

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

If you have sold all your shares in The Hong Kong and China Gas Company Limited, you should at once hand this document and the accompanying form of proxy to the purchaser or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this document, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document.



煤氣
Towngas

香港中華煤氣有限公司

THE HONG KONG AND CHINA GAS COMPANY LIMITED

(Incorporated in Hong Kong under the Companies Ordinance with limited liability)

(Stock Code: 3)

**NOTICE OF ANNUAL GENERAL MEETING
PROPOSALS FOR
RE-ELECTION OF RETIRING DIRECTORS
RENEWAL OF THE GENERAL MANDATES
TO ISSUE SHARES AND BUY BACK SHARES
APPROVAL OF SHARE OPTION SCHEME OF
TOWNGAS SMART ENERGY COMPANY LIMITED
AND
ADOPTION OF NEW ARTICLES OF ASSOCIATION**

The notice convening the Annual General Meeting of the Company (the “AGM”) to be held at 18th Floor, Harbour East, 218 Electric Road, North Point, Hong Kong on Monday, 6th June 2022 at 12:00 noon at which the above proposals will be considered is set out from pages 43 to 48. Whether or not you are able to attend the meeting, please complete and return the accompanying form of proxy as instructed as soon as possible and in any event not less than 48 hours before the time appointed for holding the meeting (or any adjournment thereof). In calculating the period mentioned for depositing the form of proxy, no account is to be taken of any part of a day that is a public holiday.

PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

Please refer to pages ii and iii of this document for measures being taken to prevent and control the spread of the novel coronavirus (COVID-19) at the AGM, including but not limited to:

- (a) limited capacity for AGM attendees;
- (b) mandatory scanning the “LeaveHomeSafe” venue QR code;
- (c) mandatory body temperature screening;
- (d) mandatory health declaration;
- (e) mandatory wearing of surgical face masks;
- (f) maintaining an appropriate social distance between seats; and
- (g) NO refreshments, no food and beverage service, and no handing out of corporate gifts or gift coupons.

For the safety of the attendees at the AGM, the Company reserves the right to deny entry into or require any person to leave the AGM venue if such person (i) refuses to comply with any of the above precautionary measures; (ii) is having a body temperature of over 37.4 degree Celsius; (iii) is subject to any Hong Kong Government prescribed quarantine or has close contact with any person under quarantine; (iv) is subject to the Hong Kong Government’s prescribed testing requirement or direction and has not tested negative; or (v) has any flu-like symptoms or any symptoms of COVID-19 or feels unwell.

For the health and safety of our shareholders, **the Company encourages shareholders, instead of attending the AGM in person, to appoint the Chairman of the AGM as their proxy to vote on the relevant resolutions at the AGM**, by completing and returning the form of proxy in accordance with the instructions printed thereon. The Company seeks the understanding and cooperation of all shareholders to minimize the risk of spreading COVID-19.

CONTENTS

	<i>Page</i>
Precautionary Measures for the Annual General Meeting	ii
Expected Timetable	iv
Definitions	v
Letter from the Board	
1. Introduction	1
2. Re-election of Retiring Directors	1
3. Closure of Register of Members	3
4. Renewal of the General Mandates to Issue Shares and Buy Back Shares . . .	3
5. Approval of the TSEL Share Option Scheme	4
6. Adoption of New Articles of Association	6
7. Annual General Meeting	7
8. Recommendations	7
9. Directors' Responsibility Statement	8
Appendix I – Biographies of Retiring Directors Who Stand for Re-election	9
Appendix II – Explanatory Statement	11
Appendix III – Summary of the Principal Terms of the TSEL Share Option Scheme	13
Appendix IV – Amendments Brought about by the New Articles of Association . .	28
Notice of Annual General Meeting	43

PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

To ensure the safety of the attendees of the AGM and to prevent the spreading of the COVID-19 pandemic, the following precautionary measures will be implemented at the AGM:

LIMITING ATTENDANCE IN PERSON AT THE AGM VENUE

The Company will limit attendance in person at the AGM venue in accordance with prevailing requirements or guidelines published by the Hong Kong Government 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 Hong Kong Government in respect of the latest social distancing measures and further update on the AGM arrangements.

HEALTH AND SAFETY MEASURES FOR PHYSICAL ATTENDANCE

- (a) mandatory body temperature screening 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;
- (b) each attendee must scan the “LeaveHomeSafe” venue QR code prior to entry into the AGM venue;
- (c) mandatory health declaration will be required for each attendee;
- (d) each attendee must wear a surgical face mask at any time within the AGM venue;
- (e) seating at the AGM venue will be arranged so as to allow for appropriate social distancing;
- (f) no refreshments, no food and beverage service, and no handing out of corporate gifts or gift coupons; and
- (g) any other additional precautionary measures in accordance with the prevailing requirements or guidelines of the Hong Kong Government and/or regulatory authorities, or as considered appropriate in light of the development of the COVID-19 pandemic.

For the safety of the attendees at the AGM, the Company reserves the right to deny entry into or require any person to leave the AGM venue if such person:

- (i) refuses to comply with any of the above precautionary measures;
- (ii) is having a body temperature of over 37.4 degree Celsius;
- (iii) is subject to any Hong Kong Government prescribed quarantine or has close contact with any person under quarantine;
- (iv) is subject to the Hong Kong Government’s prescribed testing requirement or direction and has not tested negative; or
- (v) has any flu-like symptoms or any symptoms of COVID-19 or feels unwell.

PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

LIVE ONLINE WEBCAST

As an alternative to attending the AGM in person, registered shareholders may view a live online webcast of the AGM. The live online webcast will open for the shareholders to log in approximately 30 minutes prior to the commencement of the AGM from any location with access to the internet with a smart phone, tablet device or computer.

According to the existing Articles of Association of the Company, shareholders joining the live online webcast will not be counted towards a quorum and will not be able to cast their vote online. Details regarding the live online webcast arrangements including login details are included in the Company's letter to registered shareholders sent together with this document.

If any shareholder has any question relating to the AGM arrangements, please contact Computershare Hong Kong Investor Services Limited, the Company's share registrar as follows:

Computershare Hong Kong Investor Services Limited
17M Floor, Hopewell Centre
183 Queen's Road East, Wanchai, Hong Kong
Tel: 2862 8555
Fax: 2865 0990
Website: www.computershare.com/hk/contact

EXPECTED TIMETABLE

2022

Latest time for lodging transfers for entitlement to the right to attend and vote at the Annual General Meeting	4:30 p.m. on Friday, 27th May
Book close period (both days inclusive)	From Monday, 30th May to Monday, 6th June
Proxy forms for the Annual General Meeting to be returned by	12:00 noon on Thursday, 2nd June
Record date for determination of entitlement to the right to attend and vote at the Annual General Meeting	Monday, 6th June
Annual General Meeting	12:00 noon on Monday, 6th June
Publication of poll results announcement	Monday, 6th June
Register re-opens	Tuesday, 7th June
Latest date of dealing in Shares cum entitlement to the final dividend	Tuesday, 7th June
First date of dealing in Shares ex entitlement to the final dividend	Wednesday, 8th June
Latest time for lodging transfers for entitlement to the final dividend	4:30 p.m. on Thursday, 9th June
Book close period (both days inclusive)	From Friday, 10th June to Tuesday, 14th June
Record Date for determination of entitlement to the final dividend	Tuesday, 14th June
Register re-opens	Wednesday, 15th June
Despatch of dividend cheques	Wednesday, 22nd June

DEFINITIONS

In this document and the appendices, the following expressions have the following meanings unless the context otherwise requires:

“Adoption Date”	the date on which the TSEL Share Option Scheme is conditionally adopted by a resolution of the shareholders of TSEL
“Annual General Meeting” or “AGM”	the annual general meeting of the Company to be held on Monday, 6th June 2022 at 12:00 noon, notice of which is set out from pages 43 to 48 of this document
“Articles of Association”	the articles of association of the Company as altered from time to time
“Board”	the board of Directors
“Company”	The Hong Kong and China Gas Company Limited (香港中華煤氣有限公司), a company incorporated in Hong Kong with limited liability, whose shares are listed on the Main Board of the Stock Exchange (Stock Code: 3)
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	Tuesday, 12th April 2022, being the latest practicable date prior to the printing of this document for ascertaining certain information contained herein
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“New Articles of Association”	the new articles of association of the Company proposed to be adopted at the Annual General Meeting
“Ordinance”	Companies Ordinance (Chapter 622 of the Laws of Hong Kong) and any amendments thereto

DEFINITIONS

“Participant(s)”	(i) any director, chief executive or employee (whether full-time or part-time) of each member of the TSEL Group; and (ii) any consultant and other adviser to each member of the TSEL Group who is also a director and/or senior management staff of subsidiary(ies) of the Company, provided that the TSEL Board may at its absolute discretion determine whether or not one falls within the above categories
“Record Date”	Tuesday, 14th June 2022, being the date for determination of entitlement to the proposed final dividend
“Register”	the register of members of the Company
“Securities and Futures Ordinance”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and any amendments thereto
“Shareholder(s)”	holder(s) of Shares
“Shares”	shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“TSEL”	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 and held as to approximately 65.98% by the Company as at the Latest Practicable Date
“TSEL Board”	the board of directors of TSEL
“TSEL Group”	TSEL and its subsidiaries
“TSEL Share Option Scheme”	the share option scheme proposed to be conditionally approved and adopted by TSEL at its annual general meeting expected to be held on 26th May 2022, a summary of the principal terms of which is set out in Appendix III to this document
“TSEL Shares”	share(s) of HK\$0.10 each in the share capital of TSEL
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

LETTER FROM THE BOARD

香港中華煤氣有限公司
THE HONG KONG AND CHINA GAS COMPANY LIMITED
(Incorporated in Hong Kong under the Companies Ordinance with limited liability)
(Stock Code: 3)

Directors:

Dr. Lee Ka-kit, *Chairman* *
Dr. Lee Ka-shing, *Chairman* *
Dr. Colin Lam Ko-yin *
Dr. the Hon. Sir David Li Kwok-po **
Mr. Alfred Chan Wing-kin
Prof. Poon Chung-kwong **
Mr. Peter Wong Wai-yee
Dr. the Hon. Moses Cheng Mo-chi **
Mr. John Ho Hon-ming

Registered Office:

23rd Floor
363 Java Road
North Point
Hong Kong

* *non-executive director*

** *independent non-executive director*

21st April 2022

To the Shareholders

Dear Sir or Madam,

**PROPOSALS FOR
RE-ELECTION OF RETIRING DIRECTORS
RENEWAL OF THE GENERAL MANDATES
TO ISSUE SHARES AND BUY BACK SHARES
APPROVAL OF SHARE OPTION SCHEME OF
TOWNGAS SMART ENERGY COMPANY LIMITED
AND
ADOPTION OF NEW ARTICLES OF ASSOCIATION**

1. INTRODUCTION

The purposes of this circular are to provide you with information regarding the proposals for the re-election of retiring Directors, the renewal of general mandates granted to the Directors to issue Shares and buy back Shares, the approval of the TSEL Share Option Scheme and the adoption of the New Articles of Association, and to seek your approval at the Annual General Meeting in connection with, inter alia, such matters.

