of issued Shares as at the Latest Practicable Date.

So far as the Directors are aware, 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.

(4) DR. LOH KUNG WAI CHRISTINE

Dr. Loh Kung Wai Christine, *SBS, JP, OBE, Chevalier de l'Ordre National du Mérite*, aged 66, has been an Independent Non-Executive Director of the Company since April 2022 and is the member of 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 Senior Advisor to Teneo, a global consultancy firm working with CEOs to provide strategic counseling as well as Advisor on Sustainability to the management and board of the Hong Kong Science and Technology Parks. She is also a director and trustee of CDP Worldwide, a London-based organisation 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 an appointment letter dated 4 April 2022 between Dr. Loh and the Company, Dr. Loh shall hold office as an Independent Non-Executive Director for the initial term commencing from 4 April 2022 until the conclusion of the next following annual general meeting of the Company whereupon she shall be eligible for re-election at that meeting. Dr. Loh's term of office is subject to the Listing Rules and the provisions of the memorandum and articles of association of the Company 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\$500,000 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.

So far as the Directors are aware, 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.

(5) DR. THE HON. MOSES CHENG MO-CHI

Dr. the Hon. Moses Cheng Mo-chi, *GBM, GBS, OBE, JP*, aged 72, has been an Independent Non-Executive Director of the Company since May 2007 and is the Chairman of the Remuneration Committee and a member of the Board Audit and Risk Committee and the Nomination Committee of the Company. He is also an independent non-executive director of HKCG (a listed public company and the controlling shareholder of the Company). Dr. Cheng is a practising solicitor and the consultant of Messrs. P.C. Woo & Co. after serving as its senior partner from 1994 to 2015. Dr. Cheng was a member of the Legislative Council of Hong Kong and the Chairman of the Insurance Authority. He is the founder chairman of The Hong Kong Institute of Directors of which he is now the Honorary President and Chairman Emeritus. Dr. Cheng is now also serving as a member of Financial Leaders Forum. In addition, he is a Fellow of the Hong Kong Academy of Finance. Dr. Cheng currently holds directorships in China Mobile Limited, China Resources Beer (Holdings) Company Limited, Guangdong Investment Limited, K. Wah International Holdings Limited, Liu Chong Hing Investment Limited and Tian An China Investments Company Limited, all of which are listed public companies in Hong Kong. Dr. Cheng was previously a non-executive director of Kader Holdings Company Limited (“**Kader Holdings**”) (a listed public company) until his retirement at Kader Holdings on 1 May 2019. Save as disclosed above, Dr. Cheng 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 Dr. Cheng, Dr. Cheng has no fixed or proposed term of director’s services with the Company but his term of office is subject to the Listing Rules and the provisions of the Company’s memorandum of association 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. Cheng’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, Dr. Cheng did not have any interests in the Shares within the meaning of Part XV of the SFO.

So far as the Directors are aware, save as disclosed herein, as at the Latest Practicable Date, (a) Dr. Cheng 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. Cheng 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.

(6) MR. JOHN HO HON-MING

Mr. John Ho Hon-ming, *F.C.A., F.C.P.A., F.H.K.I.o.D., B.A.(Hons.)*, aged 65, has been an Executive Director and the Company Secretary of the Company since March 2007. Mr. Ho is currently the Executive Director, Chief Financial Officer and Company Secretary of HKCG (a listed public company and the controlling shareholder of the Company) and also holds directorships in various subsidiaries of the HKCG Group. He is a director of Shenzhen Gas Corporation Ltd., Foran Energy Group Co., Ltd. and was previously a director of Changchun Gas Co., Ltd. (“**Changchun Gas**”) until his resignation at Changchun Gas on 24 June 2021. All of the above companies are listed public companies. Mr. Ho is the Vice Chairman of the General Committee of the Chamber of Hong Kong Listed Companies, the Vice Chairman of the Taxation Committee of the Hong Kong General Chamber of Commerce and was appointed as a member of the Accountancy Training Board of the Vocational Training Council on 1 April 2021. He is a Fellow of the Institute of Chartered Accountants in England and Wales, a Fellow of the Hong Kong Institute of Certified Public Accountants and a Fellow of the Hong Kong Institute of Directors. Mr. Ho graduated from the University of Manchester in the United Kingdom with a Bachelor of Arts degree with honours in Economics and Social Studies (Accounting and Finance). He completed the Advanced Management Program from Harvard Business School in the United States, the Senior Executive Program offered by Harvard Business School, Tsinghua University School of Economics and Management and China Europe International Business School, and the Chief Executive Program from Singapore Institute of Management. Mr. Ho has over 43 years of experience in accounting, corporate finance and investments. Save as disclosed above, Mr. Ho 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 with Mr. Ho, Mr. Ho 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 Company's memorandum of association and 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. Mr. Ho's director's fee is HK\$200,000 per annum. In addition, Mr. Ho has also received other emoluments of approximately HK\$5,938,000 for the year ended 31 December 2021. 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. Ho had personal interest in 1,133,862 Shares, representing approximately 0.04% of the then total number of issued Shares. As disclosed in the announcement of the Company dated 18 March 2022 relating to proposed issue of Shares to connected persons, Mr. Ho had entered into a subscription agreement with the Company on 18 March 2022 to subscribe for 900,000 Shares on and subject to the terms and conditions thereof. Mr. Ho is therefore deemed under the SFO to be interested in such 900,000 Shares, representing approximately 0.03% of the total number of issued Shares at the Latest Practicable Date. Mr. Ho also had personal interest in 55,710 shares in HKCG (a listed public company in Hong Kong and the controlling shareholder of the Company) (being an associated corporation of the Company) as at the Latest Practicable Date, representing approximately 0.0003% of the then total number of issued shares of HKCG.

So far as the Directors are aware, save as disclosed herein, as at the Latest Practicable Date, (a) Mr. Ho 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. Ho 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.

(7) MR. MARTIN KEE WAI-NGAI

Mr. Martin Kee Wai-ngai, *C.Eng., M.I.G.E.M., M.B.A., B.Sc.(Eng)*, aged 55, 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 HKCG (a listed public company and the controlling shareholder of the Company) in 1990. 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., a director of Nanjing Public Utilities Development Co., Ltd. and was appointed as a director of Changchun Gas Co., Ltd. with effective from 24 June 2021, all of which are listed public companies. He completed the Advanced Management Program from 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 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 Company’s memorandum of association 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. 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\$4,755,000 for the year ended 31 December 2021. 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 disclosed in the announcement of the Company dated 18 March 2022 relating to the proposed issue of Shares to connected persons, Mr. Kee had entered into a subscription agreement with the Company on 18 March 2022 to subscribe for 900,000 Shares on and subject to the terms and conditions thereof. Mr. Kee is therefore deemed under the SFO to be interested in such 900,000 Shares, representing approximately 0.03% of the total number of issued Shares as at the Latest Practicable Date.

So far as the Directors are aware, 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.

The following is a summary of the principal terms of the Share Option Scheme to be conditionally approved by the Shareholders at the AGM but such summary does not form part of, nor was it intended to be, part of the Share Option Scheme nor should it be taken as affecting the rules of the Share Option Scheme:

1. PURPOSE OF THE SHARE OPTION SCHEME

The purpose of the Share Option Scheme is to provide the Company with a flexible means of giving incentive to, rewarding, remunerating, compensating and/or providing benefits to the Participants, attracting and retaining persons with the right calibre and experience to work for or make contribution to the Group, fostering a sense of belonging with the Group, and allowing the Participants to enjoy the results of the Company achieved through their contributions to the Group.

2. WHO MAY JOIN

Any person falling within any categories of the Participants may, at the discretion of the Directors, be offered the Options under the Share Option Scheme to subscribe for such number of new Shares as the Board may determine at the Subscription Price and the Board may at its absolute discretion determine whether or not one falls within the categories of a Participant. In determining the basis of eligibility of each Participant, the Board would take into account such factors as the Board may at its discretion consider appropriate.

3. CONDITIONS

The Share Option Scheme shall take effect subject to the passing of an ordinary resolution approving the adoption of the Share Option Scheme by the Shareholders and authorising the Directors to grant Options to subscribe for Shares thereunder and to allot and issue Shares pursuant to the exercise of any Options granted under the Share Option Scheme, and is conditional upon:

- (a) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in the Shares to be issued pursuant to the exercise of Options under the Share Option Scheme, whether the granting of the listing and permission is subject to conditions or not; and
- (b) the passing of an ordinary resolution by the shareholders of HKCG in general meeting approving the Share Option Scheme.

4. DURATION AND ADMINISTRATION OF THE SHARE OPTION SCHEME

- 4.1 The Share Option Scheme shall be valid and effective for a period of 10 years commencing on the Adoption Date, after which period no further Options will be granted but in all other respects the provisions of the Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any Options granted prior thereto or otherwise as may be required in accordance with the provision of the Share Option Scheme, and Options which are granted during the life of the Share Option Scheme may continue to be exercisable in accordance with their terms of issue.
- 4.2 The Share Option Scheme shall be subject to the administration of the Board whose decision as to all matters arising in relation to the Share Option Scheme or its interpretation or effect shall be final, conclusive and binding on all parties.
- 4.3 Subject to compliance with the requirements of the Listing Rules and the provisions of the Share Option Scheme, the Board shall have the right:
- (i) to interpret and construe the provisions of the Share Option Scheme;
 - (ii) to determine the persons who will be awarded Options under the Share Option Scheme and the number of Shares to be issued under the Option;
 - (iii) to determine the Subscription Price;
 - (iv) to make such appropriate and equitable adjustments to the terms of Options granted under the Share Option Scheme as it deems necessary; and
 - (v) to make such other decisions, determinations or regulations as it shall deem appropriate in the administration of the Share Option Scheme.

5. GRANT OF OPTION

- 5.1 On and subject to the requirements of the Listing Rules and the terms of the Share Option Scheme, the Board shall be entitled at any time, and from time to time during the period of 10 years after the Adoption Date (provided that no Options shall be granted after the Share Option Scheme has been terminated (if applicable)) to make an Offer to any Participant, taking into account such factors as the Board may at its absolute discretion consider appropriate, and as the Board may in its absolute discretion select, and subject to any such conditions as the Board may at its absolute discretion think fit, to subscribe for such number (being a board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof) of Shares as the Board may (subject to paragraphs 9 and 10 below) determine at the Subscription Price.
- 5.2 No Offer shall be made (i) after inside information (as defined in the SFO) has come to the knowledge of the Board, until such inside information has been announced pursuant to the requirements of the Listing Rules; (ii) within the period commencing one month immediately before the earlier of (1) the date of the meeting of the Board (as such date is first notified by the Company to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and (2) the deadline for the Company to publish an announcement of its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules), and ending on the date of such results announcement; or (iii) during the period of delay in publishing an announcement mentioned in (ii) above.
- 5.3 An Offer shall be made to a Participant by letter (the date of which shall be deemed to be the date on which the grant of an Option (subject to acceptance by the Grantee) is made) in such form as the Board may from time to time determine (the "**Offer Letter**") specifying the number of Shares under the Option, the Subscription Price, the vesting schedule (if any), the conditions to vesting (if any), and the Option Period and requiring the Participant to undertake to hold the Option on the terms on which it is to be granted and to be bound by the provisions of the Share Option Scheme. An Offer must be made on a Business Day and shall remain open for acceptance by the Participant to whom an Offer is made for a period from the Offer Date to such date as the Board may determine and specify in the Offer Letter (both days inclusive) (the "**Acceptance Period**"), provided that no such Offer shall be open for acceptance after the 10th anniversary from the Adoption Date or after the Share Option Scheme has been terminated in accordance with the provisions hereof, whichever is earlier.