2. RE-ELECTION OF RETIRING DIRECTORS

According to the existing Articles of Association, one-third of all the Directors are subject to retirement by rotation at every annual general meeting. Pursuant to existing Article 97 of the Articles of Association, Dr. Colin Lam Ko-yin, Dr. the Hon. Moses Cheng Mo-chi and Mr. Alfred Chan Wing-kin are due to retire by rotation at the forthcoming Annual General Meeting and shall be eligible for re-appointment. Dr. Colin Lam Ko-yin and Dr. the Hon. Moses Cheng Mo-chi

LETTER FROM THE BOARD

offered themselves for re-appointment. As announced by the Company on 19th March 2021, Mr. Alfred Chan Wing-kin informed the Company that he will not seek re-election as a director of the Company at the forthcoming Annual General Meeting and will retire from office with effect from the conclusion of the forthcoming Annual General Meeting.

The Nomination Committee has recommended to the Board that Dr. Colin Lam Ko-yin and Dr. the Hon. Moses Cheng Mo-chi are eligible for re-appointment. Details and brief biography of each of them are set out in Appendix I to this document.

The nomination of Dr. the Hon. Moses Cheng Mo-chi for re-appointment as Independent Non-executive Director at the forthcoming Annual General Meeting has been considered by the Nomination Committee in accordance with the nomination policy of the Company as well as taking into account the diversity aspects (including without limitation, gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and lengths of service), with due regard for the benefits of diversity, as set out under the board diversity policy of the Company. The Nomination Committee has also taken into account the skill mix of the Board, and with Dr. Cheng's extensive management experience, he would continue to provide related valuable advice to the business development of the Company and contribute to the diversity of the existing Board.

Dr. the Hon. Moses Cheng Mo-chi was appointed to the Board in 2019 and has given a confirmation in writing of his independence to the Company pursuant to Rule 3.13 of the Listing Rules. During his tenure of office, Dr. Cheng has been providing objective and independent views to the Company over the years, and he remains committed to his independent role. The members of the Nomination Committee were satisfied that Dr. Cheng has the required character, integrity and experience to continue fulfilling the role of an independent non-executive director. The Board, through the assessment and recommendation by the Nomination Committee, has considered him to be independent.

The Board has been informed by Dr. the Hon. Moses Cheng Mo-chi that he has already held directorships in more than 6 listed public companies. Dr. Cheng (i) is of the view that he would continue and would have 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 and adjust the number of directorships in due course.

Dr. the Hon. Moses Cheng Mo-chi is a legal professional with an illustrious career, and has extensive experiences in corporate law such as advising companies on listing, mergers and acquisitions, raising capital and restructuring corporate loans, corporate governance and regulatory compliance, etc.. With his professional legal and insurance experience, skills and knowledge, Dr. Cheng would continue to 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 and TSEL (a listed subsidiary of 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 Annual General Meeting.

LETTER FROM THE BOARD

3. CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining entitlement of Shareholders to the right to attend and vote at the Annual General Meeting (or any adjournment thereof), the Register will be closed from Monday, 30th May 2022 to Monday, 6th June 2022, both days inclusive, during which period no share transfer will be effected. All transfers accompanied by the relevant share certificates must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration no later than 4:30 p.m. on Friday, 27th May 2022 in order for the transferee to be entitled to attend and vote at the Annual General Meeting (or any adjournment thereof).

For the purpose of determining Shareholders who qualify for the proposed final dividend, the Register will be closed from Friday, 10th June 2022 to Tuesday, 14th June 2022, both days inclusive, during which period no share transfer will be effected. All transfers accompanied by the relevant share certificates must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited, for registration no later than 4:30 p.m. on Thursday, 9th June 2022 in order for the transferee to be entitled to the proposed the final dividend.

4. RENEWAL OF THE GENERAL MANDATES TO ISSUE SHARES AND BUY BACK SHARES

At the annual general meeting of the Company held on 2nd June 2021, ordinary resolutions were passed to renew the general mandates to the Board (i) to buy back Shares, the total number of Shares of which did not exceed 10 per cent of the total number of Shares in issue as at 2nd June 2021; and (ii) to allot, issue and otherwise deal with additional Shares not exceeding, where the Shares are to be allotted wholly for cash, 10 per cent and in any event 20 per cent of the total number of Shares in issue on 2nd June 2021, together with the number of any Shares bought back (up to a maximum of 10 per cent of the total number of Shares in issue as at 2nd June 2021) by the Company in accordance with (i) above, if any.

These general mandates will lapse at the conclusion of the Annual General Meeting, unless renewed then. Resolutions set out as Resolutions 5(I), 5(II) and 5(III) in the notice of Annual General Meeting will be proposed to renew these mandates. With reference to these resolutions, the Board wishes to state that they have no immediate plans to buy back any Shares or to issue any new Shares or warrants pursuant to the relevant mandates.

As at the Latest Practicable Date, the number of Shares in issue was 18,659,870,098 Shares. On the basis of such figure and assuming there is no issue or buy-back of Shares prior to the date of the Annual General Meeting, the Company would be allowed under the general mandates (i) to issue Shares to allot and issue up to 3,731,974,019 Shares representing 20 per cent of the issued shares of the Company; and (ii) to buy back up to 1,865,987,009 Shares on the Stock Exchange representing up to 10 per cent of the issued shares of the Company.

LETTER FROM THE BOARD

The explanatory statement required by the Listing Rules to be sent to Shareholders in connection with the resolution pertaining to the proposed renewal of the share buy-back mandate is set out in Appendix II to this document. This contains all the information reasonably necessary to enable Shareholders to make an informed decision on whether to vote for or against the resolution.

5. APPROVAL OF THE TSEL SHARE OPTION SCHEME

To provide TSEL 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 TSEL Group, fostering a sense of belonging with the TSEL Group, and allowing the Participants to enjoy the results of TSEL achieved through their contributions to the TSEL Group, the TSEL Board proposes to recommend to the shareholders of TSEL to approve the TSEL Share Option Scheme so that options may be granted to the Participants pursuant to the terms thereof. As 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 and TSEL is a subsidiary of the Company, an ordinary resolution will be proposed at the Annual General Meeting for the Shareholders to approve the TSEL Share Option Scheme. 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 TSEL Share Option Scheme at the Annual General Meeting. A summary of the principal terms of the TSEL Share Option Scheme is set out in Appendix III to this document.

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

In assessing whether options are to be granted to a Participant who is a consultant or adviser of the TSEL Group, the TSEL 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 TSEL Group, the number of years which such person had been providing the relevant services to the TSEL Group, the positive impacts which such person has brought to the TSEL 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 TSEL Group.

LETTER FROM THE BOARD

The TSEL Share Option Scheme shall take effect subject to the passing of an ordinary resolution approving the adoption of the TSEL Share Option Scheme by the shareholders of TSEL and authorising the directors of TSEL to grant options to subscribe for TSEL Shares thereunder and to allot and issue TSEL Shares pursuant to the exercise of any options granted under the TSEL 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 TSEL Shares to be issued pursuant to the exercise of options under the TSEL 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 in general meeting of the Company approving the TSEL Share Option Scheme.

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

The TSEL 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 TSEL Group's interest and in fostering the business development, financial performance and other areas concerning the business, operation, reputation and sustainable development of the TSEL Group.

The TSEL Board believes that this will provide it 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 TSEL Share Option Scheme which is to provide TSEL with a flexible means of giving incentive to, rewarding, remunerating, compensating and/or providing benefits to the Participants.

The TSEL 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 TSEL 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 of TSEL.

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

LETTER FROM THE BOARD

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

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

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

6. ADOPTION OF NEW ARTICLES OF ASSOCIATION

Reference is made to the announcement of the Company dated 21st March 2022 in relation to the proposed adoption of the New Articles of Association. To provide flexibility to the Company in relation to the conduct of general meetings, the Board proposes to amend the existing Articles of Association to allow (but not require) general meetings to be held as a hybrid meeting where Shareholders may attend by electronic means in addition to as a physical meeting where Shareholders attend in person. The proposed amendments also explicitly set out other related powers of the Board and the chairman of the general meetings, including making arrangements for attendance and voting at general meetings as well as ensuring the security and orderly conduct of general meetings. Other minor amendments to the existing Articles of Association are also made to introduce corresponding and house-keeping changes. Further, there are also amendments to the existing Articles of Association to comply with certain recent amendments to the Listing Rules. The Board proposes to adopt the New Articles of Association in substitution for, and to the exclusion of, the existing Articles of Association by way of a special resolution to be approved by the Shareholders at the Annual General Meeting.

Full particulars of the proposed amendments to the existing Articles of Association brought about by the adoption of the New Articles of Association are set out in Appendix IV to this document.

LETTER FROM THE BOARD

7. ANNUAL GENERAL MEETING

The notice convening the Annual General Meeting to be held at 18th Floor, Harbour East, 218 Electric Road, North Point, Hong Kong on Monday, 6th June 2022 at 12:00 noon is set out from pages 43 to 48 of this document. At the Annual General Meeting, ordinary resolutions numbered 3, 5(I), 5(II), 5(III) and 6 will be proposed to re-elect the retiring Directors, renew of the general mandate for the buy-back of Shares, renew of the general mandate to allot, issue and otherwise deal with additional Shares and approve the TSEL Share Option Scheme and a special resolution numbered 7 will be proposed to adopt the New Articles of Association.

A form of proxy for the Annual General Meeting is enclosed. Whether or not you are attending the meeting, please complete the form of proxy as instructed and return the same to the Company's share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for holding the meeting (or any adjournment thereof). In calculating the period mentioned for depositing the form of proxy, no account is to be taken of any part of a day that is a public holiday. For the health and safety of Shareholders, the Company encourages Shareholders, instead of attending the AGM in person, to appoint the Chairman of the AGM as their proxy to vote on the relevant resolutions at the AGM, by completing and returning the form of proxy in accordance with the instructions printed thereon.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the Chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. At the Annual General Meeting, the Chairman of the meeting will exercise his power under existing Article 70 of the Articles of Association to put each of the resolutions set out in the notice of Annual General Meeting to the vote by way of poll. Existing Article 69 of the Articles of Association provides that on a poll, every Shareholder present in person or by proxy shall have one vote for every Share held by that Shareholder.

An announcement of the results of the poll will be made by the Company following the conclusion of the Annual General Meeting in accordance with Rule 13.39(5) of the Listing Rules.

8. RECOMMENDATIONS

The Board believes that the re-election of the retiring Directors, the renewal of the general mandates to buy back Shares and to issue new Shares, the approval of the TSEL Share Option Scheme and the adoption of the New Articles of Association are in the interests of the Company and Shareholders and accordingly recommends you to vote in favour of all the relevant resolutions to be proposed at the Annual General Meeting.

LETTER FROM THE BOARD

9. DIRECTORS' RESPONSIBILITY STATEMENT

This document, 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,

Lee Ka-kit
Chairman

Lee Ka-shing
Chairman

(In case of any inconsistency, the English version of this circular shall prevail over the Chinese version.)

Dr. Colin Lam Ko-yin S.B.S., F.C.I.L.T., F.H.K.I.o.D., D.B. (Hon.), DBA (Hon), *Non-executive Director*

Aged 70. Dr. Lam was appointed to the Board in 1983. He has more than 48 years' experience in banking and property development. He is the Deputy Chairman of The University of Hong Kong Foundation for Educational Development and Research, a Director of Fudan University Education Development Foundation, an honorary Court member of Hong Kong Baptist University, a member of the Court of The Hong Kong University of Science and Technology and a member of the Court of City University of Hong Kong. He was awarded an Honorary University Fellowship by The University of Hong Kong in 2008, an Honorary Fellowship by The Chinese University of Hong Kong in 2019, and was conferred a degree of Doctor of Business (Honoris Causa) by Macquarie University in 2015 and a degree of Doctor of Business Administration (Honoris Causa) by the Hong Kong University of Science and Technology in November 2021. He is a Fellow of The Chartered Institute of Logistics and Transport in Hong Kong and a Fellow of The Hong Kong Institute of Directors.

Dr. Lam is a Vice Chairman of Henderson Land Development Company Limited ("Henderson Land Development") and Henderson Investment Limited, the Chairman of Hong Kong Ferry (Holdings) Company Limited, and an Executive Director of Miramar Hotel and Investment Company, Limited, all of which are listed public companies. Save as disclosed, Dr. Lam did not hold any other directorships in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas. Dr. Lam is a Director of Henderson Development Limited ("Henderson Development"), Hopkins (Cayman) Limited ("Hopkins"), Rimmer (Cayman) Limited ("Rimmer"), Riddick (Cayman) Limited ("Riddick"), Disralei Investment Limited ("Disralei Investment"), Medley Investment Limited ("Medley Investment") and Macrostar Investment Limited ("Macrostar Investment"). Henderson Land Development, Henderson Development, Hopkins, Rimmer, Riddick, Disralei Investment, Medley Investment and Macrostar Investment have discloseable interests in the Company under the provisions of the Securities and Futures Ordinance.

Dr. Lam was a non-executive director of Smartie Food Services Company Limited ("Smartie Food") from June 1989 to April 1994. Smartie Food was a company incorporated in Hong Kong and engaged in the business of roasted meat. By a court order of 18th May 1994, Smartie Food was put into winding up by the court. Dr. Lam had resigned as a director of Smartie Food before the winding up and did not take part in any matters giving rise to the winding up of Smartie Food. The affairs of Smartie Food had been completely wound up in December 1995.

As at the Latest Practicable Date, Dr. Lam did not have any interests in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance. Save as disclosed herein, Dr. Lam has no relationship with any Directors, senior management or substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, Dr. Lam has not entered into nor proposed to enter into any service contracts, which fall within the meaning of Rule 13.68 of the Listing Rules requiring the prior approval of Shareholders at general meetings, with the Company. The term of office for Dr. Lam will expire on 31st December 2023 and he is subject to retirement by rotation and re-appointment in accordance with the Articles of Association. The director's fee payable to him was and shall be reviewed by the remuneration committee of the Company on an annual basis. His director's fee and other emoluments are determined with reference to his duties and responsibilities. For the financial year ended 31st December 2021, Dr. Lam received a fixed remuneration of HK\$250,000 as director's fee and other emoluments of approximately HK\$167,000 from the Company.

Save as disclosed above, there is no information to be disclosed pursuant to the requirements of Rule 13.51(2) of the Listing Rules nor are there other matters in relation to Dr. Lam's re-election that need to be brought to the attention of the Shareholders.

Dr. the Hon. Moses Cheng Mo-chi G.B.M., G.B.S., O.B.E., J.P., *Independent Non-executive Director*

Aged 72. Dr. Cheng was appointed to the Board in January 2019. 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. He is the founder chairman of the Hong Kong Institute of Directors of which he is now the Honorary President and Chairman Emeritus. In addition, he is a Fellow of the Hong Kong Academy of Finance. Dr. Cheng has been an independent non-executive director of TSEL, a subsidiary of the Company, since May 2007. He also 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 the above companies are listed public companies. He was previously a Non-executive Director of Kader Holdings Company Limited. Save as disclosed, Dr. Cheng did not hold any other directorships in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas.

As at the Latest Practicable Date, Dr. Cheng did not have any interests in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance. Save as disclosed herein, Dr. Cheng has no relationship with any Directors, senior management or substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, Dr. Cheng has not entered into nor proposed to enter into any service contracts, which fall within the meaning of Rule 13.68 of the Listing Rules requiring the prior approval of Shareholders at general meetings, with the Company. The term of office for Dr. Cheng will expire on 31st December 2023 and he is subject to retirement by rotation and re-appointment in accordance with the Articles of Association. The director's fee and additional fees as members of the Board committees payable to him were and shall be reviewed by the remuneration committee of the Company on an annual basis. His director's fee, additional fees as members of the Board committees and other emoluments are determined with reference to his duties and responsibilities. For the financial year ended 31st December 2021, Dr. Cheng received a fixed remuneration of HK\$700,000 as director's fee and additional fees as members of the Board committees as well as other emoluments of approximately HK\$10,000 from the Company. In addition, for the financial year ended 31st December 2021, Dr. Cheng received the director's fee payable by TSEL to him of HK\$500,000, which was determined by the TSEL Board and was approved by the shareholders of TSEL at its annual general meeting in 2021.

Save as disclosed above, there is no information to be disclosed pursuant to the requirements of Rule 13.51(2) of the Listing Rules nor are there other matters in relation to Dr. Cheng's re-election that need to be brought to the attention of the Shareholders.

The following is the explanatory statement required to be sent to Shareholders under the Listing Rules in connection with the proposed renewal of the general mandate for the buy-back of Shares and also constitutes the memorandum required under section 239(2) of the Ordinance. References in this statement to “Share(s)” means share(s) of all classes in the capital of the Company and includes shares and securities issued by the Company which carry a right to subscribe or buy back shares in the capital of the Company.

- (i) The resolution set out as Resolution 5(I) in the notice of Annual General Meeting which will be proposed as an ordinary resolution at that meeting, relates to the renewal of a general mandate to Directors to buy back on the Stock Exchange fully-paid up Shares representing up to 10 per cent of the Shares in issue as at the date of such resolution. As at the Latest Practicable Date, the number of Shares in issue was 18,659,870,098 Shares. On the basis of such figure and assuming there is no issue or buy-back of Shares prior to the date of the Annual General Meeting, the Directors would be authorised to buy back up to 1,865,987,009 Shares.
- (ii) The Directors believe that the ability to buy back Shares is in the best interests of the Company and its Shareholders.

Buy-backs may, depending on the circumstances, result in an increase in net asset value per Share and/or earnings per Share. The Directors are seeking the renewal of a general mandate to buy back Shares to give the Company the flexibility to do so if and when appropriate. The Directors will decide the number(s) and class(es) of Shares to be bought back on any occasion and the price and other terms upon which the same are bought back at the relevant time having regard to the circumstances then pertaining.

- (iii) It is envisaged that any buy-back would be funded from the distributable profits of the Company in accordance with the Articles of Association and the Laws of Hong Kong.
- (iv) The working capital or gearing position of the Company could be adversely affected (as compared with the position disclosed in the Company’s most recently published audited financial statements contained in the annual report for the financial year ended 31st December 2021) in the event that the proposed Share buy-backs were to be carried out in full at any time during the proposed buy-back period. However, the Directors do not propose to exercise the general mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital or gearing position of the Company as is from time to time appropriate.
- (v) 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) presently intend to sell Shares to the Company in the event that the general mandate is renewed.
- (vi) The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make buy-backs pursuant to the proposed general mandate in accordance with the Listing Rules and the Laws of Hong Kong.

- (vii) As at the Latest Practicable Date, Dr. Lee Shau-kee, the controlling shareholder of the Company, was beneficially interested in 7,748,692,715 Shares (representing approximately 41.53 per cent of the total issued Shares) through some of the subsidiaries of Faxson Investment Limited (“Faxson Investment”). Faxson Investment was a wholly-owned subsidiary of Henderson Land Development Company Limited, a subsidiary of Henderson Development Limited (“Henderson Development”). Rimmer (Cayman) Limited (“Rimmer”) as trustee of a discretionary trust held a majority of units in a unit trust (“Unit Trust”). Hopkins (Cayman) Limited (“Hopkins”) as trustee of the Unit Trust beneficially owned all the issued ordinary shares which carry the voting rights in the shares of Henderson Development. Dr. Lee Shau-kee beneficially owned all the issued shares of Rimmer and Hopkins. On this basis of such figure, if the buy-back mandate is exercised in full by the Company and assuming that Dr. Lee Shau-kee does not receive, acquire or dispose of any Shares, his percentage shareholding in the Company will amount to 46.14 per cent of the total issued Shares. Accordingly, under Rule 26 of the Hong Kong Code on Takeovers and Mergers, an obligation to make a general offer to Shareholders may arise as a result of an exercise of the mandate.
- (viii) The Company did not buy back any Shares in the six months prior to the Latest Practicable Date (whether on the Stock Exchange or otherwise).
- (ix) 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 and no such persons have undertaken not to sell any Shares held by them to the Company in the event that the general mandate is renewed by Shareholders.
- (x) The highest and lowest prices at which the Shares traded on the Stock Exchange in the previous twelve months were as follows:

	Highest <i>(HK\$)</i>	Lowest <i>(HK\$)</i>
April 2021	11.962 A	11.505 A
May 2021	13.048 A	11.771 A
June 2021	12.914 A	11.700
July 2021	12.880	11.940
August 2021	13.400	12.320
September 2021	12.700	11.740
October 2021	12.100	11.320
November 2021	12.200	11.540
December 2021	12.260	11.580
January 2022	12.400	11.920
February 2022	12.360	11.800
March 2022	11.900	9.430
April 2022 (up to the Latest Practicable Date)	9.560	9.090

A – adjusted for the bonus issue 1 for 20 with ex-date 4th June 2021.