- 5.4 An Offer shall be deemed to have been accepted by the Grantee and the Option to which the Offer relates shall be deemed to have been granted and to have taken effect when the duplicate of the Offer Letter comprising acceptance of the Offer duly signed by the Grantee together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the granting thereof is received by the Company within the Acceptance Period, and the Option to which the Offer relates shall be deemed to have been granted on the Offer Date. Such remittance shall in no circumstances be refundable or be considered as part of the Subscription Price.
- 5.5 Any Offer may be accepted by a Grantee in respect of all or less than the number of Shares for which it is offered provided that it is accepted in respect of such number of Shares as representing a board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof and the number of Shares in respect of which the Offer is accepted is clearly stated in the duplicate of the Offer Letter received by the Company as mentioned in sub-paragraph 5.4. To the extent that the Offer is not accepted within the Acceptance Period and in the manner stipulated in sub-paragraph 5.4, it will be deemed to have been irrevocably declined by the Grantee and the Offer shall automatically lapse and becomes null and void.
- 5.6 Subject to the provisions of the Share Option Scheme and the Listing Rules, the Board may when making the Offer impose any terms, conditions, restrictions or limitations in relation to the Option as it may at its absolute discretion think fit.

6. SUBSCRIPTION PRICE

Subject to any adjustments made pursuant to paragraph 11, the Subscription Price in respect of each Share issued pursuant to the exercise of Options granted hereunder shall be a price solely determined by the Board and notified to a Participant and shall be at least the highest of:

- (i) the closing price of a Share as stated in the Stock Exchange's daily quotations sheet on the Offer Date, which must be a Business Day;
- (ii) a price being the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotations sheets for the 5 Business Days immediately preceding the Offer Date; and
- (iii) the nominal value of a Share.

7. EXERCISE OF OPTIONS

- 7.1 An Option shall be personal to the Grantee and shall not be assignable or transferable. No Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interests (whether legal or beneficial) in favour of any third party over or in relation to any Option or enter into any agreement to do so. Any breach of the foregoing of a Grantee shall entitle the Company to cancel any outstanding Option or part thereof of such Grantee (to the extent that it has not already been exercised) without incurring any liability on the part of the Company.
- 7.2 The Board shall at its sole discretion determine and specify in the Offer Letter such performance targets that needs to be achieved by the Grantee before an Option can be exercised and/or any minimum period for which an Option must be held before the Option can be exercised. An Option may be exercised in whole or in part in the manner as set out in the Offer Letter, this sub-paragraph and sub-paragraph 7.3 by the Grantee (or his personal representative(s)) giving notice in writing to the Company stating that the Option is thereby exercised and the number of Shares in respect of which it is exercised. Each such notice must be accompanied by a remittance for the full amount of the total Subscription Price for the Shares in respect of which the notice is given. Subject to the terms of the Share Option Scheme, within 28 days after receipt of the notice and the remittance, and where appropriate, receipt of certificate from the independent financial adviser or the Auditors (as the case may be) pursuant to paragraph 11, the Company shall allot the relevant Shares to the Grantee (or his or her personal representative(s)) credited as fully paid and issue to the Grantee (or his or her personal representative(s)) a share certificate in respect of the Shares so allotted.

- 7.3 Subject as hereinafter provided and subject to the terms and conditions upon which such Option was granted, an Option may be exercised by the Grantee at any time during the Option Period provided that:
- (a) in the event of the Grantee ceases to be a Participant for any reason other than on the Grantee's death or the termination of the Grantee's employment, office, directorship, appointment or engagement on one or more of the grounds specified in sub-paragraph 8(f) below, the Option granted to such Grantee shall lapse on the date of cessation (to the extent that it has not already been exercised) and will not be exercisable unless the Board otherwise determines to grant an extension at the discretion of the Board in which event the Grantee may exercise the Option in accordance with the provisions of sub-paragraph 7.2 above within such period of extension and up to a maximum entitlement directed at the discretion of the Board on the date of grant of extension (to the extent that it has not already been exercised and subject to other terms and conditions decided at the discretion of the Board). For the avoidance of doubt, such period of extension (if any) shall be granted within and in any event ended before the expiration of the period of one month following the date on which the Grantee ceases to be a Participant, which date of cessation shall be the Grantee's last actual working day with the Relevant Company whether salary is paid in lieu of notice or not, or the last date of employment, office, directorship, appointment or engagement as director, chief executive or employee of, or as consultant or other adviser to, the Relevant Company, as the case may be, in the event of which, the date of cessation as determined by a resolution of the board of directors or governing body of the Relevant Company shall be conclusive;
 - (b) in the event of the Grantee dies before exercising the Option in full and none of the events which would be a ground for termination of the Grantee's employment, office, directorship, appointment or engagement under sub-paragraph 8(f) arises, the personal representative(s) of the Grantee shall be entitled within a period of 6 months or such longer period as the Board may determine from the date of death, to exercise the Option up to the entitlement of such Grantee as at the date of death (to the extent that it has become exercisable and has not already been exercised) or, if appropriate, make an election pursuant to sub-paragraph 7.3(c), (d), (e) or (f);

- (c) if a general offer by way of take-over or otherwise (other than by way of scheme of arrangement pursuant to sub-paragraph 7.3(d)) is made to all holders of Shares (or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror) and if such offer becomes or is declared unconditional prior to the expiry of the relevant Option Period, the Grantee (or his personal representative(s)) may by notice in writing to the Company within 21 days of the notice of the offeror exercise the Option (to the extent that it has become exercisable on the date of the notice of the offeror and has not already been exercised) to its full extent or to the extent specified in such notice;
- (d) if a general offer by way of scheme of arrangement is made to all the holders of Shares and has been approved by the necessary majority of holders of Shares at the requisite meetings, the Grantee (or his personal representative(s)) may thereafter (but only until such time as shall be notified by the Company, after which it shall lapse), by notice in writing to the Company, exercise the Option (to the extent that it has become exercisable and has not already been exercised) to its full extent or to the extent specified in such notice;
- (e) other than a general offer or a scheme of arrangement contemplated in sub-paragraphs 7.3(c) and (d), if a compromise or arrangement between the Company and its members or creditors is proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies, the Company shall give notice thereof to the Grantee on the same date as it despatches the notice which is sent to each member or creditor of the Company summoning the meeting to consider such a compromise or arrangement, and thereupon the Grantee (or his personal representative(s)) may forthwith and until the expiry of the period commencing with such date and ending with the earlier of the end of 2 months thereafter and the date on which such compromise or arrangement is sanctioned by the court of competent jurisdiction, exercise any of his Options (to the extent that it has become exercisable and has not already been exercised) whether in full or in part, but the exercise of an Option as aforesaid shall be conditional upon such compromise or arrangement being sanctioned by the court of competent jurisdiction and becoming effective. Upon such compromise or arrangement becoming effective, all Options shall lapse except insofar as previously exercised under the Share Option Scheme. The Company may require the Grantee (or his personal representative(s)) to transfer or otherwise deal with the Shares issued as a result of the exercise of Options in these circumstances so as to place the Grantee in the same position as nearly as would have been the case had such Shares been subject to such compromise or arrangement; and

(f) in the event of a notice is given by the Company to its shareholders to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, other than for the purposes of a reconstruction, amalgamation or scheme of arrangement, the Company shall on the same date as it despatches such notice to convene the general meeting, give notice thereof to all Grantees and thereupon, the Grantees (or their respective personal representative(s)) may, subject to the provisions of all applicable laws, by notice in writing to the Company (such notice to be received by the Company not later than 2 Business Days prior to the proposed general meeting of the Company) exercise the Option (to the extent that it has become exercisable and has not already been exercised) either to its full extent or to the extent specified in such notice, such notice to be accompanied by a remittance for the full amount of the aggregate Subscription Price for the Shares in respect of which the notice is given, whereupon the Company shall as soon as possible and, in any event, no later than the Business Day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the Grantee credited as fully paid.

7.4 The Shares to be allotted upon the exercise of an Option will be subject to all the provisions of the memorandum of association and articles of association of the Company for the time being in force and will rank *pari passu* in all respects with the fully paid Shares in issue on the date of their allotment and issue, and accordingly will entitle the holders the rights (including those arising on a liquidation of the Company) to vote and participate in all dividends or other distributions paid or made on or after the date of allotment and issue other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be before the date of allotment and issue, provided always that when the date of exercise of the Option falls on a date upon which the register of shareholders of the Company is closed, then the exercise of the Option shall become effective on the first Business Day on which the register of shareholders of the Company is re-opened.

8. LAPSE OF OPTION

An Option shall lapse automatically and not be exercisable (to the extent that it has not already been exercised) on the earliest of:

- (a) the expiry of the Option Period (subject to the provisions of paragraphs 4.1 and 12);
- (b) the date on which the Grantee ceases to be a Participant as referred to in sub-paragraph 7.3(a) (in the case where the Board has not determined an extension of time in which the Option may be exercised) or the expiry of the extended period of time in which the Option may be exercised as determined by the Board as referred to in sub-paragraph 7.3(a);
- (c) the expiry of the periods referred to in sub-paragraphs 7.3(b) or (c), where applicable;
- (d) subject to the scheme of arrangement as referred to in sub-paragraph 7.3(d) becoming effective, the expiry of the period referred to in sub-paragraph 7.3(d);
- (e) subject to the compromise or arrangement referred to in sub-paragraph 7.3(e) becoming effective, the expiry of the period referred to in sub-paragraph 7.3(e);

- (f) the date on which the Grantee ceases to be a Participant by reason of the termination of his employment, office, directorship, appointment and engagement as director, chief executive or employee of, or as consultant or other adviser to, the Relevant Company of the Group on one or more of the following grounds, namely, that he has been guilty of misconduct, or has been in breach of material term of the relevant employment contract or service contract, or has stopped payment to creditors generally or been unable to pay his debts within the meaning of any applicable legislation relating to bankruptcy or insolvency, or has become bankrupt or insolvent, or has been served with a petition for bankruptcy, or has made any arrangements or composition with his creditors generally, or has been convicted of any criminal offence involving his integrity or honesty, or (if so determined by the Board or the board of the Relevant Company, as the case may be) on any other ground on which any employer or any engaging party would be entitled to terminate his employment, office, directorship, appointment or engagement at common law or pursuant to any applicable laws or under the Grantee's employment contract or service contract with the Company or the Relevant Company (as the case may be), in the event which a resolution of the Board or the board of directors or governing body of the Relevant Company (as the case may be) to the effect that the employment, office, directorship, appointment or engagement of a Grantee has or has not been terminated on one or more of the grounds specified in this sub-paragraph 8(f) shall be conclusive and binding on the Grantee;
- (g) the close of 2 Business Days prior to the general meeting of the Company held for the purpose of approving the voluntary winding-up of the Company or the date of the commencement of the winding-up of the Company;
- (h) the date on which the Board exercises the Company's right to cancel the Option at any time after the Grantee commits a breach of sub-paragraph 7.1; or
- (i) the date on which the Option is cancelled by the Board as provided in paragraph 13.

The Company shall owe no liability to any Grantee for the lapse of any Option under this paragraph 8.

9. MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION

9.1 Subject to sub-paragraph 9.2:

- (a) The total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other schemes of the Company shall not in aggregate exceed 10% of the total number of Shares in issue as at the Adoption Date, unless the Company obtains an approval from its shareholders pursuant to sub-paragraph 9.1(b) or 9.1(c). Options lapsed in accordance with the terms of the Share Option Scheme will not be counted for the purpose of calculating such 10% limit.
- (b) The Company may seek approval of its shareholders in general meeting for refreshing the 10% limit set out in sub-paragraph 9.1(a) under the Share Option Scheme in accordance with the provisions of the Listing Rules provided that the total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option scheme(s) of the Company under the limit as refreshed shall not exceed 10% of the total number of Shares in issue as at the date of the shareholders' approval for refreshing such limit. Options previously granted under the Share Option Scheme and any other share option scheme(s) of the Company (including those outstanding, cancelled, or lapsed in accordance with the relevant schemes or exercised options) will not be counted for the purpose of calculating such limit as refreshed. In such a case, the Company shall send a circular to its shareholders containing the information and disclaimer as required under the Listing Rules.