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

1. PURPOSE OF THE TSEL SHARE OPTION SCHEME

The purpose of the TSEL Share Option Scheme is to provide TSEL 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 TSEL Group, fostering a sense of belonging with the TSEL Group, and allowing the Participants to enjoy the results of TSEL achieved through their contributions to the TSEL Group.

2. WHO MAY JOIN

Any person falling within any categories of the Participants may, at the discretion of the directors of TSEL, be offered the options under the TSEL Share Option Scheme to subscribe for such number of new TSEL Shares as the TSEL Board may determine at the subscription price and the TSEL 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 TSEL Board would take into account such factors as the TSEL Board may at its discretion consider appropriate.

3. CONDITIONS

The TSEL Share Option Scheme shall take effect subject to the passing of an ordinary resolution approving the adoption of the TSEL Share Option Scheme by the shareholders of TSEL and authorising the directors of TSEL to grant options to subscribe for TSEL Shares thereunder and to allot and issue TSEL Shares pursuant to the exercise of any options granted under the TSEL 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 TSEL Shares to be issued pursuant to the exercise of options under the TSEL 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 in general meeting approving the TSEL Share Option Scheme.

4. DURATION AND ADMINISTRATION OF THE TSEL SHARE OPTION SCHEME

- 4.1 The TSEL 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 TSEL 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 TSEL Share Option Scheme, and options which are granted during the life of the TSEL Share Option Scheme may continue to be exercisable in accordance with their terms of issue.

- 4.2 The TSEL Share Option Scheme shall be subject to the administration of the TSEL Board whose decision as to all matters arising in relation to the TSEL 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 TSEL Share Option Scheme, the TSEL Board shall have the right:
- (i) to interpret and construe the provisions of the TSEL Share Option Scheme;
 - (ii) to determine the persons who will be awarded options under the TSEL Share Option Scheme and the number of TSEL 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 TSEL 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 TSEL Share Option Scheme.

5. GRANT OF OPTION

- 5.1 On and subject to the requirements of the Listing Rules and the terms of the TSEL Share Option Scheme, the TSEL 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 TSEL Share Option Scheme has been terminated (if applicable)) to make an offer to any Participant, taking into account such factors as the TSEL Board may at its absolute discretion consider appropriate, and as the TSEL Board may in its absolute discretion select, and subject to any such conditions as the TSEL Board may at its absolute discretion think fit, to subscribe for such number (being a board lot for dealing in TSEL Shares on the Stock Exchange or an integral multiple thereof) of TSEL Shares as the TSEL 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 Securities and Futures Ordinance) has come to the knowledge of the TSEL 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 TSEL Board (as such date is first notified by TSEL to the Stock Exchange in accordance with the Listing Rules) for the approval of TSEL'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 TSEL 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 TSEL Board may from time to time determine (the “Offer Letter”) specifying the number of TSEL 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 TSEL 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 TSEL 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 TSEL 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 TSEL of HK\$1.00 by way of consideration for the granting thereof is received by TSEL 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 TSEL Shares for which it is offered provided that it is accepted in respect of such number of TSEL Shares as representing a board lot for dealing in TSEL Shares on the Stock Exchange or an integral multiple thereof and the number of TSEL Shares in respect of which the offer is accepted is clearly stated in the duplicate of the Offer Letter received by the TSEL 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 TSEL Share Option Scheme and the Listing Rules, the TSEL 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 TSEL Share issued pursuant to the exercise of options granted hereunder shall be a price solely determined by the TSEL Board and notified to a Participant and shall be at least the highest of:

- (i) the closing price of a TSEL 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 TSEL 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 TSEL 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 TSEL 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 TSEL.
- 7.2 The TSEL 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 TSEL stating that the option is thereby exercised and the number of TSEL 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 TSEL Shares in respect of which the notice is given. Subject to the terms of the TSEL 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 of TSEL (as the case may be) pursuant to paragraph 11, TSEL shall allot the relevant TSEL 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 TSEL 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 TSEL Board otherwise determines to grant an extension at the discretion of the TSEL 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 TSEL 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 TSEL 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 TSEL 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 TSEL 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 TSEL 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 TSEL Shares and has been approved by the necessary majority of holders of TSEL Shares at the requisite meetings, the grantee (or his personal representative(s)) may thereafter (but only until such time as shall be notified by TSEL, after which it shall lapse), by notice in writing to TSEL, 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 TSEL and its members or creditors is proposed for the purposes of or in connection with a scheme for the reconstruction of TSEL or its amalgamation with any other company or companies, TSEL 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 TSEL 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 TSEL Share Option Scheme. TSEL may require the grantee (or his personal representative(s)) to transfer or otherwise deal with the TSEL 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 TSEL Shares been subject to such compromise or arrangement; and
- (f) in the event of a notice is given by TSEL to its shareholders to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up TSEL, other than for the purposes of a reconstruction, amalgamation or scheme of arrangement, TSEL 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 TSEL (such notice to be received by TSEL not later than 2 business days prior to the proposed general meeting of TSEL) 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 TSEL Shares in respect of which the notice is given, whereupon TSEL 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 TSEL Shares to the grantee credited as fully paid.

7.4 The TSEL 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 TSEL for the time being in force and will rank *pari passu* in all respects with the fully paid TSEL 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 TSEL) 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 TSEL is closed, then the exercise of the option shall become effective on the first business day on which the register of shareholders of TSEL 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 TSEL 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 TSEL 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 TSEL 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 TSEL 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 TSEL or the relevant company (as the case may be), in the event which a resolution of the TSEL 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 TSEL held for the purpose of approving the voluntary winding-up of TSEL or the date of the commencement of the winding-up of TSEL;
- (h) the date on which the TSEL Board exercises TSEL'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 TSEL Board as provided in paragraph 13.

TSEL shall owe no liability to any grantee for the lapse of any option under this paragraph 8.

9. MAXIMUM NUMBER OF TSEL SHARES AVAILABLE FOR SUBSCRIPTION

9.1 Subject to sub-paragraph 9.2:

- (a) The total number of TSEL Shares which may be issued upon exercise of all options to be granted under the TSEL Share Option Scheme and any other schemes of TSEL shall not in aggregate exceed 10% of the total number of TSEL Shares in issue as at the Adoption Date, unless TSEL 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 TSEL Share Option Scheme will not be counted for the purpose of calculating such 10% limit.

- (b) TSEL may seek approval of its shareholders in general meeting for refreshing the 10% limit set out in sub-paragraph 9.1(a) under the TSEL Share Option Scheme in accordance with the provisions of the Listing Rules provided that the total number of TSEL Shares which may be issued upon exercise of all options to be granted under the TSEL Share Option Scheme and any other share option scheme(s) of TSEL under the limit as refreshed shall not exceed 10% of the total number of TSEL Shares in issue as at the date of the shareholders' approval for refreshing such limit. Options previously granted under the TSEL Share Option Scheme and any other share option scheme(s) of the TSEL (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, TSEL shall send a circular to its shareholders containing the information and disclaimer as required under the Listing Rules.
- (c) TSEL 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 TSEL before such approval is sought. In such a case, TSEL 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 TSEL Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the TSEL Share Option Scheme and any other share option scheme(s) of TSEL must not in aggregate exceed 30% of the total number of TSEL 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 TSEL Share Option Scheme and any other share option schemes of TSEL if this will result in such limit being exceeded.
- 9.3 If TSEL conducts a share consolidation or subdivision after the 10% limit has been approved in general meeting, the maximum number of TSEL Shares that may be issued upon exercise of all options to be granted under all share option schemes of TSEL 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 TSEL SHARES OF EACH PARTICIPANT

- 10.1 (a) Subject to sub-paragraphs 10.1(b), (c) and (d), the total number of TSEL 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 TSEL Shares in issue.
- (b) Notwithstanding sub-paragraph 10.1(a), where any further grant of options to a Participant would result in the TSEL Shares issued and to be issued upon exercise of all options granted and to be granted to such Participant under the TSEL Share Option Scheme and any other share option schemes of TSEL (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 TSEL Shares in issue, such further grant must be separately approved by the shareholders of TSEL 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 TSEL 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 TSEL 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, TSEL 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 TSEL, or any of their respective associates, must be approved by the independent non-executive directors of TSEL (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 TSEL Board proposes to grant any option to a Participant who is a substantial shareholder or an independent non-executive director of TSEL, or any of their respective associates, would result in the TSEL Shares issued and to be issued upon exercise of all options already granted and to be granted under the TSEL Share Option Scheme and any other share option schemes of TSEL (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 TSEL Shares in issue on the proposed date of such grant; and
- (ii) having an aggregate value, based on the closing price of the TSEL 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 TSEL in general meeting in accordance with the Listing Rules. In such a case, TSEL 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 TSEL 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 TSEL, or any of their respective associates is also required to be approved by the shareholders of TSEL 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 TSEL whether by way of capitalisation issue, rights issue, consolidation, subdivision of shares or reduction of the share capital of TSEL or otherwise howsoever (other than as a result of an issue of TSEL Shares as consideration in a transaction), the maximum number of TSEL 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 of TSEL (acting as experts and not as arbitrators) shall confirm to the directors of TSEL 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 TSEL whilst any option remains exercisable, whether by way of capitalisation issue, rights issue, subdivision, consolidation of shares, or reduction of the share capital of TSEL or otherwise howsoever in accordance with the applicable legal requirements and requirements of the Stock Exchange (excluding any alteration in the capital structure of TSEL as a result of an issue of TSEL Shares as consideration in respect of a transaction to which TSEL is a party) at any time after the date on which dealings in the TSEL Shares first commence on the Stock Exchange, such corresponding alterations (if any) shall be made to:

- (a) the number or nominal amount of TSEL 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 TSEL or the auditors of TSEL shall at the request of the TSEL Board certify in writing to the directors of TSEL, 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 6th 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 TSEL 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 TSEL 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 TSEL and the grantees. The costs of the independent financial adviser or the auditors shall be borne by TSEL. Notice of such alteration(s) shall be given to the grantees by TSEL.

12. ALTERATION OF THE TSEL SHARE OPTION SCHEME

12.1 The provisions of the TSEL Share Option Scheme may be altered in any respect by resolution of the TSEL Board at its absolute discretion except that the provisions of the TSEL 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 TSEL 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 TSEL under the articles of association for the time being of TSEL for a variation of the rights attached to the TSEL Shares.

12.2 Any alterations to the terms and conditions of the TSEL 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 TSEL as well as the shareholders of the listed holding company of TSEL (if any) in general meeting, except where the alterations take effect automatically under the existing terms of the TSEL Share Option Scheme.

12.3 The amended terms of the TSEL 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 TSEL or scheme administrators in relation to any alteration to the terms of the TSEL Share Option Scheme must be approved by the shareholders of TSEL as well as the shareholders of the listed holding company of TSEL (if any) in general meeting.

13. CANCELLATION OF THE OPTIONS

The TSEL Board may, with the consent of the relevant grantee, at any time at its absolute discretion cancel any option granted but not exercised. Where TSEL 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 TSEL 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 TSEL as mentioned in paragraph 9

14. TERMINATION OF THE TSEL SHARE OPTION SCHEME

TSEL by resolution in general meeting or the TSEL Board may at any time terminate the operation of the TSEL Share Option Scheme and in such event no further options will be offered but in all other respects the provisions of the TSEL 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 TSEL 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 TSEL Share Option Scheme and their terms of issue. Upon such termination, details of the options granted (including options exercised or outstanding) under the TSEL 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 TSEL 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 TSEL 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 TSEL Share Option Scheme or any right which he may have to participate in it and the TSEL 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 TSEL 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 TSEL Share Option Scheme.

- 15.2 The TSEL Share Option Scheme shall not confer on any person any legal or equitable rights (other than those constituting the options themselves) against TSEL directly or indirectly or give rise to any cause of action at law or in equity against TSEL.
- 15.3 TSEL shall bear the costs of establishing and administering the TSEL Share Option Scheme.
- 15.4 A grantee shall be entitled to receive copies of all notices and other documents sent by TSEL to its shareholders.
- 15.5 Any notice or other communication between TSEL and a grantee may be given, in the case of notice and communication to TSEL, 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 TSEL 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 TSEL from time to time or by placing the same on TSEL's website and/or the website of the Stock Exchange.
- 15.6 Any notice or other communication served by post:
- (a) by TSEL 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 TSEL until the same shall have been received by TSEL.
- 15.7 Any notice or other communication served by electronic communication by TSEL shall be deemed to have been served on the grantee:
- (a) in the case of placing on the TSEL'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 TSEL 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 TSEL's control shall not invalidate the effectiveness of the notice or communication being served.

- 15.8 All allotments and issues of TSEL 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. TSEL 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 TSEL 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 TSEL Share Option Scheme or the exercise of any option.
- 15.10 The TSEL 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.

The following are the proposed amendments to the existing Articles of Association brought about by the adoption of the New Articles of Association, with the proposed insertions and deletions indicated by, respectively, the underlined text and the strikethrough text below. Unless otherwise specified, clauses, paragraphs and article numbers referred to herein are clauses, paragraphs and article numbers of the existing Articles of Association.

Article No.	Proposed amendments (showing changes to the existing Articles of Association)	
2.	<p><u>“electronic facilities” includes, without limitation, website addresses, webinars, webcasts, videos, software programmes or any form of conference call systems (telephone, video, web or otherwise);</u></p> <p><u>“Hong Kong” means the Hong Kong Special Administrative Region of the People’s Republic of China;</u></p> <p><u>“hybrid meeting” means a general meeting held and conducted by (i) physical attendance by Members and/or proxies at one or more meeting location(s); and (ii) virtual attendance and participation by Members and/or proxy by means of electronic facilities, provided that the only location or one of the locations of the meeting for physical attendance by Members and/or proxy shall be in Hong Kong which shall be the principal meeting place for the general meeting;</u></p> <p><u>“Listing Rules” means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as amended from time to time;</u></p> <p><u>“month” means a calendar month;</u></p> <p><u>A person who is able to communicate to others attending a meeting, during the meeting, any information or opinions that the person has on the business of the meeting is considered to be able to exercise the right to speak at a general meeting.</u></p>	Definitions
7.	<p>Subject to the Companies Ordinance and the Listing Rules Governing the Listing of Securities on the Stock Exchange regarding redeemable shares and to any rights conferred on the holders of any other shares, any share may be issued which is to be redeemed, or is to be liable to be redeemed at the option of the Company or the holder, on such terms and in such manner as may be provided by these Articles.</p>	Redeemable shares
9.	<p>Subject to the Companies Ordinance, all or any of the rights for the time being attached to any class of shares for the time being issued may from time to time (whether or not the Company is being wound up) be varied with the consent in writing of the holders representing at least 75% of the total voting rights of holders of shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of such shares. To any such separate general meeting all the provisions of these Articles as to general meetings of the Company shall mutatis mutandis</p>	Variation of rights

apply, but so that the necessary quorum shall be not less than two ~~one or more~~ persons holding or representing by proxy not less than one-third of the total ~~voting rights of holders of~~ issued shares of the class, that every holder of shares of the class shall be entitled on a poll to one vote for every share of the class held by him, that any holder of shares of the class present in person or by proxy may demand a poll ~~and that at an adjourned meeting of the holders one holder present in person or by proxy (whatever the number of shares held by him) shall be a quorum and for the purposes of this Article one holder present in person or by proxy may constitute a meeting.~~

- | | | |
|-----|--|--|
| 40. | The Board may, <u>subject to the requirements of the Companies Ordinance,</u> close the register at such times and for such periods as it may from time to time determine provided that the register shall not in any year be closed for more than thirty days (Sundays and public holidays <u>in Hong Kong</u> excepted). | Closure of register |
| 53. | The Board shall convene and the Company shall hold <u>a general meetings as its annual general meeting for each financial year</u> in accordance with the requirements of the Companies Ordinance at such times and places in Hong Kong as the Board shall appoint. Any general meeting of the Company other than an annual general meeting shall be called an extraordinary general meeting. | Annual general meeting |
| 54. | The Board may, whenever it thinks fit, convene <u>a</u> an extraordinary general meeting. | <u>Convening of Extraordinary</u> general meetings |
| 56. | An annual general meeting shall be convened by not less than twenty-one clear days' notice given in accordance with Article 147, subject to the requirements of the Companies Ordinance. All other extraordinary general meetings (<u>other than an adjourned meeting or a postponed meeting</u>) shall be convened by not less than fourteen clear days' notice given in accordance with Article 147, subject to the requirements of the Companies Ordinance. <u>Subject to Article 66 in relation to an adjourned meeting and Article 59 in relation to a postponed meeting, t</u> The <u>notice of a general meeting</u> shall specify the place (and if the meeting is to be held in 2 or more places, the principal place of the meeting and the other place or places of the meeting), <u>details of the electronic facilities for attendance and participation by electronic means at the meeting (in the case of a hybrid meeting),</u> day and time of meeting and the general nature of the business to be transacted, and in the case of a notice calling an annual general meeting, shall state that the meeting is an annual general meeting, and. Notice of every general meeting shall be given to all Members other than any who, under the provisions of these Articles or the terms of issue of the shares they hold, are not entitled to receive such notices from the Company, and also to the auditors for the time being of the Company. | Length of notice |

Notwithstanding that a meeting of the Company is convened by shorter notice than that specified in this Article, it shall be deemed to have been duly convened if it is so agreed:

- (a) in the case of an annual general meeting, by all the Members entitled to attend and vote at the meeting; and
- (b) in the case of any other meeting, by a majority in number of the Members having a right to attend and vote at the meeting, being a majority together representing at least 95% of the total voting rights at the meeting of all the Members.

57. In every notice convening a general meeting there shall appear with reasonable prominence a statement that a Member entitled to attend and vote is entitled to appoint (i) another person (whether a Member or not) as a proxy or (in the case of a corporation) a duly authorised representative to exercise all or any of the Member's rights to attend and to speak and vote at a general meeting of the Company (subject to Article 79A) and (ii) separate proxies to represent respectively the number of the shares held by the Member that is specified in their instruments of appointment. Statement regarding proxies and corporate representative
59. If, after the sending of notice of a general meeting but before the meeting is held, or after the adjournment of a meeting but before the adjourned meeting is held (whether or not notice of the adjourned meeting is required), the Board, in its absolute discretion, considers that it is impractical or unreasonable for any reason to hold a general meeting on the date or at the time or place or by the means of electronic facilities specified in the notice calling the general meeting, it may postpone the general meeting to another date and/or time, and/or place, and/or electronic facilities and/or form of the meeting, without the approval from the Members. Without prejudice to the generality of the foregoing, the Directors shall have the power to provide in every notice calling a meeting that, if a black rainstorm warning or a gale warning or other similar event is in force at any time on the day of the meeting (unless such relevant warning or event has been cancelled at a prescribed time prior to the meeting as the Directors may specify in the relevant notice) the meeting shall be automatically postponed and changed without further notice. This Article shall be subject to Articles 65 and 66 and the following: Postponement of general meeting

- (a) ~~When a meeting is so postponed or there is a change to the place and/or electronic facilities and/or form of, the Company shall endeavour to post notice of such postponement or change on the Company's website as soon as practicable (provided that failure to post such a notice shall not affect the automatic postponement of or change to such meeting); notice of the date, time and place of the postponed meeting shall be given in accordance with Article 147, subject to the requirements of the Companies Ordinance.~~
- (b) when a meeting is postponed or there is a change to a meeting in accordance with this Article, unless already specified in the original notice of the meeting or included in the notice posted on the Company's website above, the Board shall fix the date, time, place and electronic facilities (if applicable) for the meeting so postponed or changed and at least seven clear days' notice of the postponement or change shall be given by one of the means specified in Article 147 which shall specify the date, time, place and electronic facilities (if applicable) for the meeting so postponed or changed, and the date and time by which proxies shall be submitted in order to be valid at such meeting (provided that any proxy submitted for the original meeting shall continue to be valid for the meeting so postponed or changed unless revoked or replaced by a new proxy); and
- (c) Notice of the business to be transacted at such postponed the meeting so postponed or changed shall not be required, nor shall any accompanying documents be required to be recirculated, provided that the business to be transacted at such meeting is the same as that set out in the original notice of general meeting circulated to the Members.
60. All business shall be deemed special that is transacted at ~~an extraordinary~~ Special general meeting other than an annual general meeting, and also all business Special that is transacted at an annual general meeting with the exception of:–
- (a) the declaration and sanctioning of dividends;
- (b) the consideration and adoption of the accounts and balance sheet and the report of the directors and other documents required to be annexed to the accounts;
- (c) the appointment of directors in place of those retiring (by rotation or otherwise);
- (d) the appointment of Auditors; and
- (e) the fixing of, or the determining of the method of fixing, the remuneration of the directors and of the Auditors.