- (c) The Company may seek separate approval by its shareholders in general meeting for granting Options beyond the 10% limit in accordance with the provisions of the Listing Rules provided that the Options in excess of such limit are granted only to Participants specifically identified by the Company before such approval is sought. In such a case, the Company shall send a circular to its shareholders containing a generic description of the specified Participant(s) who may be granted such Options, the number and terms of the Options to be granted, the purpose of granting Options to the specified Participant(s) with an explanation as to how the terms of the Options serve such purpose, and such information and the disclaimer as required under the Listing Rules.
- 9.2 Notwithstanding any provision in sub-paragraph 9.1 and subject to paragraph 11, the limit on the number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme(s) of the Company must not in aggregate exceed 30% of the total number of Shares in issue from time to time (or such higher percentage as may be allowed under the Listing Rules). No options may be granted under the Share Option Scheme and any other share option schemes of the Company if this will result in such limit being exceeded.
- 9.3 If the Company conducts a share consolidation or subdivision after the 10% limit has been approved in general meeting, the maximum number of Shares that may be issued upon exercise of all options to be granted under all share option schemes of the Company under the 10% limit as a percentage of the total number of issued shares at the date immediately before and after such consolidation or subdivision shall be the same.

10. MAXIMUM ENTITLEMENT OF SHARES OF EACH PARTICIPANT

- 10.1 (a) Subject to sub-paragraphs 10.1(b), (c) and (d), the total number of Shares issued and to be issued upon exercise of the Options granted to each Participant (including both exercised and outstanding Options) in any 12-month period shall not exceed 1% of the total number of Shares in issue.
- (b) Notwithstanding sub-paragraph 10.1(a), where any further grant of Options to a Participant would result in the Shares issued and to be issued upon exercise of all options granted and to be granted to such Participant under the Share Option Scheme and any other share option schemes of the Company (including exercised, cancelled and outstanding Options) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the total number of Shares in issue, such further grant must be separately approved by the shareholders of the Company in general meeting with such Participant and his close associates (or his associates if such Participant is a connected person) abstaining from voting. The number of Shares subject to the Options to be granted to such Participant and the terms (including the Subscription Price) of the Options to be granted to such Participant shall be fixed before shareholders' approval and the date of Board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the Subscription Price. In such a case, the Company shall send a circular to its shareholders containing, amongst other terms, the identity of such Participant, the number and the terms of the Options to be granted (and options previously granted to such Participant) and such other information and the disclaimer as required under the Listing Rules.
- (c) In addition to paragraph 9 and sub-paragraphs 10.1(a) and 10.1(b), any grant of Options to a Participant who is a director, chief executive or substantial shareholder of the Company, or any of their respective associates, must be approved by the independent non-executive directors of the Company (excluding any independent non-executive director who is the proposed Grantee of such Option).

- (d) In addition to paragraph 9 and sub-paragraphs 10.1(a) and 10.1(b), where the Board proposes to grant any Option to a Participant who is a substantial shareholder or an independent non-executive director of the Company, or any of their respective associates, would result in the Shares issued and to be issued upon exercise of all options already granted and to be granted under the Share Option Scheme and any other share option schemes of the Company (including options exercised, cancelled and outstanding) to him in the 12-month period up to and including the proposed date of such grant:
- (i) representing in aggregate more than 0.1% of the total number of Shares in issue on the proposed date of such grant; and
 - (ii) having an aggregate value, based on the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the proposed date of such grant, in excess of HK\$5,000,000,

such proposed grant of Options must be approved by the shareholders of the Company in general meeting in accordance with the Listing Rules. In such a case, the Company shall send a circular to its shareholders containing all those information as required under the Listing Rules. The Participant concerned, his associates and all core connected persons of the Company must abstain from voting in favour of the resolution at such general meeting. Any change in the terms of an option granted to a Participant who is a substantial shareholder or an independent non-executive director of the Company, or any of their respective associates is also required to be approved by the shareholders of the Company in the aforesaid manner.

- 10.2 Subject to sub-paragraphs 9.1, 9.2 and 10.1, in the event of any alteration in the capital structure of the Company whether by way of capitalisation issue, rights issue, consolidation, subdivision of shares or reduction of the share capital of the Company or otherwise howsoever (other than as a result of an issue of Shares as consideration in a transaction), the maximum number of Shares referred to in sub-paragraphs 9.1, 9.2 and 10.1 will be adjusted in such manner as, other than any alterations made on a capitalisation issue, an independent financial adviser or the Auditors (acting as experts and not as arbitrators) shall confirm to the directors of the Company in writing that the adjustments satisfy the requirements under the Listing Rules.

11. ALTERATION OF CAPITAL STRUCTURE

In the event of any alteration to the capital structure of the Company whilst any Option remains exercisable, whether by way of capitalisation issue, rights issue, subdivision, consolidation of shares, or reduction of the share capital of the Company or otherwise howsoever in accordance with the applicable legal requirements and requirements of the Stock Exchange (excluding any alteration in the capital structure of the Company as a result of an issue of Shares as consideration in respect of a transaction to which the Company is a party) at any time after the date on which dealings in the Shares first commence on the Stock Exchange, such corresponding alterations (if any) shall be made to:

- (a) the number or nominal amount of Shares subject to the Option already granted but unexercised; and/or
- (b) the Subscription Price;

as, other than any alterations made on a capitalisation issue, an independent financial adviser appointed by the Company or the Auditors shall at the request of the Board certify in writing to the directors of the Company, either generally or as regards any particular Grantee, that any such alterations shall satisfy the requirements set out in the note to rule 17.03(13) of the Listing Rules and the supplementary guidance being the attachment to FAQ No. 072/2020 released by the Stock Exchange on 6 November 2020 and/or any future guidance or interpretation of the Listing Rules issued by the Stock Exchange from time to time and shall give a Grantee the same proportion of the issued share capital of the Company as that to which the Grantee was previously entitled, provided that no such alterations shall be made to the effect of which would be to enable a Share to be issued at less than its nominal value. The issue of securities as consideration in a transaction is not to be regarded as a circumstance requiring adjustment. The capacity of the independent financial adviser or the Auditors in this paragraph is that of experts and not of arbitrators and their certification shall, in the absence of manifest error, be final and binding on the Company and the Grantees. The costs of the independent financial adviser or the Auditors shall be borne by the Company. Notice of such alteration(s) shall be given to the Grantees by the Company.

12. ALTERATION OF THE SHARE OPTION SCHEME

12.1 The provisions of the Share Option Scheme may be altered in any respect by resolution of the Board at its absolute discretion except that the provisions of the Share Option Scheme as to:

- (a) the definitions of “Grantee”, “Option Period”, “Participant” and “Subscription Price”;
- (b) the provisions of paragraphs and sub-paragraphs 4.1, 5.1, 5.2, 5.3, 6, 7, 8, 9, 10, 11 and this paragraph 12; and
- (c) all such other matters set out in Rule 17.03 of the Listing Rules

shall not be altered to the advantage of the Participants except with the prior approval of the shareholders of the Company in general meeting, provided that no such alteration shall operate to affect adversely the terms of issue of any Option granted or agreed to be granted prior to such alteration except with the consent or sanction of such majority of the affected Grantees as would be required of the shareholders of the Company under the articles of association for the time being of the Company for a variation of the rights attached to the Shares.

12.2 Any alterations to the terms and conditions of the Share Option Scheme which are of a material nature or any change to the terms of the Options granted must be approved by the shareholders of the Company as well as the shareholders of the listed holding company of the Company (if any) in general meeting, except where the alterations take effect automatically under the existing terms of the Share Option Scheme.

12.3 The amended terms of the Share Option Scheme or the Options must still comply with the relevant requirements of Chapter 17 of the Listing Rules.

12.4 Any change to the authority of the directors of the Company or scheme administrators in relation to any alteration to the terms of the Share Option Scheme must be approved by the shareholders of the Company as well as the shareholders of the listed holding company of the Company (if any) in general meeting.

13. CANCELLATION OF THE OPTIONS

The Board may, with the consent of the relevant Grantee, at any time at its absolute discretion cancel any Option granted but not exercised. Where the Company cancels Options and makes an Offer of the grant of new Options to the same Option holder, the Offer of the grant of such new Options may only be made under the Share Option Scheme with available Options (to the extent not yet granted and excluding the cancelled Options) within the limit approved by the shareholders of the Company as mentioned in paragraph 9.

14. TERMINATION OF THE SHARE OPTION SCHEME

The Company by resolution in general meeting or the Board may at any time terminate the operation of the Share Option Scheme and in such event no further Options will be offered but in all other respects the provisions of the Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any Options granted prior thereto or otherwise as may be required in accordance with the provisions of the Share Option Scheme, and Options which are granted prior to such termination shall continue to be valid and exercisable in accordance with the provisions of the Share Option Scheme and their terms of issue. Upon such termination, details of the Options granted (including Options exercised or outstanding) under the Share Option Scheme and (if applicable) Options that become void or non-exercisable as a result of termination are required under the Listing Rules to be disclosed in the circular to shareholders seeking approval of the first new share option scheme established thereafter.

15. MISCELLANEOUS

- 15.1 The Share Option Scheme shall not form part of any contract of employment or directorship, service contract or engagement contract between the Relevant Company of the Group and any Participant and the rights and obligations of any Participant under the terms of his employment, office, directorship, appointment or engagement shall not be affected by his participation in the Share Option Scheme or any right which he may have to participate in it and the Share Option Scheme shall afford such a Participant no additional rights to compensation or damages in consequence of the termination of such employment, office, directorship, appointment or engagement for any reason. By accepting an Option, a Grantee shall be deemed irrevocably to have accepted the grant subject to the provisions of the Share Option Scheme and to have waived any entitlement, by way of compensation for loss of office or otherwise howsoever, to any sum or other benefit to compensate him for loss of any rights under the Share Option Scheme.
- 15.2 The Share Option Scheme shall not confer on any person any legal or equitable rights (other than those constituting the Options themselves) against the Company directly or indirectly or give rise to any cause of action at law or in equity against the Company.
- 15.3 The Company shall bear the costs of establishing and administering the Share Option Scheme.
- 15.4 A Grantee shall be entitled to receive copies of all notices and other documents sent by the Company to its shareholders.
- 15.5 Any notice or other communication between the Company and a Grantee may be given, in the case of notice and communication to the Company, by sending the same by prepaid post or by personal delivery to its principal place of business in Hong Kong or such other address as notified to the Grantees from time to time and, in the case of notice and communication to the Grantee (i) by sending the same by prepaid post or by personal delivery to his correspondence address in Hong Kong as notified to the Company from time to time or (ii) to the extent permitted by and in accordance with the Listing Rules and any other applicable laws, by electronic communication including by transmitting the same to any electronic number, address or website as notified to the Company from time to time or by placing the same on the Company's website and/or the website of the Stock Exchange.

15.6 Any notice or other communication served by post:

- (a) by the Company shall be deemed to have been served on the Grantee 24 hours after the same was put in the post; and
- (b) by the Grantee shall not be deemed to have been received by the Company until the same shall have been received by the Company.

15.7 Any notice or other communication served by electronic communication by the Company shall be deemed to have been served on the Grantee:

- (a) in the case of placing on the Company's website and/or the website of the Stock Exchange, on the day on which the same is published on such website; and
- (b) in any other case, on the day on which the same is transmitted to the Grantee if no notification has been received by the Company within 24 hours after the transmission that the electronic communication has not reached the Grantee,

or at such later time as may be prescribed by the Listing Rules or any other applicable laws. Any failure in transmission of the electronic communication which is beyond the Company's control shall not invalidate the effectiveness of the notice or communication being served.