- | | | |
|-----------------------|--|--|
| 61. | No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business, but the absence of a quorum shall not preclude the choice or appointment of a chairman which shall not be treated as part of the business of the meeting. Save as otherwise provided by these Articles, three Members present in person <u>(or in the case of a corporation, by its duly authorised representative)</u> or by proxy and entitled to vote shall be a quorum <u>of the meeting</u> for all purposes. <u>Any Member (in the case of a corporation, its duly authorised representative) or his proxy attending and participating in a general meeting by electronic facilities is deemed to be present at and shall be counted in the quorum of the meeting.</u> A corporation being a Member shall be deemed for the purpose of these Articles to be present in person if represented <u>by its duly authorised representative or by proxy</u> or in accordance with the provisions of the Companies Ordinance. | Quorum |
| 62. | If within thirty minutes (or such longer time not exceeding one hour as the chairman of the meeting may determine to wait) after the time appointed for the meeting a quorum is not present, the meeting shall stand adjourned to such other day (not being less than fourteen nor more than twenty-eight days thereafter) and at such other time <u>and/or place and/or form</u> as may have been specified for the purpose in the notice convening the meeting. Where no such arrangements have been so specified, the meeting shall stand adjourned to such other day (not being less than fourteen nor more than twenty-eight days later) and at such other time <u>and/or place and/or form</u> as the chairman of the meeting may decide, and, in this case, the Company shall give not less than seven clear days' notice of the adjourned meeting in accordance with Article 147, subject to the requirements of the Companies Ordinance. At any adjourned meeting one Member present in person or by proxy (whatever the number of shares held by him) shall be a quorum and any notice of an adjourned meeting shall state that one Member present in person <u>(or in the case of a corporation, by its duly authorised representative)</u> or by proxy (whatever the number of shares held by him) may constitute a meeting. | Adjournment through want of quorum |
| 63A.
(New Article) | <u>Every Member who is entitled to receive the notice of a general meeting of the Company under these Articles shall be entitled to speak at such meeting.</u> | <u>Right to speak</u> |
| 64A.
(New Article) | <u>Any director (including without limitation, the chairman of the meeting) attending and participating at a meeting by means of electronic facilities shall be deemed to be present at that meeting for all purposes of the Companies Ordinance and other applicable laws, rules and regulations and these Articles.</u> | <u>Attendance of director by electronic facilities</u> |

65. The chairman may at any time without the consent of the meeting adjourn any meeting (whether or not it has commenced or a quorum is present) either sine die or to another time and/or place and/or form where it appears to him that (a) the Members wishing to attend cannot be conveniently accommodated in the place appointed for the meeting (b) the conduct of persons present prevents or is likely to prevent the orderly continuation of business or (c) an adjournment is otherwise necessary so that the business of the meeting may be properly conducted. In addition, the chairman may at any time with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting) adjourn the meeting either sine die or to another time and/or place and/or form. When a meeting is adjourned sine die the time and place for the adjourned meeting shall be fixed by the Board. No business shall be transacted at any adjourned meeting except business which might properly have been transacted at the meeting had the adjournment not taken place.
- Power to adjourn
- 66A. The directors may, at their absolute discretion, arrange for (i) any general meeting to be held at more than one location by using electronic facilities as determined and directed by the directors that enable persons entitled to attend the meeting to do so by simultaneous attendance and participation, or (ii) any general meeting to be held and conducted in the form of a hybrid meeting, provided that the only location or one of the locations of the meeting shall be in Hong Kong which shall be the principal meeting place for the general meeting as specified in the notice of meeting. The following provisions shall apply to any such arrangement:
- (New Article)
- Holding of general meetings at more than one location or as hybrid meetings
- (a) The Members present in person (or in the case of a corporation, by its duly authorised representative) or by proxy at any meeting location and/or Members participating in a hybrid meeting by 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 shall be valid provided that the chairman of the meeting is satisfied that adequate facilities are available throughout the meeting to enable Members present at all the meeting locations and attending by using electronic facilities to participate in the business for which the meeting has been convened.
- (b) Subject to Article 64A, the chairman of the meeting shall be present at, and the meeting shall be deemed to have taken place at, the principal meeting place.

- (c) If Members (or in the case of a corporation, its duly authorised representative) or their proxies attend a general meeting by being present at one of the meeting locations and/or participate in a hybrid meeting by means of electronic facilities, a failure (for any reason) of 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 a hybrid meeting, the inability of one or more Members (or in the case of corporations, their duly authorised representatives) 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 decision made thereat or any action taken pursuant to such business.
- (d) If any of the meeting locations is outside Hong Kong 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 be applied by reference to the principal meeting place in Hong Kong.

For the avoidance of doubt, notwithstanding anything in these Articles to the contrary, neither the directors nor the chairman of the meeting shall be obliged to arrange any general meeting to be held at more than one location or in the form of a hybrid meeting.

66B. (New Article)	<u>The directors and, at any general meeting, the chairman of the meeting may from time to time make such arrangements for attendance and/or participation and/or voting at any location or locations at which the meeting will take place and/or attendance and/or participation and/or voting at a hybrid meeting (whether involving the issue of tickets or some other means of identification, passcode, electronic voting, seat reservation or otherwise) as they/he shall in their/his absolute discretion consider appropriate, and may from time to time change any such arrangements, provided that a Member who, pursuant to such arrangements, is not entitled to attend, in person or by proxy, at any particular location shall be entitled so to attend at one of the other locations; and the entitlement of any Member so to attend the meeting or adjourned/postponed meeting at such location or locations shall be subject to any such arrangement as may be for the time being in force and by the notice of meeting or adjourned/postponed meeting stated to apply to the meeting.</u>	<u>Power to decide arrangements for meetings</u>
--------------------------	---	--

66C. (New Article)	<p>If it appears to the chairman of the meeting that:</p> <p>(a) <u>the facilities at the principal meeting place or at such other location or locations at which the meeting may be attended have become inadequate for the purposes referred to in Article 66A; or</u></p> <p>(b) <u>in the case of 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 view 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> <p>(d) <u>there is violence or the threat of violence, unruly behaviour or other disruption occurring at the meeting,</u></p> <p><u>then the chairman may, at his absolute discretion, without the consent of the meeting, interrupt or adjourn the meeting. All business conducted or decision made at the meeting up to the time of such adjournment shall be valid.</u></p>	<p><u>Chairman's discretion to interrupt or adjourn meetings</u></p>
66D. (New Article)	<p><u>The directors, and at any general meeting, the chairman of the meeting may make any arrangement and impose any requirement or restriction they or he consider(s) appropriate to ensure the security and orderly conduct of a meeting including, without limitation, requirements for evidence of identity to be produced by those attending the meeting, the searching of their personal property and the restriction of items that may be taken into the meeting place, obeying any precautionary measures and regulations in relation to prevention and control of spread of disease, determining the number and frequency of and the time allowed for and manner of raising questions at a meeting, and muting those who participate in a hybrid meeting by means of electronic facilities. Members shall also comply with all requirements or restrictions 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, requirements, restrictions or precautionary measures may be refused entry to the meeting or removed (physically or electronically) from the meeting.</u></p>	<p><u>Power to regulate the course of meetings</u></p>
66E. (New Article)	<p><u>All persons seeking to attend and participate in a hybrid meeting shall be responsible for maintaining adequate facilities to enable them to do so. Subject to Article 66C, 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 and/or resolutions passed at that meeting.</u></p>	<p><u>Responsibility of persons attending and participating in a hybrid meeting</u></p>

67. In the case of a resolution duly proposed as a special resolution no amendment to it (other than an amendment to correct a patent error) may be considered or voted upon and in the case of a resolution duly proposed as an ordinary resolution no amendment to it (other than an amendment to correct a patent error) may be considered or voted upon unless either at least forty-eight hours prior to the time appointed for holding the meeting or adjourned/postponed meeting at which such ordinary resolution is to be proposed notice in writing of the terms of the amendment and intention to move the same has been lodged at the office or the chairman in his absolute discretion decides that it may be considered or voted upon. Amendments to resolutions
69. Subject to the provisions of these Articles and any special terms as to voting upon which any shares may be issued or may for the time being be held, at a general meeting of the Company on a show of hands every Member who is present in person or by proxy (subject to Section 588 of the Companies Ordinance) or (in the case of a corporation) by a duly authorised representative at a general meeting of the Company shall have one vote and on a poll every Member who is present in person or by proxy or (in the case of a corporation) by a duly authorised representative shall have one vote for every share of which he is the holder. Votes (whether on a show of hands or a poll) may be cast by such means, electronic or otherwise, as the chairman of the meeting may determine. Number of votes
70. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand of a poll) a poll is properly demanded. Subject to the Companies Ordinance and the Listing Rules prescribed by the Stock Exchange from time to time, a poll may be demanded by: Demand for poll
- (a) the chairman of the meeting; or
 - (b) at least three Members present in person or by proxy and entitled to vote; or
 - (c) any Member or Members present in person or by proxy and representing in the aggregate at least 5% of the total voting rights of all Members having the right to attend and vote at the meeting.
- Unless a poll is so demand and the demand is not withdrawn or unless a poll is taken as may from time to time be required under the Listing Rules or under any other applicable laws, rules or regulations, a declaration by the chairman that a resolution has been carried or carried unanimously or by a particular majority or not carried by a particular majority or lost shall be final and conclusive and an entry to that effect in the minute book of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded for or against the resolution.