15.8 All allotments and issues of Shares shall be subject to any necessary consents under any relevant enactment or regulation in force from time to time in Hong Kong or elsewhere, and a Grantee shall be responsible for obtaining any governmental or other official consent or approval that may be required by any country or jurisdiction in order to permit the grant or exercise of the Option. The Company shall not be responsible for any failure by a Grantee to obtain any such consent or approval or for any tax or other liability to which a Grantee may become subject as a result of his participation in the Share Option Scheme.

15.9 The Grantee shall pay all taxes and discharge all other liabilities to which he may become subject as a result of his participation in the Share Option Scheme or the exercise of any Option.

15.10 The Share Option Scheme and all Options granted shall be governed by and construed in accordance with the Listing Rules and the laws of Hong Kong in force from time to time.

**APPENDIX IV CHANGES BROUGHT BY THE NEW MEMORANDUM
AND ARTICLES OF ASSOCIATION**

The following are the changes to the existing Memorandum and existing Articles introduced by the New Memorandum and Articles. Unless otherwise specified, clauses, paragraphs and article numbers referred to herein are clauses, paragraphs and article numbers of the New Memorandum and Articles:

Provisions in the New Memorandum and Articles (showing changes to the existing Memorandum and the existing Articles)	
Clause No.	New Memorandum
Immediately preceding Clause 1	<p><u>CAYMAN ISLANDS</u></p> <p>The Companies Law (2000 Revision)<u>Act (As Revised)</u> (Cap. 22)</p> <p>Company Limited by Shares</p> <p><u>AMENDED AND RESTATED MEMORANDUM OF ASSOCIATION</u> OF TOWNGAS SMART ENERGY COMPANY LIMITED</p> <p>(Embodied all amendments passed by resolutions up to 26 November 2021<u>adopted by special resolution passed on [•] 2022)</u></p>
Clause 2	<p>The Registered Office of the Company shall be at the offices of Maples and Calder<u>Corporate Services Limited</u>, P.O. Box 309, Ugland House, South Church Street, George Town, Grand Cayman, KY1-1104, Cayman Islands, British West Indies or at such other place in the Cayman Islands as the Board may from time to time decide.</p>

**APPENDIX IV CHANGES BROUGHT BY THE NEW MEMORANDUM
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Clause 4	<p>Except as prohibited or limited by the Companies Law (2000 Revision) Act <u>(As Revised)</u>, the Company shall have full power and authority to carry out any object not prohibited by any law as provided by Section 7(4) of the Companies Law (2000 Revision) Act <u>(As Revised)</u> and shall have and be capable of from time to time and at all times exercising any and all of the powers at any time or from time to time exercisable by a natural person or body corporate, irrespective of any question of corporate benefit, in doing in any part of the world whether as principal, agent, contractor or otherwise whatever may be considered by it necessary for the attainment of its objects and whatever else may be considered by it as incidental or conducive thereto or consequential thereon, including, but without in any way restricting the generality of the foregoing, the power to make any alterations or amendments to this Memorandum of Association and the Articles of Association of the Company considered necessary or convenient in the manner set out in the Articles of Association of the Company, and the power to do any of the following acts or things, viz: to pay all expenses of and incidental to the promotion, formation and incorporation of the Company; to register the Company to do business in any other jurisdiction; to sell, lease or dispose of any property of the Company; to draw, make, accept, endorse, discount, execute and issue promissory notes, debentures, debenture stock, loans, loan stock, loan notes, bonds, convertible bonds, bills of exchange, bills of lading, warrants and other negotiable or transferable instruments; to lend money or other assets and to act as guarantors; to borrow or raise money on the security of the undertaking or on all or any of the assets of the Company including uncalled capital or without security; to invest monies of the Company in such manner as the Directors determine; to promote other companies; to sell the undertaking of the Company for cash or any other consideration; to distribute assets in specie to members of the Company; to contract with persons for the provision of advice, the management and custody of the Company's assets, the listing of the Company's shares and its administration; to make charitable or benevolent donations; to pay pensions or gratuities or provide other benefits in cash or kind to Directors, officers, employees, past or present and their families; to purchase Directors and officers liability insurance; to carry on any trade or business and generally to do all acts and things which, in the opinion of the Company or the Directors, may be conveniently or profitably or usefully acquired and dealt with, carried on, executed or done by the Company in connection with the business aforesaid PROVIDED THAT the Company shall only carry on the businesses for which a licence is required under the laws of the Cayman Islands when so licensed under the terms of such laws.</p>
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**APPENDIX IV CHANGES BROUGHT BY THE NEW MEMORANDUM
AND ARTICLES OF ASSOCIATION**

Clause 6	The share capital of the Company is HK\$500,000,000 divided into 5,000,000,000 shares of a nominal or par value of HK\$0.10 each with power for the Company insofar as is permitted by law, to redeem or purchase any of its shares and to increase or reduce the said capital subject to the provisions of the Companies Law (2000 Revision) Act (As Revised) and the Articles of Association and to issue any part of its capital, whether original, redeemed or increased with or without any preference, priority or special privilege or subject to any postponement of rights or to any conditions or restrictions and so that unless the conditions of issue shall otherwise expressly declare every issue of shares whether declared to be preference or otherwise shall be subject to the powers hereinbefore contained.
Clause 7	If the Company is registered as exempted, its operations will be carried on subject to the provisions of Section 193 174 of the Companies Law (2000 Revision) Act (As Revised) and, subject to the provisions of the Companies Law (2000 Revision) Act (As Revised) and the Articles of Association, it shall have the power to register by way of continuation as a body corporate limited by shares under the laws of any jurisdiction outside the Cayman Islands and to be deregistered in the Cayman Islands.
Article No.	New Articles
Immediately preceding Article 1	<p><u>CAYMAN ISLANDS</u></p> <p>The Companies Law (2010 Revision)Act (As Revised) (Cap. 22)</p> <p>Company Limited by Shares</p> <p>AMENDED AND RESTATED ARTICLES OF ASSOCIATION OF TOWNGAS SMART ENERGY COMPANY LIMITED</p> <p>(Embodied all amendments passed by resolutions up to 26 November 2024adopted by special resolution passed on [•] 2022)</p>
Article 1	The regulations contained in Table A in the First Schedule to the Companies Law Act shall not apply to the Company.

**APPENDIX IV CHANGES BROUGHT BY THE NEW MEMORANDUM
AND ARTICLES OF ASSOCIATION**

	<p>The marginal notes to these Articles shall not affect the interpretation hereof. In these Articles, unless there be something in the subject or context inconsistent therewith:</p> <p>....</p>
Aassociate	<p>“Aassociate” shall have the meaning as ascribed to it under the Listing Rules;</p> <p>....</p>
<u>Black rainstorm warning</u>	<p><u>“black rainstorm warning” shall have the meaning given to it in the Interpretation and General Clauses Ordinance (Cap. 1 of the Laws of Hong Kong);</u></p> <p>....</p>
<u>business day</u>	<p><u>“business day” shall mean a day on which the Exchange generally is open for the business of dealing in securities in Hong Kong. Notwithstanding the foregoing, where the Exchange is closed for business of dealing in securities in Hong Kong on a day by reason of a gale warning, black rainstorm warning or other similar event, such day shall for the purpose of any notice sent under these Articles be counted as a business day;</u></p> <p>....</p>
<u>close associate</u>	<p><u>“close associate” shall have the meaning as ascribed to it in the Listing Rules;</u></p> <p>....</p>

**APPENDIX IV CHANGES BROUGHT BY THE NEW MEMORANDUM
AND ARTICLES OF ASSOCIATION**

the Companies LawAct/the LawAct	“the Companies LawAct ” or “the LawAct ” shall mean the Companies Law (2010 Revision) Act (As Revised) , Cap. 22 of the Cayman Islands and any amendments thereto or re enactments thereof for the time being in force and includes every other law incorporated therewith or substituted therefor;
the Companies Ordinance	“the Companies Ordinance” shall mean the Companies Ordinance (Cap. 32-622 of the Laws of Hong Kong) as in force from time to time;
....	
dividend	“dividend” shall include bonus dividends and distributions permitted by the LawAct to be categorised as dividends;
....	
electronic	shall have the meaning given to it in the Electronic Transactions LawAct ;
electronic facilities	<u>“electronic facilities” shall mean video, video-conferencing, internet or online conferencing applications, telephone or tele-conferencing and/or any other video-communication, internet or online conferencing application or telecommunications facilities by means of which all shareholders participating in a meeting are capable of hearing and be heard by each other;</u>
electronic means	“electronic means’ includes sending or otherwise making available to the intended recipients of the <u>Corporate eCommunication</u> in the electronic format;
electronic meeting	<u>“electronic meeting” shall mean a general meeting held and conducted wholly and exclusively by virtual attendance and participation by shareholders and/or proxies by means of electronic facilities;</u>

**APPENDIX IV CHANGES BROUGHT BY THE NEW MEMORANDUM
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Electronic Transactions LawAct	“Electronic Transactions Law Act” means the Electronic Transactions Law (2003 Revision)Act (As Revised) of the Cayman Islands and any amendment thereto or re-enactments thereof for the time being in force and includes every other law incorporated therewith or substituted therefor;
....	
<u>gale warning</u>	“gale warning” shall have the meaning given to it in the Interpretation and General Clauses Ordinance (Cap. 1 of the Laws of Hong Kong);
....	
<u>hybrid meeting</u>	“hybrid meeting” shall mean a general meeting held and conducted by (i) <u>physical attendance by shareholders and/or proxies at the Principal Meeting Place and where applicable, one or more Meeting Locations</u> and (ii) <u>virtual attendance and participation by shareholders and/or proxies by means of electronic facilities</u> ;
....	
<u>Meeting Location(s)</u>	“Meeting Location(s)” shall have the meaning given to it in <u>Article 67C</u> ;
<u>ordinary resolution</u>	“ordinary resolution” shall mean a resolution passed by a simple majority of the votes of such members of the Company as, being entitled to do so, vote in person or, where proxies are allowed, by proxy or, in the case of corporations, by their duly authorised representatives, at a general meeting held in accordance with these Articles and includes an ordinary resolution passed pursuant to Article 81 80;
<u>physical meeting</u>	“physical meeting” shall mean a general meeting held and conducted by <u>physical attendance and participation by shareholders and/or proxies at the Principal Meeting Place and/or where applicable, one or more Meeting Locations</u> ;

**APPENDIX IV CHANGES BROUGHT BY THE NEW MEMORANDUM
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	<p><u>Principal Meeting Place</u> <u>“Principal Meeting Place” shall have the meaning given to it in Article 67C;</u></p> <p>....</p> <p>special resolution <u>“special resolution” shall have the same meaning as ascribed thereto in the LawAct and shall include a unanimous written resolution of all members: for this purpose, the requisite majority shall be not less than three-fourths of the votes of such members of the Company as, being entitled to do so, vote in person or, where proxies are allowed, by proxy or, in the case of corporations, by their duly authorised representatives, at a general meeting of which notice specifying the intention to propose the resolution as a special resolution has been duly given and includes a special resolution passed pursuant to Article 8180;</u></p> <p>....</p> <p>words in LawAct to bear same meaning in Articles <u>Subject as aforesaid, any words defined in the LawAct shall, if not inconsistent with the subject and/or context, bear the same meanings in these Articles;</u></p> <p>....</p> <p>Sections 8 and 19(3) Electronic Transaction LawAct <u>Sections 8 and 19(3) of the Electronic Transactions LawAct shall not apply to the Company.</u></p>
Article 3	The <u>authorized share capital</u> of the Company at the date of the adoption of these Articles is HK\$500,000,000 divided into 5,000,000,000 shares of HK\$0.10 each.