- | | | |
|------|--|---|
| 71. | If a poll is properly demanded it shall be taken in such manner (<u>including the use of ballot or voting papers or tickets or electronic facilities</u>) as the chairman shall direct and he may appoint scrutineers who need not be Members. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. | Result of poll |
| 79A. | Where any Member is, under the <u>Listing Rules</u> Governing the Listing of Securities on the Stock Exchange , 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. | Situation where no votes shall be counted |
| 80. | If:–

(a) any objection shall be raised to the qualification of any voter; or

(b) any votes have been counted which ought not to have been counted or which might have been rejected; or

(c) any votes are not counted which ought to have been counted,

the objection or error shall not vitiate the decision of the meeting or adjourned or <u>postponed</u> meeting on any resolution unless it is raised or pointed out at the meeting or, as the case may be, the adjourned or <u>postponed</u> meeting at which the vote objected to is given or tendered or at which the error occurs. Any objection or error shall be referred to the chairman of the meeting and shall only vitiate the decision of the meeting on any resolution if the chairman decides that the same may have affected the decision of the meeting. The decision of the chairman on such matters shall be final and conclusive. | Objections |
| 81. | Where a Member is a recognised clearing house within the meaning of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), it may authorise such person or persons as it thinks fit to act as its representative (or representatives) at any general <u>meeting of the Company</u> or any separate meeting of any class of shareholders <u>of the Company</u> provided that, if more than one person is so authorised, the authorisation must specify the number and class of shares in respect of which each such person is so authorised. The person so authorised will be entitled to exercise the same power on behalf of the recognised clearing house as that clearing house (or its nominees) could exercise if it were an individual shareholder of the Company. | Multiple voting rights |

84. The instrument appointing a proxy and (if required by the Board) any authority under which it is executed, or a copy of the authority certified notarially or in some other manner approved by the Board, may be (i) delivered to the office (or to such other place in Hong Kong as may be specified in the notice convening the meeting or in any notice of any adjournment or postponement or, in either case, in any accompanying document) or, (ii) if an electronic address is specified by the Company, in the notice of meeting or in the instrument of proxy issued by the Company, specifically for the purpose of receiving such instruments and the aforesaid authorities and documents for that meeting, sent or transmitted by electronic means to such electronic address subject to any conditions or limitations imposed by the Company (and as regards (ii), Section 828 of the Companies Ordinance shall apply subject to the above and for the purpose of Section 828(7)(a) of the Companies Ordinance, the period referred to under Section 823 of the Companies Ordinance shall be twelve hours), in each case not less than forty-eight hours before the time appointed for holding the meeting or adjourned or postponed meeting at which the person named in the instrument proposes to vote or, in the case of a poll taken subsequently to the date of a meeting or adjourned or postponed meeting, not less than twenty-four hours before the time appointed for the taking of the poll and an instrument of proxy which is not so delivered shall not be treated as valid. When two or more valid but differing instruments of proxy are delivered in respect of the same share for use at the same meeting, the one which is last delivered (regardless of its date or of the date of its execution) shall be treated as replacing and revoking the others as regards that share. If the Company is unable to determine which was last delivered, none of them shall be treated as valid in respect of that share. Delivery of an instrument appointing a proxy shall not preclude a Member from attending and voting in person at the meeting or poll concerned. In calculating the periods for depositing the instrument appointing a proxy, no account is to be taken of any part of a day that is a public holiday in Hong Kong. Deposit of proxy forms
86. Instruments of proxy shall be in any common form or in such other form as the Board may approve and the Board may, if it thinks fit, send out with the notice of any meeting forms of instrument of proxy for use at the meeting. The instrument of proxy shall 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. The instrument of proxy shall, unless the contrary is stated therein, be valid as well for any adjournment or postponement of the meeting as for the meeting to which it relates. Form

91. Without prejudice to the power of the Company in general meeting in pursuance of any of the provisions of these Articles to appoint any person to be a director, the Board may appoint any person who is willing to be a director, either to fill a vacancy or as an addition to the existing Board, but so that the total number of directors shall not at any time exceed any maximum number fixed by or in accordance with these Articles. Any director so appointed by the Board shall hold office only until the ~~next following~~first annual general meeting after his appointment, ~~or until the next following general meeting in the case of filling a casual vacancy~~, but shall not be taken into account in determining the directors or the number of directors who are to retire by rotation at that meeting.
- Appointment
of directors
by Board
105. (G) A director shall not vote on, or be counted in the quorum in relation to, any resolution of the Board in respect of any contract or arrangement or any other proposal in which he has an interest which (taken together with any interest of any of his close associates (as defined in the Listing Rules Governing the Listing of Securities on the Stock Exchange)) is to his knowledge a material interest and, if he shall do so, his vote shall not be counted, but his prohibition shall not apply to any resolution where that material interest arise only from one or more of the following matters:
- Directors'
interests
- (i) the giving to him or any of his close associates of any guarantee, indemnity or security in respect of money lent or obligations undertaken by him or any of them at the request of or for the benefit of the Company or any of its subsidiaries;
 - (ii) the giving to a third party of any guarantee, indemnity or security in respect of a debt or obligation of the Company or any of its subsidiaries for which he himself or any of his close associates has assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;
 - (iii) any proposal concerning an offer of shares or debentures or other securities of where or by the Company or any other company which the Company may promote or be interested in for subscription or purchase where or any of its subsidiaries is offering securities in which offer the director or any of his close associates is or is to be interested as a participant or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which any of them is to participate the offer;

(iv) any contract or arrangement in which he or any of his close associates is interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his or their interest in shares or debentures or other securities of the Company ~~or by reason of any other interest in or through the Company;~~ and

~~(v) Deleted~~

(v) any proposal or arrangement ~~contract~~ concerning the benefit of employees of the Company or any of its subsidiaries including

(a) the adoption, modification or operation of any employees' share scheme or any share incentive or share option scheme under which he or his close associate(s) may benefit; or

~~(vi)~~(b) the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates both to him, his directors, their close associate(s) and employee(s) of the Company or of any of its subsidiaries and does not provide in respect of any director, or any of his close associate(s) as such any privilege or advantage not generally accorded to the class of persons employees to which the such fund or scheme relates; ~~and~~

~~(vii) any contract for the benefit of employees of the Company or of any of its subsidiaries under which he or any of his associates benefits in a similar manner to the employees and which does not accord to any director, or any of his associates as such any privilege or advantage not accorded to the employees to whom the contract relates.~~

~~(viii) Deleted~~

(H) A company shall be deemed to be one in which a director and any of his close associates or connected entities has shareholding interest if and so long as (but only if and so long as) they are (either directly or indirectly) the holders of or beneficially interested in any class of the equity share capital of that company (or of any third company through which the interest of the director or that of his associates or connected entities is derived) or of the voting rights available to members of that company. For the purpose of this paragraph of this Article there shall be disregarded any shares held by the director or any of his close associates or connected entities as bare or custodian trustee and in which he and his close associates or connected entities have no beneficial interest, any shares comprised in a trust in which the interest of him and his close associates or connected entities is in reversion or remainder if and so long as some other person is entitled to receive the income of the trust and any shares comprised in an authorised unit trust scheme in which he or any of his associates or connected entities is interested only as a unit holder.

117. Notice of a meeting of the Board shall be deemed to be properly given to a director if it is given to him personally or by word of mouth or sent in writing to him at his last known address or any other address given by him to the Company for this purpose or by electronic means to such director at any electronic number or electronic address supplied by the director to the Company. A director absent or intending to be absent from Hong Kong may request the Board that notices of meetings of the Board shall during his absence be sent in writing to him at his last known address or any other address given by him to the Company for this purpose, but in the absence of any such request it shall not be necessary to give notice of a meeting of the Board to any director who is for the time being absent from Hong Kong. A director may waive notice of any meeting either prospectively or retrospectively. Notice
118. The quorum necessary for the transaction of the business of the Board may be fixed by the Board and, unless so fixed at any other number, shall be two. Subject to the provisions of these Articles, any director who ceases to be a director at a meeting of the Board may continue to be present and to act as a director and be counted in the quorum until the termination of the meeting of the Board if no other director objects and if otherwise a quorum of directors would not be present. For the purpose of this Article an alternate director shall be counted in a quorum but, notwithstanding that an alternate Director is also a director or is an alternate for more than one director, he shall for quorum purposes count as only one director. Quorum
147. Any notice or document (including a share certificate and any “corporate communication” as defined in the Listing Rules Governing the Listing of Securities on the Stock Exchange) may be served or delivered by the Company or by the Board on or to any Member in the following manner: Methods of service
- (a) in hard copy form either (i) personally or (ii) by hand to, or by sending it through the post (if sent to an address outside Hong Kong, by airmail or an equivalent service that is no slower) in a prepaid envelope or wrapper addressed to, the Member’s address as shown in the register; or
- (b) in electronic form:
- (i) personally; or
- (ii) by hand to, or by sending it through the post (if sent to an address outside Hong Kong, by airmail or an equivalent service that is no slower) in a prepaid envelope or wrapper addressed to, the Member’s address as shown in the register; or

(iii) by sending or transmitting it through electronic means to such Member at any electronic number or electronic address supplied by the Member to the Company for the giving of notice or document from the Company to him,

provided that the Company must first have received from the relevant Member his written agreement, generally or specifically, that the notice or document may be sent or supplied to him in electronic form and no notice of revocation has been received by the Company from the Member in accordance with the Companies Ordinance, and all other relevant requirements of the Companies Ordinance have been complied with; or

(c) by posting it on the Company's website, provided that the Company must first have received from the relevant Member either (i) the Member's written agreement, generally or specifically, or (ii) the Member's deemed agreement in the manner prescribed in the Companies Ordinance, and has notified him such notice or document has been made available on the Company's website and no notice of revocation has been received by the Company from the Member in accordance with the Companies Ordinance, and all other relevant requirements of the Companies Ordinance have been complied with; or

(d) by advertisement in English in at least one English language newspaper and in Chinese in at least one Chinese language newspaper being in each case a newspaper circulating generally in Hong Kong.

148. Subject to the Listing Rules Governing the Listing of Securities on the Stock Exchange and unless the Articles otherwise provides, Service on joint holders

(a) all notices, documents or other information directed to be given to the members shall, with respect to any share to which persons are jointly entitled, be given to any one of the joint holders in respect of such share, and such notices, documents or information so given shall be deemed to have been given to all the holders of such share; and

(b) anything to be agreed or specified by the members shall, with respect to any share to which persons are jointly entitled, be deemed to have been agreed or specified by all the holders of such share if any one of the joint holders in respect of such share has so agreed or specified (except for transfer of the share).