**APPENDIX IV CHANGES BROUGHT BY THE NEW MEMORANDUM
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Article 4	<p>Subject to the provisions of these Articles and to any direction that may be given by the Company in general meeting and without prejudice to any special rights conferred on the holders of any existing shares or attaching to any class of shares, any share may be issued with or have attached thereto such preferred, deferred, qualified or other special rights or restrictions, whether in regard to dividend, voting, return of capital or otherwise, and to such persons at such times and for such consideration as the Board may determine. Adequate voting rights will, in appropriate circumstances, be secured to preference shareholders. Subject to the Law<u>Act</u> and to any special rights conferred on any shareholders or attaching to any class of shares, any share may, with the sanction of a special resolution, be issued on terms that it is, or at the option of the Company or the holder thereof is, liable to be redeemed. No shares shall be issued to bearer.</p>
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**APPENDIX IV CHANGES BROUGHT BY THE NEW MEMORANDUM
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Article 6	<p>(a) If at any time the share capital of the Company is divided into different classes of shares, all or any of the rights attached to any class of shares for the time being issued (unless otherwise provided for in the terms of issue of the shares of that class) may, subject to the provisions of the Law<u>Act</u>, be varied or abrogated with the consent in writing of the holders of not less than three-fourths in nominal value<u>of the voting rights</u> of the issued shares of that class or with the sanction of a special resolution passed at a separate meeting of the holders of shares of that class. To every such separate meeting all the provisions of these Articles relating to general meetings shall mutatis mutandis apply, but so that the quorum for the purposes of any such separate meeting and of any adjournment thereof shall be a person or persons together holding <u>(or, in the case of a member being a corporation, by its duly authorised representative)</u> (or representing by proxy) at the date of the relevant meeting not less than one-third in nominal value of the issued shares of that class, and that any holder of shares of the class present in person or by proxy may demand a poll.</p>
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**APPENDIX IV CHANGES BROUGHT BY THE NEW MEMORANDUM
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Article 7	<p>Subject to the Law<u>Act</u>, or any other law or so far as not prohibited by any law and subject to any rights conferred on the holders of any class of shares, the Company shall have the power to purchase or otherwise acquire all or any of its own shares (which expression as used in this Article includes redeemable shares) provided that the manner of purchase has first been authorised by a resolution of the shareholders, and to purchase or otherwise acquire warrants for the subscription or purchase of its own shares, and shares and warrants for the subscription or purchase of any shares in any company which is its holding company and may make payment therefor in any manner authorised or not prohibited by law, including out of capital, or to give, directly or indirectly, by means of a loan, a guarantee, a gift, an indemnity, the provision of security or otherwise howsoever, financial assistance for the purpose of or in connection with a purchase or other acquisition made or to be made by any person of any shares or warrants in the Company or any company which is a holding company of the Company and should the Company purchase or otherwise acquire its own shares or warrants neither the Company nor the Board shall be required to select the shares or warrants to be purchased or otherwise acquired rateably or in any other manner as between the holders of shares or warrants of the same class or as between them and the holders of shares or warrants of any other class or in accordance with the rights as to dividends or capital conferred by any class of shares provided always that any such purchase or other acquisition or financial assistance shall only be made in accordance with any relevant code, rules or regulations issued by the Exchange or the Securities and Futures Commission of Hong Kong from time to time in force.</p>
Article 9	<p>(a) Subject to the provisions of the Law<u>Act</u> and the Memorandum of Association of the Company, and to any special rights conferred on the holders of any shares or attaching to any class of shares, shares may be issued on the terms that they may be, or at the option of the Company or the holders are, liable to be redeemed on such terms and in such manner, including out of capital, as the Board may deem fit.</p> <p>(b) Where the Company purchases for redemption a redeemable share, purchases not made through the market or by tender shall be limited to a maximum price, and if purchases are by tender, tenders shall be available to all shareholders alike.</p>

**APPENDIX IV CHANGES BROUGHT BY THE NEW MEMORANDUM
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Article 11	Subject to the provisions of the <u>LawAct</u> , of the Memorandum of Association of the Company, and of these Articles relating to new shares, the unissued shares in the Company (whether forming part of its original or any increased capital) shall be at the disposal of the Board, which may offer, allot, grant options over or otherwise dispose of them to such persons, at such times and for such consideration, and upon such terms, as the Board shall determine.
Article 12	The Company may, unless prohibited by law, at any time pay a commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares in the Company or procuring or agreeing to procure subscriptions (whether absolute or conditional) for any shares in the Company, but so that the conditions and requirements of the <u>LawAct</u> shall be observed and complied with, and in each case the commission shall not exceed 10% of the price at which the shares are issued.
Article 14	<p>(a) The Board shall cause to be kept at such place within or outside the Cayman Islands as it deems fit a principal register of the members and there shall be entered therein the particulars of the members and the shares issued to each of them and other particulars required under the <u>LawAct</u>.</p> <p>....</p> <p>(d) Notwithstanding anything contained in this Article, the Company shall as soon as practicable and on a regular basis record in the principal register all transfers of shares effected on any branch register and shall at all times maintain the principal register in such manner as to show at all times the members for the time being and the shares respectively held by them, in all respects in accordance with the Companies <u>LawAct</u>.</p>

**APPENDIX IV CHANGES BROUGHT BY THE NEW MEMORANDUM
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Article 15	<p>....</p> <p>(c) 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. <u>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></p> <p>(d) <u>In lieu of, or apart from, closing the register pursuant to other provisions in these Articles, the Board may fix in advance a date as the record date for any such determination of members entitled to receive notice of, or to vote at any general meeting of the members or any adjournment thereof, or for the purpose of determining the members entitled to receive payment of any dividend or distribution, or in order to make a determination of members for any other purpose.</u></p>
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**APPENDIX IV CHANGES BROUGHT BY THE NEW MEMORANDUM
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	<p>(de) Any register held in Hong Kong shall during normal business hours (subject to such reasonable restrictions as the Board may impose) be open to inspection by a member without charge and any other person on payment of such fee <u>fee of such amount</u> not exceeding HK\$2.50 <u>(or such higher</u> <u>the maximum</u> amount as may from time to time be permitted under the Listing Rules) as the Board may determine for each inspection. Any member may require a copy of the register, or any part thereof, on payment of HK\$0.25, or such lesser sum as the Company may prescribe, for every 100 words or fractional part thereof required to be copied. The Company shall cause any copy so required by any person to be sent to that person within a period of 10 days commencing on the date next after the day on which the request is received by the Company.</p>
<p>Article 16</p>	<p>Every person whose name is entered as a member in the register shall be entitled to receive, within the relevant time limit as prescribed in the Law<u>Act</u> or as the Exchange may from time to time determine, whichever is shorter, after allotment or lodgment of transfer (or within such other period as the conditions of issue shall provide), one certificate for all his shares of each class or, if he shall so request, in a case where the allotment or transfer is of a number of shares in excess of the number for the time being forming an Exchange board lot, upon payment, (i) in the case of an allotment, of a fee of such sum as the Board may from time to time determine but subject to the maximum amount as the Exchange may from time to time determine for every certificate after the first or (ii) in the case of a transfer, of a fee of such sum as the Board may from time to time determine but subject to the maximum amount as the Exchange may from time to time determine for every certificate, such numbers of certificates for shares in Exchange board lots or multiples thereof as he shall request and one for the balance (if any) of the shares in question, provided that in respect of a share or shares held jointly by several persons the Company shall not be bound to issue a certificate or certificates to each such person, and the issue and delivery of a certificate or certificates to one of several joint holders shall be sufficient delivery to all such holders. All certificates for shares shall be delivered personally or sent through the post addressed to the member entitled thereto at his registered address as appearing in the register.</p>

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<p>Article 59</p>	<p>(a) The Company may from time to time by ordinary resolution:</p> <p>(ii) cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled subject to the provisions of the <u>LawAct</u>; and</p> <p>(iii) sub divide its shares or any of them into shares of smaller amount than is fixed by the Memorandum of Association of the Company, subject nevertheless to the provisions of the <u>LawAct</u>, and so that the resolution whereby any share is sub divided may determine that, as between the holders of the shares resulting from such sub division, one or more of the shares may have any such preferred or other special rights, over, or may have such deferred rights or be subject to any such restrictions as compared with the others as the Company has power to attach to unissued or new shares.</p> <p>(b) The Company may by special resolution reduce its share capital, any capital redemption reserve or any share premium account in any manner authorised and subject to any conditions prescribed by the <u>LawAct</u>.</p>
<p>Article 64</p>	<p>(a) The Board shall cause a proper register to be kept, in accordance with the provisions of the <u>LawAct</u>, of all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of the <u>LawAct</u> in regard to the registration of mortgages and charges therein specified and otherwise.</p>

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<p>Article 66</p>	<p>The Company shall in each <u>financial year</u> hold a general meeting as its annual general meeting in addition to any other meeting in that year and shall specify the meeting as such in the notices calling it.; and not more than 15 months shall elapse (or such longer period as the Exchange may authorise) between the date of one annual general meeting of the Company and that of the next. So long as the first annual general meeting of the Company is held within 15 months from the date of its incorporation, it need not be held in the year of its incorporation. The annual general meeting shall be held <u>within six months after the end of the Company’s financial year (unless a longer period would not infringe the rules of the Exchange (if any) or otherwise permitted by the Exchange or require or permitted by any applicable laws, rules or regulations of Hong Kong or such other territory where any of the securities of the Company is listed on a stock exchange in such territory) at such time and place as the Board shall appoint.</u></p>
<p><u>Article 67A</u></p>	<p><u>(Newly added)</u></p> <p><u>All general meetings (including an annual general meeting or extraordinary general meeting or any adjourned meeting) may be held as a physical meeting at one or more Meeting Location(s) or as a hybrid meeting or as an electronic meeting, as may be determined by the Board, and at such time as the Board shall appoint. A meeting of the shareholders or any class thereof may be held by means of such electronic facilities which permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence at such meetings.</u></p>
<p><u>Article 67B</u></p>	<p><u>(Newly added)</u></p> <p><u>The notice of any general meeting (including an adjourned or reconvened meeting) at which electronic facilities will be utilised (including any electronic meeting) must disclose the electronic facilities that will be utilised, including the procedures to be followed by any shareholders or other participant of the general meeting who wishes to utilise such electronic facilities for the purpose of attending, participating and voting at such meeting.</u></p>