NOTICE OF ANNUAL GENERAL MEETING

香港中華煤氣有限公司

THE HONG KONG AND CHINA GAS COMPANY LIMITED

(Incorporated in Hong Kong under the Companies Ordinance with limited liability)
(Stock Code: 3)

PRECAUTIONARY MEASURES FOR THE AGM

In view of the ongoing novel coronavirus (COVID-19) outbreak, mass gatherings would potentially impose a significant risk in terms of the spread of the virus. For the health and safety of our shareholders, staff and stakeholders, **the Company encourages shareholders, instead of attending the AGM in person, to appoint the Chairman of the AGM as their proxy to vote on the relevant resolutions at the AGM**, by completing and returning the form of proxy accompanying the circular of the Company dated 21st April 2022 in accordance with the instructions printed thereon.

To ensure the safety of the attendees of the AGM and to prevent the spreading of the COVID-19 pandemic, the following precautionary measures will be implemented at the AGM:

- (a) limited capacity for AGM attendees;
- (b) mandatory scanning the “LeaveHomeSafe” venue QR code;
- (c) mandatory body temperature screening;
- (d) mandatory health declaration;
- (e) mandatory wearing of surgical face masks;
- (f) maintaining an appropriate social distance between seats; and
- (g) NO refreshments, no food and beverage service, and no handing out of corporate gifts or gift coupons.

For the safety of the attendees at the AGM, the Company reserves the right to deny entry into or require any person to leave the AGM venue if such person:

- (i) refuses to comply with any of the above precautionary measures;
- (ii) is having a body temperature of over 37.4 degree Celsius;
- (iii) is subject to any Hong Kong Government prescribed quarantine or has close contact with any person under quarantine;
- (iv) is subject to the Hong Kong Government’s prescribed testing requirement or direction and has not tested negative; or
- (v) has any flu-like symptoms or any symptoms of COVID-19 or feels unwell.

The Company seeks the understanding and cooperation of all shareholders to minimize the risk of spreading COVID-19.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting (the “AGM”) of The Hong Kong and China Gas Company Limited (the “Company”) will be held at 18th Floor, Harbour East, 218 Electric Road, North Point, Hong Kong on Monday, 6th June 2022 at 12:00 noon for the following purposes:

1. To receive and consider the audited financial statements for the financial year ended 31st December 2021 and the reports of the Directors and Independent Auditor thereon.
2. To declare a final dividend.
3. To re-elect Directors.
4. To re-appoint PricewaterhouseCoopers as Auditor of the Company to hold office from the conclusion of this meeting until the conclusion of the next annual general meeting of the Company and to authorise the Directors of the Company to fix its remuneration.
5. As special business, to consider and, if thought fit, pass the following resolutions as ordinary resolutions:

Ordinary Resolutions

(I) **“THAT**

- (a) subject to paragraph (b) below, the exercise by the Directors of the Company during the Relevant Period of all the powers of the Company to buy back Shares on The Stock Exchange of Hong Kong Limited be and is hereby generally and unconditionally approved;
- (b) the total number of Shares which may be bought back pursuant to the approval in paragraph (a) above shall not exceed 10 per cent of the total number of Shares in issue as at the date of passing this Resolution (subject to adjustment in the case of subdivision and consolidation of Shares), and the said approval shall be limited accordingly; and
- (c) for the purpose of this Resolution:

“Relevant Period” means the period from the 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 by law to be held; and

NOTICE OF ANNUAL GENERAL MEETING

- (iii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Company in general meeting; and

“Shares” means shares of all classes in the capital of the Company and warrants and other securities which carry a right to subscribe or buy back shares of the Company.”

(II) **“THAT**

- (a) subject to compliance with the prevailing requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and paragraph (b) below, the exercise by the Directors of the Company during the Relevant Period of all the powers of the Company to allot, issue and otherwise deal with additional Shares and to make, issue or grant offers, agreements, options and warrants which will or might require Shares to be allotted, issued or disposed of during or after the end of the Relevant Period be and is hereby generally and unconditionally approved;
- (b) the total number of Shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors of the Company pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue, or (ii) the exercise of rights of subscription or conversion under the terms of any warrants issued by the Company or any securities which are convertible into Shares, shall not exceed, where the Shares are to be allotted wholly for cash, 10 per cent and in any event 20 per cent of the total number of Shares in issue as at the date of passing this Resolution (subject to adjustment in the case of subdivision and consolidation of Shares); and
- (c) for the purpose of this Resolution:

the expressions “Relevant Period” and “Shares” shall have the same meaning as assigned to them under Resolution 5(I) set out in the Notice of Annual General Meeting of which this Resolution forms part, with references to “this Resolution” in the definition of “Relevant Period” being construed as references to this Resolution 5(II); and

“Rights Issue” means the allotment, issue or grant of shares in the Company open for a period fixed by the Directors of the Company to holders of shares of the Company or any class thereof on the register of members on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusions or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction, or the requirements of any recognised regulatory body or any stock exchange in, any territory applicable to the Company).”

NOTICE OF ANNUAL GENERAL MEETING

(III) “**THAT** conditional upon the passing of Resolutions 5(I) and 5(II) set out in the Notice of Annual General Meeting of which this Resolution forms part, the general mandate granted to the Directors of the Company pursuant to the said Resolution 5(II) for the time being in force to exercise the powers of the Company to allot, issue and otherwise deal with additional Shares and to make, issue or grant offers, agreements, options and warrants which will or might require Shares to be allotted, issued or disposed of during or after the end of the Relevant Period pursuant to the exercise of such powers be and is hereby extended by the addition to the total number of Shares which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors of the Company pursuant to such general mandate an amount representing the total number of Shares bought back by the Company pursuant to the exercise by the Directors of the Company in accordance with the said Resolution 5(I) of the powers of the Company to buy back such Shares, provided that such amount shall not exceed 10 per cent of the total number of Shares in issue as at the date of passing this Resolution (subject to adjustment in the case of subdivision and consolidation of Shares).”

6. As special business, to consider and, if thought fit, pass the following resolution as an ordinary resolution:

Ordinary Resolution

“**THAT** the share option scheme of Towngas Smart Energy Company Limited, a non-wholly owned subsidiary of the Company, the rules of which are contained in the document marked “A” and produced to the meeting and for the purpose of identification signed by the chairman of the meeting thereof, be and is hereby approved.”

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

Special Resolution

“**THAT** the new articles of association of the Company (the “New Articles”), a copy of which has been produced to the meeting marked “B” and for identification purpose signed by the chairman of the meeting, be and is hereby approved and adopted 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 Articles.”

By Order of the Board
John Ho Hon-ming
*Executive Director, Chief Financial Officer and
Company Secretary*

Hong Kong, 21st April 2022

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. The Directors of the Company wish to state that they have no immediate plans to buy back any existing shares in the Company or to issue any new shares or warrants in the Company.
2. Any member entitled to attend and vote at the meeting may appoint more than one proxy to attend and to speak, and on a poll, to vote on his/her behalf. A proxy need not be a member of the Company. The form of proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power of attorney or authority, must be deposited with the Company's share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof. In calculating the period mentioned for depositing the form of proxy, no account is to be taken of any part of a day that is a public holiday.
3. In light of the epidemic situation of novel coronavirus (COVID-19), the following precautionary measures will be implemented at the AGM to safeguard the health and safety of shareholders who might be attending the AGM in person:
 - Limited capacity for AGM attendees.
 - Mandatory scanning the "LeaveHomeSafe" venue QR code.
 - Mandatory body temperature screening 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.
 - Every attendee must wear a surgical face mask at any time within the AGM venue.
 - Seating at the AGM venue will be arranged so as to allow for appropriate social distancing.
 - NO refreshments, no food and beverage service, and no handing out of corporate gifts or gift coupons.
 - Each attendee may be asked whether (a) he/she travels outside of Hong Kong within the 14-day period immediately before the AGM; (b) he/she is subject to any Hong Kong Government prescribed quarantine; (c) he/she is subject to the Hong Kong Government's prescribed testing requirement or direction and has not tested negative; and (d) he/she has any flu-like symptoms or any symptoms of COVID-19 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 meeting venue.

In addition, the Company encourages shareholders, instead of attending the AGM in person, to appoint the Chairman of the AGM as their proxy to vote on the relevant resolutions at the AGM, by completing and returning the form of proxy accompanying the circular of the Company dated 21st April 2022 in accordance with the instructions printed thereon.

4. At the AGM, the Chairman of the meeting will exercise their power under Article 70 of the Articles of Association of the Company to put each of the resolutions set out in the Notice of Annual General Meeting to the vote by way of poll.
5. For the purpose of determining entitlement of shareholders to the right to attend and vote at the Annual General Meeting (or any adjournment thereof), the register of members of the Company will be closed from Monday, 30th May 2022 to Monday, 6th June 2022, both days inclusive, during which period no share transfer will be effected. All transfers accompanied by the relevant share certificates must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration no later than 4:30 p.m. on Friday, 27th May 2022 in order for the transferee to be entitled to attend and vote at the Annual General Meeting (or any adjournment thereof).

NOTICE OF ANNUAL GENERAL MEETING

6. Taking into account the development of the COVID-19 pandemic, the relevant laws and regulations (including but not limited to the regulations under the Prevention and Control of Disease Ordinance (Chapter 599 of the Laws of Hong Kong), and the requirements or guidelines of the Hong Kong Government and/or regulatory authorities, the Board may postpone the AGM or the Chairman of the meeting may adjourn the AGM in accordance with the Company's articles of association, and the Company may announce further updates on the AGM arrangement on the Company's website (www.towngas.com) and the HKEXnews website (www.hkexnews.hk) as and when appropriate.
7. For the purpose of determining shareholders who qualify for the proposed final dividend, the register of members of the Company will be closed from Friday, 10th June 2022 to Tuesday, 14th June 2022, both days inclusive, during which period no share transfer will be effected. All transfers accompanied by the relevant share certificates must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration no later than 4:30 p.m. on Thursday, 9th June 2022 in order for the transferee to be entitled to the proposed final dividend.
8. If Resolution 2 above is approved, the final dividend will be payable on Wednesday, 22nd June 2022 to shareholders of the Company entitled thereto.
9. The Chinese translation of this notice is for reference only, and in case of any inconsistency, the English version shall prevail.