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<p><u>Article 67C</u></p>	<p><u>(Newly added)</u></p> <p>(a) <u>The Board may, at its absolute discretion, arrange for persons entitled to attend a general meeting to do so by simultaneous physical attendance at such location or locations (“Meeting Location(s)”) determined by the Board at its absolute discretion and participation by means of electronic facilities. Any shareholder or any proxy attending and participating in an electronic meeting or a hybrid meeting by means of electronic facilities is deemed to be present at and shall be counted in the quorum of the meeting.</u></p> <p>(b) <u>All general meetings are subject to the following:</u></p> <p>(i) <u>where a shareholder attends the meeting at a Meeting Location in the case of a physical or hybrid meeting, the meeting shall be treated as having commenced if it has commenced at the principal place of the meeting (the “Principal Meeting Place”);</u></p> <p>(ii) <u>shareholders present in person (in the case of a shareholder being a corporation, by its duly authorised representative) or by proxy at a Meeting Location and/or shareholders participating in an electronic meeting or a hybrid meeting by means of electronic facilities shall be counted in the quorum for and entitled to vote at the meeting in question, and that meeting shall be duly constituted and its proceedings valid provided that the chairman of the meeting is satisfied that adequate electronic facilities are available throughout the meeting to ensure that shareholders at all Meeting Locations and shareholders participating in an electronic meeting or a hybrid meeting by means of electronic facilities are able to participate in the business for which the meeting has been convened;</u></p>
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	<p><u>(iii) where shareholders attend a meeting by being present at one of the Meeting Locations and/or where shareholders participating in an electronic meeting or a hybrid meeting by means of electronic facilities, a failure (for any reason) of the electronic facilities or communication equipment, or any other failure in the arrangements for enabling those in a Meeting Location other than the Principal Meeting Place to participate in the business for which the meeting has been convened or in the case of an electronic meeting or a hybrid meeting, the inability of one or more shareholders or proxies to access, or continue to access, the electronic facilities despite adequate electronic facilities having been made available by the Company, shall not affect the validity of the meeting or the resolutions passed, or any business conducted there or any action taken pursuant to such business provided that there is a quorum present throughout the meeting; and</u></p> <p><u>(iv) if any of the Meeting Locations is not in the same jurisdiction as the Principal Meeting Place and/or in the case of a hybrid meeting, the provisions of these Articles concerning the service and giving of notice for the meeting, and the time for lodging proxies, shall apply by reference to the Principal Meeting Place; and in the case of an electronic meeting, the time for lodging proxies shall be as stated in the notice for the meeting.</u></p>
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<u>Article 67D</u>	<p><u>(Newly added)</u></p> <p><u>The Board and, at any general meeting, the chairman of the meeting may from time to time make arrangements for managing attendance and/or participation and/or voting at the Principal Meeting Place, any Meeting Location(s) and/or participation in an electronic meeting or a hybrid meeting by means of electronic facilities (whether involving the issue of tickets or some other means of identification, passcode, seat reservation, electronic voting or otherwise) as it shall in its absolute discretion consider appropriate, and may from time to time change any such arrangements, provided that a shareholder who, pursuant to such arrangements, is not entitled to attend, in person (in the case of a shareholder being a corporation, by its duly authorised representative) or by proxy, at any Meeting Location shall be entitled so to attend at one of the other Meeting Locations; and the entitlement of any shareholder so to attend the meeting or adjourned meeting at such Meeting Location or Meeting Locations shall be subject to any such arrangement as may be for the time being in force and by the notice of the meeting or adjourned meeting stated to apply to the meeting.</u></p>
<u>Article 67E</u>	<p><u>(Newly added)</u></p> <p><u>If it appears to the chairman of the general meeting that:</u></p> <p>(a) <u>the electronic facilities at the Principal Meeting Place or at such other Meeting Location(s) at which the meeting may be attended have become inadequate for the purposes referred to in Article 67C(a) or are otherwise not sufficient to allow the meeting to be conducted substantially in accordance with the provisions set out in the notice of the meeting; or</u></p> <p>(b) <u>in the case of an electronic meeting or a hybrid meeting, electronic facilities being made available by the Company have become inadequate; or</u></p> <p>(c) <u>it is not possible to ascertain the views of those present or to give all persons entitled to do so a reasonable opportunity to communicate and/or vote at the meeting; or</u></p>

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	<p>(d) <u>there is violence or the threat of violence, unruly behaviour or other disruption occurring at the meeting or it is not possible to secure the proper and orderly conduct of the meeting;</u></p> <p><u>then, without prejudice to any other power which the chairman of the meeting may have under these Articles, the chairman of the meeting may, at his/her absolute discretion, without the consent of the meeting, and before or after the meeting has started and irrespective of whether a quorum is present, interrupt or adjourn the meeting (including adjournment for indefinite period). All business conducted at the meeting up to the time of such adjournment shall be valid.</u></p>
<p><u>Article 67F</u></p>	<p><u>(Newly added)</u></p> <p><u>The Board and, at any general meeting, the chairman of the meeting may make any arrangement, determine and/or implement any requirements, procedures or measures which the Board or the chairman of the meeting, as the case may be, considers appropriate to ensure the security and facilitate the orderly and effective conduct of a meeting (including, without limitation, requirements for evidence of identity to be produced by those attending the meeting, determining the number and frequency of and the time allowed for questions that may be raised at a meeting). Shareholders shall also comply with all requirements imposed by the owner of the premises at which the meeting is held. Any decision made under this Article shall be final and conclusive and a person who refuses to comply with any such arrangements or requirements may be refused entry to the meeting or ejected (physically or electronically) from the meeting.</u></p>
<p><u>Article 67G</u></p>	<p><u>(Newly added)</u></p> <p><u>All persons seeking to attend and participate in an electronic meeting or a hybrid meeting shall be responsible for maintaining adequate facilities to enable them to do so. Subject to Article 67E, any inability of a person or persons to attend or participate in a general meeting by way of electronic facilities shall not invalidate the proceedings of and/or resolutions passed at that meeting.</u></p>

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<u>Article 67H</u>	<p><u>(Newly added)</u></p> <p><u>Without prejudice to other provisions in Article 67A, a general meeting may also be held by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting.</u></p>
Article 68	<p>The Board may, whenever it thinks fit, convene an extraordinary general meeting. General meetings shall also be convened on the written requisition of any two<u>one</u> or more members of the Company deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office specifying the objects of the meeting and signed by the requisitionists, provided that such requisitionists held as at the date of deposit of the requisition not less than one tenth of the paid up capital<u>voting rights</u>, on a one vote per share basis, of the Company which carries the right of voting at general meetings of the Company. General meetings may also be convened on the written requisition of any one member of the Company which is a recognized clearing house (or its nominee(s)) deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office specifying the objects of the meeting and signed by the requisitionist, provided that such requisitionist held as at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company which carries the right of voting at general meetings of the Company. If the Board does not within 21 days from the date of deposit of the requisition proceed duly to convene the meeting to be held within a further 21 days, the requisitionist(s) themselves or any of them representing more than one-half of the total voting rights of all of them, may convene the general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Board provided that any meeting so convened shall not be held after the expiration of three months from the date of deposit of the requisition, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to them by the Company.</p>

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<p>Article 69</p>	<p>(a) An annual general meeting and any extraordinary general meeting called for the passing of a special resolution shall be called by not less than 21 days' notice in writing and any other extraordinary general meeting shall be called by not less than 14 days' notice in writing. <u>Subject to the requirements under the Listing Rules, T</u>the notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the time, place, and agenda of the meeting, particulars of the resolutions <u>and the general nature of the business</u> to be considered at the meeting and in the case of special business (as defined in Article 71) the general nature of that business. The notice convening an annual general meeting shall specify the meeting as such, and the notice convening a meeting to pass a special resolution shall specify the intention to propose the resolution as a special resolution. Notice of every general meeting shall be given to the Auditors and to all members other than such as, under the provisions hereof or the terms of issue of the shares they hold, are not entitled to receive such notice from the Company.</p>
<p>Article 73</p>	<p>If within 15 minutes from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of members, shall be dissolved, but in any other case it shall stand adjourned to the same day in the next week and at such time <u>and/or place and/or form</u> as shall be decided by the Board, and if at such adjourned meeting a quorum is not present within 15 minutes from the time appointed for holding the meeting, the member or members present in person (or in the case of a corporation, by its duly authorised representative) or by proxy shall be a quorum and may transact the business for which the meeting was called.</p>
<p>Article 74</p>	<p>The C<u>Chairman of the Board</u> shall take the chair at every general meeting, or, if there be no such Chairman or, if at any general meeting such Chairman shall not be present within 15 minutes after the time appointed for holding such meeting or is unwilling to act, the Directors present shall choose another Director as Chairman, and if no Director be present, or if all the Directors present decline to take the chair, or if the Chairman chosen shall retire from the chair, then the members present shall choose one of their own number to be Chairman.</p>

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Article 75	<p>The Chairman may, with the consent of any general meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn any meeting from time to time and/or from place to place and/or from one form to another as the meeting shall determine. Whenever a meeting is adjourned for 14 days or more, at least seven clear days’ notice, specifying the place, the day and the hour, the time and the form of the adjourned meeting shall be given in the same manner as in the case of an original meeting but it shall not be necessary to specify in such notice the nature of the business to be transacted at the adjourned meeting. Save as aforesaid, no member shall be entitled to any notice of an adjournment or of the business to be transacted at any adjourned meeting. No business shall be transacted at any adjourned meeting other than the business which might have been transacted at the meeting from which the adjournment took place.</p>
Article 76	<p>At any general meeting a resolution put to the vote of the meeting shall be decided on a poll save that the Chairman may, in good faith, pursuant to the Listing Rules allow a resolution which relates purely to a procedural or administrative matter as prescribed under the Listing Rules to be voted on a show of hands, unless a poll is taken as may from time to time be required under the Listing Rules or any other applicable laws, rules or regulations or unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is duly demanded or otherwise required under the Listing Rules. A poll may be demanded by:</p> <ul style="list-style-type: none"> (a) the Chairman of the meeting; or (b) at least five members present in person (or in the case of a corporation, by its duly authorized representative) or by proxy and entitled to vote; or (c) any member or members present in person (or in the case of a corporation, by its duly authorised representative) or by proxy and representing in the aggregate not less than one-tenth of the total voting rights of all members having the right to attend and vote at the meeting; or

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	<p>(d) any member or members present in person (or in the case of a corporation, by its duly authorised representative) or by proxy and holding shares conferring a right to attend and vote at the meeting on which there have been paid up sums in the aggregate equal to not less than one-tenth of the total sum paid up on all shares conferring that right; or</p> <p>(e) if required under the Listing Rules or any other applicable laws, rules or regulations, by any Director or Directors who, individually or collectively, hold proxies in respect of shares representing five per cent. (5%) or more of the total voting rights at such meeting.</p> <p>Unless a poll is taken as may from time to time be required under the Listing Rules or any other applicable laws, rules or regulations or unless a poll is so required or demanded and, in the latter case, not withdrawn, <u>Where a resolution is voted on by a show of hands as permitted under the Listing Rules, a declaration by the Chairman that <u>athe</u> resolution has on a show of hands been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the Company’s book containing the minutes of proceedings of meetings of the Company shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.</u></p>
Article 77	<p>(a) If a poll is required or demanded as aforesaid, it shall (subject as provided in Article 81) be taken in such manner (including the use of ballot or voting papers or tickets <u>or electronic facilities</u>) and at such time and/or place <u>and/or form</u>, not being more than 30 days from the date of the meeting or adjourned meeting, at which the poll was required or demanded as the Chairman directs. No notice need be given of a poll not taken immediately. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was required or demanded. The demand for a poll may be withdrawn, with the consent of the Chairman, at any time before the close of the meeting at which the poll was demanded or the taking of the poll, whichever is earlier<u>taken.</u></p>

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	(b) The demand of a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded. <u>[RESERVED]</u>
Article 78	Any poll duly demanded on the election of a Chairman of a meeting or on any question of adjournment shall be taken at the meeting and without adjournment.
Article 79	In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is required or demanded <u>taken</u> , shall be entitled to a second or casting vote.
Article 81	(a) Subject to any special rights, privileges or restrictions as to voting for the time being attached to any class or classes of shares, at any general meeting on a show of hands <u>(a) every member who is present in person (or, in the case of a member being a corporation by its duly authorised representative) or by proxy shall have the right to speak, (b) on a show of hands, every member present in such manner shall have one vote, and (c) on a poll, every member present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy in such manner shall have one vote for each share registered in his name in the register, except, in the cases of sub-paragraphs (b) and (c) above, where a member is required, by the Listing Rules, to abstain from voting to approve the matter under consideration. Notwithstanding anything contained in these Articles, where more than one proxy or representative is appointed or authorized by a member which is a recognized clearing house (or its nominee(s)), each such proxy or representative shall have one vote on a show of hands. On a poll a member entitled to more than one vote is under no obligation to cast all his votes in the same way. <u>Votes (whether on a show of hands or a poll) may be cast by such means, electronic or otherwise, as the Chairman may determine.</u></u>

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	(b) Where the Company has knowledge that any member is, under any applicable laws and the Listing Rules from time to time, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such member in contravention of such requirement or restriction shall not be counted.
Article 86	Any member of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person (who must be an individual) as his proxy to attend and vote instead of him and a proxy so appointed shall have the same right as the member to speak at the meeting. On a poll Votes may be given either personally or by proxy. A proxy need not be a member of the Company. A member may appoint any number of proxies to attend in his stead at any one general meeting (or at any one class meeting).
Article 89	Every instrument of proxy, whether for a specified meeting or otherwise, shall be in common form or such other form <u>that does not contravene the Listing Rules</u> as the Board may from time to time approve, provided that it shall enable a member, according to his intention, to instruct his proxy to vote in favour of or against (or in default of instructions or in the event of conflicting instructions, to exercise his discretion in respect of) each resolution to be proposed at the meeting to which the form of proxy relates.
Article 90	The instrument appointing a proxy to vote at a general meeting shall: (a) be deemed to confer authority to demand or join in demanding a poll and to vote on any amendment of a resolution put to the meeting for which it is given as the proxy thinks fit; and (b) unless the contrary is stated therein, be valid as well for any adjournment of the meeting as for the meeting to which it relates, provided that the meeting was originally held within 12 months from such date.

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<p>Article 92</p>	<p>....</p> <p>(b) If a recognized clearing house (or its nominee(s)) is a member of the Company it may, by resolution of its directors or other governing body or by power of attorney, authorise such person or persons as it thinks fit to act as its representative(s) at any general meeting of the Company or at any general meeting of any class of members of the Company provided that, if more than one person is so authorised, the authorisation shall specify the number and class of shares in respect of which each such person is so authorised. A person so authorised pursuant to this provision shall be entitled to exercise the same rights and powers on behalf of the recognized clearing house (or its nominee(s)) which he represents as that recognized clearing house (or its nominee(s)) could exercise as if such person were an individual member of the Company holding the number and class of shares specified in such authorisation, including <u>the right to speak and vote at the meeting, and where a show of hands is allowed</u>, the right to vote individually on a show of hands, notwithstanding any contrary provision contained in these Articles.</p>
<p>Article 95</p>	<p>The Board shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an addition to the Board. Any Director so appointed shall hold office only until the next following<u>first annual</u> general meeting of the Company (in the case of filling a casual vacancy) or until the next following annual general meeting of the Company (in the case of an addition to the Board)<u>after his appointment</u> and shall then be eligible for re election at that meeting.</p>

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Article 103 (c) A Director shall not be entitled to vote on (nor shall be counted in the quorum in relation to) any resolution of the Board in respect of <u>approving</u> any contract or arrangement or any other proposal whatsoever in which he or any of his <u>close Associate(s)</u> ; to the knowledge of such Director; <u>(or, if required by the Listing Rules, his other associates)</u> has any material interest <u>(nor shall he be counted in the quorum for such resolution)</u> , and if he shall do so his vote shall not be counted (nor is he to be counted in the quorum for the resolution) , but this prohibition shall not apply to any of the following matters, namely: (i) the giving of any security or indemnity either: (aa) to the Director or any of his <u>close Associate(s)</u> in respect of money lent or obligations incurred or undertaken by him or any of them at the request of or for the benefit of the Company or any of its subsidiaries; (bb) to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or any of his <u>close Associate(s)</u> has himself/themselves assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security; (ii) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase where the Director or any of his <u>close Associate(s)</u> is/are or is/are to be interested as a participant in the underwriting or sub underwriting of the offer;
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	<p>(iii) any proposal concerning any other company in which the Director or any of his Associates is/are interested only, whether directly or indirectly, as an officer or executive or shareholder or in which the Director or any of his Associates is/are beneficially interested in the shares of that company, provided that, the Director and any of his Associates is/are not, in aggregate, beneficially interested in 5% or more of the issued shares of any class of such company (or of any third company through which his interest or that of any of his Associates is derived) or of the voting rights;</p> <p>(iviii) any proposal or arrangement concerning the benefit of employees of the Company or any of its subsidiaries including:</p> <p>(aa) the adoption, modification or operation of any employees' share scheme or any share incentive scheme or share option scheme under which the Director or any of his <u>close Associate(s)</u> may benefit;</p> <p>(bb) the adoption, modification or operation of a pension or provident fund or retirement, death or disability benefits scheme which relates both to the <u>Directors, any of their Associates his close associate(s) and employee(s)</u> of the Company or any of its subsidiaries and does not provide in respect of any Director or any of his <u>close Associate(s)</u> as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates; and</p> <p>(viiiv) any contract or arrangement in which the Director or any of his <u>close Associate(s)</u> is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company.</p>
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	<p>....</p> <p>(e) If any question shall arise at any meeting of the Board as to the materiality of the interest of a Director or his <u>A</u>ssociates or the significance of a contract, arrangement or transaction or proposed contract, arrangement or transaction or as to the entitlement of any Director to vote or form part of a quorum and such question is not resolved by his voluntarily agreeing to abstain from voting or not to be counted in the quorum, such question shall be referred to the Chairman of the meeting (or, where <u>such</u> question relates to the interest of the Chairman or of his <u>close A</u>ssociate(s), to the other Directors at the meeting) and his ruling (or, as appropriate, the ruling of the other Directors) in relation to any other Director (or, as appropriate, the Chairman) shall be final and conclusive except in a case where the nature or extent of the interests of the Director concerned (or, as appropriate, the Chairman) and of his <u>close A</u>ssociate(s) as known to such Director (or, as appropriate, the Chairman) has not been fairly disclosed to the Board.</p> <p>(f) The Company may by ordinary resolution ratify any transaction not duly authorized by reason of a contravention of this Article provided that no Director or any of his <u>close A</u>ssociate(s) who is materially interested in such transaction shall vote upon such ordinary resolution in respect of any shares in the Company in which he/they is/are interested.</p>
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<p>Article 108</p>	<p>(a) Subject to any exercise by the Board of the powers conferred by Articles 109 to 111, the management of the business of the Company shall be vested in the Board which, in addition to the powers and authorities by these Articles expressly conferred upon it, may exercise all such powers and do all such acts and things as may be exercised or done or approved by the Company and are not hereby or by the <u>LawAct</u> expressly directed or required to be exercised or done by the Company in general meeting, but subject nevertheless to the provisions of the <u>LawAct</u> and of these Articles and to any regulation from time to time made by the Company in general meeting not being inconsistent with such provisions or these Articles, provided that no regulation so made shall invalidate any prior act of the Board which would have been valid if such regulation had not been made.</p> <p>....</p> <p>(c) Except as would, if the Company were a company incorporated in Hong Kong, be permitted by Section 157H ofFor so long as the shares of the Company are listed on the Exchange, the Company shall not make any <u>loan, directly or indirectly, to a Director or his close associate(s) if and to the extent it would be prohibited by the Companies Ordinance, as in force at the date of adoption of these Artieles, and except as permitted under the Companies Law, the Company shall not directly or indirectly:</u></p> <p>(i) make a loan to a Director or any of his Associates or a director of any holding company of the Company;</p> <p>(ii) enter into any guarantee or provide any security in connection with a loan made by any person to a Director or such a director; or</p> <p>(iii) if any one or more of the Directors hold (jointly or severally or directly or indirectly) a controlling interest in another company, make a loan to that other company or enter into any guarantee or provide any security in connection with a loan made by any person to that other company.</p>
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Article 115	<p>The Company may from time to time in general meeting by ordinary resolution increase or reduce the number of Directors but so that the number of Directors shall not be less than two. Subject to the provisions of these Articles and the Law<u>Act</u>, the Company may by ordinary resolution elect any person to be a Director either to fill a casual vacancy or as an addition to the existing Directors. Any Director so appointed shall hold office only until the next following general meeting of the Company (in the case of filling a casual vacancy) or until the next following annual general meeting of the Company (in the case of an addition to the Board) and shall then be eligible for re-election, but shall not be taken into account in determining the Directors who are to retire by rotation at such meeting.</p>
Article 117	<p>The Company shall keep at its registered office a register of directors and officers containing their names and addresses and occupations and any other particulars required by the Law<u>Act</u> and shall send to the Registrar of Companies of the Cayman Islands a copy of such register and shall from time to time notify to the Registrar of Companies of the Cayman Islands any change that takes place in relation to such Directors as required by the Law<u>Act</u>.</p>
Article 118	<p>(a) The Company may by ordinary resolution at any time remove any Director (including a Managing Director or other executive Director) before the expiration of his period<u>term</u> of office notwithstanding anything in these Articles or in any agreement between the Company and such Director and may by ordinary resolution elect another person in his stead. Any person so elected shall hold office during such time only as the Director in whose place he is elected would have held the same if he had not been removed.</p>

**APPENDIX IV CHANGES BROUGHT BY THE NEW MEMORANDUM
AND ARTICLES OF ASSOCIATION**

Article 119	<p>The Board may meet together for the despatch of business, adjourn and otherwise regulate its meetings and proceedings as it thinks fit in any part of the world and may determine the quorum necessary for the transaction of business. Unless otherwise determined two Directors shall be a quorum. For the purposes of this Article an alternate Director shall be counted in a quorum in place of the Director who appointed him and an alternate Director who is an alternate for more than one Director shall for quorum purposes be counted separately in respect of himself (if he is a Director) and in respect of each Director for whom he is an alternate (but so that nothing in this provision shall be construed as authorising a meeting to be constituted when only one person is physically present). A meeting of the Board or any committee of the Board may be held by means of a telephone or tele conferencing or any other telecommunications facility <u>or any other electronic equipment</u> provided that all participants are thereby able to communicate contemporaneously by voice with all other participants and participation in a meeting pursuant to this provision shall constitute presence in person at such meeting.</p>
Article 120	<p>A Director may, and on request of a Director the Secretary shall, at any time summon a meeting of the Board. Notice thereof shall be given to each Director either in writing or by telephone or by facsimile, telex or telegram <u>or by electronic mail</u> at the address or telephone, facsimile or telex number <u>or by electronic mail address</u> from time to time notified to the Company by such Director or in such other manner as the Board may from time to time determine provided that notice need not be given to any Director or alternate Director for the time being absent from Hong Kong.</p>

**APPENDIX IV CHANGES BROUGHT BY THE NEW MEMORANDUM
AND ARTICLES OF ASSOCIATION**

Article 129	<p><u>Unless otherwise required by the Listing Rules, a A-resolution in writing signed by each and every one of the Directors (or their respective alternates pursuant to Article 96(c)) shall be as valid and effectual as if it had been passed at a meeting of the Board duly convened and held and may consist of several documents in like form each signed by one or more of the Directors or alternate Directors. <u>Notwithstanding the foregoing, a resolution which relates to any matter or business in which a substantial shareholder of the Company (as defined in the Listing Rules from time to time), or a Director, has an interest conflicting with that of the Company which the Board determines, prior to the passing of such resolution, to be material, shall not be passed by a resolution in writing and shall only be passed at a meeting of the Directors held in accordance with these Articles.</u></u></p>
Article 130	<p>The Secretary shall be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit, and any Secretary so appointed may be removed by the Board. Anything by the Law<u>Act</u> or these Articles required or authorised to be done by or to the Secretary, if the office is vacant or there is for any other reason no Secretary capable of acting, may be done by or to any assistant or deputy Secretary appointed by the Board, or if there is no assistant or deputy Secretary capable of acting, by or to any officer of the Company authorised generally or specifically in that behalf by the Board.</p>
Article 131	<p>A provision of the Law<u>Act</u> or of these Articles requiring or authorising a thing to be done by or to a Director and the Secretary shall not be satisfied by its being done by or to the same person acting both as Director and as or in place of the Secretary.</p>

**APPENDIX IV CHANGES BROUGHT BY THE NEW MEMORANDUM
AND ARTICLES OF ASSOCIATION**

Article 138	<p>The Company in general meeting may upon the recommendation of the Board by ordinary resolution resolve that it is desirable to capitalise all or any part of the amount for the time being standing to the credit of any of the Company’s reserve accounts or funds or to the credit of the profit and loss account or otherwise available for distribution (and not required for the payment or provision of dividend on any shares with a preferential right to dividend) and accordingly that such sums be set free for distribution amongst the members who would have been entitled thereto if distributed by way of dividend and in the same proportion on condition that the same be not paid in cash but be applied either in or towards paying up any amounts for the time being unpaid on any shares held by such members respectively or paying up in full unissued shares, debentures or other securities of the Company to be allotted and distributed credited as fully paid up to and amongst such members in proportion aforesaid or partly in one way and partly in the other, and the Board shall give effect to such resolution, provided that a share premium account and a capital redemption reserve and any reserve or fund representing unrealised profits may, for the purposes of this Article, only be applied in paying up unissued shares to be issued to members of the Company as fully paid up shares or paying up calls or instalments due or payable on partly paid securities of the Company subject always to the provisions of the <u>LawAct</u>.</p>
Article 140	<p>(a) Subject to the <u>LawAct</u> and these Articles, the Company in general meeting may declare dividends in any currency but no dividends shall exceed the amount recommended by the Board.</p>
Article 144	<p>(a) The Board shall establish an account to be called the share premium account and shall carry to the credit of such account from time to time a sum equal to the amount or value of the premium paid on the issue of any share in the Company. The Company may apply the share premium account in any manner permitted by the Companies <u>LawAct</u>. The Company shall at all times comply with the provisions of the Companies <u>LawAct</u> in relation to the share premium account.</p>

**APPENDIX IV CHANGES BROUGHT BY THE NEW MEMORANDUM
AND ARTICLES OF ASSOCIATION**

Article 148	The Board, with the sanction of the members in general meeting, may direct that any dividend be satisfied wholly or in part by the distribution of specific assets of any kind and in particular of paid up shares, debentures or warrants to subscribe securities of any other company, or in any one or more of such ways, and where any difficulty arises in regard to the distribution the Board may settle the same as it thinks expedient, and in particular may disregard fractional entitlements, round the same up or down or provide that the same shall accrue to the benefit of the Company, and may fix the value for distribution of such specific assets, or any part thereof, and may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties, and may vest any such specific assets in trustees as may seem expedient to the Board and may appoint any person to sign any requisite instruments of transfer and other documents on behalf of the persons entitled to the dividend and such appointment shall be effective. Where required, a contract shall be filed in accordance with the provisions of the <u>LawAct</u> and the Board may appoint any person to sign such contract on behalf of the persons entitled to the dividend and such appointment shall be effective.
Article 155	The Board shall make the requisite annual returns and any other requisite filings in accordance with the <u>LawAct</u> .
Article 156	The Board shall cause to be kept such books of account as are necessary to give a true and fair view of the state of the Company's affairs and to show and explain its transactions and otherwise in accordance with the <u>LawAct</u> .
Article 157	The books of account shall be kept at the Company's principal place of business in Hong Kong or, subject to the provisions of the <u>LawAct</u> , at such other place or places as the Board thinks fit and shall always be open to the inspection of the Directors.

**APPENDIX IV CHANGES BROUGHT BY THE NEW MEMORANDUM
AND ARTICLES OF ASSOCIATION**

<p>Article 158</p>	<p>The Board shall from time to time determine whether, to what extent, at what times and places and under what conditions or regulations, the accounts and books of the Company, or any of them, shall be open to the inspection of the members (other than officers of the Company) and no member shall have any right of inspecting any accounts or books or documents of the Company except as conferred by the <u>LawAct</u> or any other relevant law or regulation or as authorised by the Board or by the Company in general meeting.</p>
<p>Article 159</p>	<p>....</p> <p>(c) To the extent permitted by and subject to due compliance with these Articles, the <u>LawAct</u> and all applicable rules and regulations, including, without limitation, the Listing Rules, and to obtaining all necessary consents, if any, required thereunder, the requirements of Article 159(b) shall be deemed satisfied in relation to any member or any holder of debentures of the Company by sending to such person instead of such copies, not less than 21 days before the date of the annual general meeting, in any manner not prohibited by these Articles and the <u>LawAct</u>, a summary financial statement derived from the Company’s annual accounts, together with the Directors’ report and the Auditors’ report on such accounts, which shall be in the form and containing the information required by these Articles, the <u>LawAct</u> and all applicable laws and regulations, provided that any person who is otherwise entitled to the annual accounts of the Company, together with the Directors’ report and the Auditors’ report thereon may, if he so requires, by notice in writing served on the Company, demand that the Company sends to him, in addition to the summary financial statement, a complete printed copy of the Company’s annual accounts, together with the Directors’ report and the Auditors’ report thereon.</p>

**APPENDIX IV CHANGES BROUGHT BY THE NEW MEMORANDUM
AND ARTICLES OF ASSOCIATION**

<p>Article 161</p>	<p>The Company shall at any<u>every</u> annual general meeting <u>by ordinary resolution</u> appoint an auditor or auditors of the Company who shall hold office until the next annual general meeting. <u>The Company may by ordinary resolution remove an Auditor before the expiration of such Auditor’s term of office.</u></p> <p>The remuneration of the Auditors shall be fixed by the Company <u>by ordinary resolution</u> at the annual general meeting at which they are appointed provided that in respect of any particular year the Company in general meeting may delegate the fixing of such remuneration to the Board. No person may be appointed as the, or an, Auditor, unless he is independent of the Company. The Board may before the first annual general meeting appoint an auditor or auditors of the Company who shall hold office until the first annual general meeting unless previously removed by an ordinary resolution of the members in general meeting in which case the members at that meeting may appoint Auditors. The Board may fill any casual vacancy in the office of Auditor but while any such vacancy continues the surviving or continuing Auditor or Auditors, if any, may act. The remuneration of any Auditor appointed by the Board <u>to fill any casual vacancy in the office of Auditor under this Article</u> may be fixed by the Board.</p>
<p>Article 172</p>	<p><u>(Newly added)</u></p> <p><u>Subject to the Companies Act, the Company may by special resolution resolve that the Company be wound up voluntarily.</u></p>

**APPENDIX IV CHANGES BROUGHT BY THE NEW MEMORANDUM
AND ARTICLES OF ASSOCIATION**

Article 172A	If the Company shall be wound up (whether the liquidation is voluntary, under supervision or by the court) the liquidator may, with the authority of a special resolution of the Company and any other sanction required by the <u>LawAct</u> divide among the members in specie or kind the whole or any part of the assets of the Company (whether the assets shall consist of property of one kind or shall consist of properties of different kinds) and may for such purpose set such value as he deems fair upon any property to be divided and may determine how such division shall be carried out as between the members or different classes of members. The liquidator may, with the like authority or sanction vest the whole or any part of such assets in trustees upon such trusts for the benefit of the members as the liquidator, with the like authority or sanction and subject to the <u>LawAct</u> , shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no member shall be compelled to accept any assets, shares or other securities in respect of which there is a liability.
Article 175 (b) Subject to the Companies <u>LawAct</u> , if any Director or other person shall become personally liable for the payment of any sum primarily due from the Company, the Board may execute or cause to be executed any mortgage, charge, or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Director or person so becoming liable as aforesaid from any loss in respect of such liability.
Article 176	The financial year of the Company shall be prescribed by the Board and may, from time to time, be changed by it. <u>Unless the Directors otherwise prescribe, the financial year of the Company shall begin on 1 January and end on 31 December in each year.</u>
Article 177	Subject to the <u>LawAct</u> , the Company may at any time and from time to time by special resolution alter or amend its Memorandum of Association and Articles of Association in whole or in part.

**APPENDIX IV CHANGES BROUGHT BY THE NEW MEMORANDUM
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Article 178	Where a person has in accordance with the Law <u>Act</u> , the Listing Rules and other applicable laws, rules and regulations consented to receive notices and other documents 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 given by such person to the Company in accordance with the Law <u>Act</u> 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.
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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 18th Floor, Harbour East, 218 Electric Road, North Point, Hong Kong, on Thursday, 26 May 2022, 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 2021;
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 retained earnings account and share premium account of the Company of HK fifteen cents per share in respect of the year ended 31 December 2021 to the shareholders of the Company whose names appear on the register of members of the Company on 6 June 2022 be and is hereby approved.”

9. 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** subject to the approval by the shareholders of The Hong Kong and China Gas Company Limited, the holding company of the Company, at its annual general meeting to be held on 6 June 2022 (or any adjournment thereof) and the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, the shares of HK\$0.10 each in the share capital of the Company (the “**Shares**”) which may fall to be issued pursuant to the exercise of options under the share option scheme (the “**Share Option Scheme**”, a copy of the rules of which is produced to the meeting marked “A” and initialed by the Chairman of this meeting for the purpose of identification), the Share Option Scheme be and is hereby approved and adopted by the Company and the directors of the Company be and are hereby authorized to grant options and to allot, issue and deal with the Shares pursuant to the exercise of any option granted thereunder and to take such steps and do such acts and to enter into such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the Share Option Scheme.”

NOTICE OF ANNUAL GENERAL MEETING

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

“**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 “B” 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 the directors 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
John Ho Hon-ming
Executive Director and Company Secretary

Hong Kong, 14 April 2022

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. In view of the ongoing novel coronavirus disease (COVID-19) and recent requirements, if any, for prevention and control of its spread, the following precautionary measures will be implemented at the Annual General Meeting:
 - Compulsory body temperature checks will be conducted for every attendee at the entrance of the Annual General Meeting venue. Any person with a body temperature of over 37.4 degree Celsius may be denied entry into the Annual General Meeting venue and be required to leave the Annual General Meeting venue.
 - Every attendee will be required to wear a surgical face mask throughout the Annual General Meeting and inside the Annual General Meeting venue, and to sit at a distance from other attendees. Please note that no masks will be provided at the meeting venue and attendees should bring and wear their own masks.
 - Each attendee is required to comply with the entry requirements of the Annual General Meeting venue, including scanning of the “LeaveHomeSafe” venue QR code
 - No refreshment will be served, and there will be no gift.
 - Each attendee may be asked whether (a) he/she travels outside of Hong Kong within the 14-day period immediately before the Annual General Meeting; (b) he/she is subject to any HKSAR Government prescribed quarantine; and (c) he/she has any flu-like symptoms or close contact with any person under quarantine or with recent travel history. Anyone who responds positively to any of these questions may be denied entry into the meeting venue and be required to leave the Annual General Meeting venue.

The Annual General Meeting will be a hybrid meeting. Registered shareholders may attend the Annual General Meeting either (a) in person; or (b) online through a platform with the personalised login and access code provided by the branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, by post. Registered shareholders attending the Annual General Meeting through the online platform will be able to vote and submit questions online. For non-registered shareholders whose Shares are held by banks, brokers, custodians or HKSCC Nominees Limited who wish to attend the annual general meeting online, they should consult their banks, brokers, custodians or HKSCC Nominees Limited (as the case may be) for the necessary arrangements and the personalised login and access code will be sent to them upon receipt of request through the banks, brokers, custodians or HKSCC Nominees Limited.

NOTICE OF ANNUAL GENERAL MEETING

In view of the evolving COVID-19 pandemic situation in Hong Kong, the Company may implement further procedures and precautionary measures and change the Annual General Meeting arrangements at short notice. Shareholders should visit the Company's website at www.towngassmartenergy.com for future announcements and updates on the Annual General Meeting arrangements.

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.
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 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 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, 24 May 2022, 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, Dr. Lee Ka-kit, Mr. LIU Kai Lap Kenneth, Dr. John Qiu Jian-hang, Dr. the Hon. Moses Cheng Mo-chi, Mr. John Ho Hon-ming, 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 14 April 2022.
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. Alfred Chan Wing-kin, Mr. Peter Wong Wai-ye (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.
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.