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If you are in any doubt about this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in SPT Energy Group Inc., you should at once hand this circular, together with the accompanying form of proxy, to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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SPT Energy Group Inc.

華油能源集團有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1251)

PROPOSALS FOR
(1) GENERAL MANDATES TO ISSUE SHARES AND
REPURCHASE SHARES
(2) RE-ELECTION OF RETIRING DIRECTORS
(3) PROPOSED APPOINTMENT OF INDEPENDENT
NON-EXECUTIVE DIRECTOR
AND
NOTICE OF ANNUAL GENERAL MEETING

A notice convening the annual general meeting of SPT Energy Group Inc. to be held at Xi'an Room, 3F, Kempinski Hotel Beijing Lufthansa Center, 50 Liangmaqiao Road, Chaoyang District, Beijing, the PRC on Friday, 10 June 2022 at 9:30 a.m is set out on pages 17 to 21 of this circular. A form of proxy for use at the annual general meeting is also enclosed. Such form of proxy is also published on the websites of the Stock Exchange at www.hkexnews.hk and the Company at www.sptenergygroup.com. Whether or not you intend to attend the annual general meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and deliver it to the Hong Kong share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the annual general meeting or any adjournment thereof. Completion and return of the form of proxy shall not preclude a shareholder from attending and voting in person at the annual general meeting if they so wish and in such event, the form of proxy shall be deemed to be revoked.

* *for identification purpose only*

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DEFINITIONS

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

“Annual General Meeting”	the annual general meeting of the Company to be held at Xi’an Room, 3F, Kempinski Hotel Beijing Lufthansa Center, 50 Liangmaqiao Road, Chaoyang District, Beijing, the PRC on Friday, 10 June 2022 at 9:30 a.m., or any adjournment thereof and notice of which is set out on pages 17 to 21 of this circular
“Articles of Association”	the articles of association of the Company adopted and became effective on 1 December 2011, and as amended from time to time
“Board”	board of Directors
“Companies Law”	the Companies Law (2011 Revision) of the Cayman Islands as amended, supplemented or otherwise modified from time to time
“Company”	SPT Energy Group Inc., an exempted company incorporated on 12 June 2008 in the Cayman Islands with limited liability, with its Shares listed on the main board of the Stock Exchange
“Controlling Shareholders”	has the meaning ascribed thereto under the Listing Rules and, unless the context require otherwise, refers to Mr. Wang Guoqiang, Mr. Ethan Wu, Elegant Eagle Investments Limited, Red Velvet Holdings Limited, Best Harvest Far East Limited, Widescope Holdings Limited, True Harmony Limited, Truepath Limited and their respective associates, who together control the exercise of approximately 35.14% of the voting rights in general meetings of the Company as at the Latest Practicable Date

DEFINITIONS

“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the legal currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Mandate”	a general mandate proposed to be granted to the Directors at the Annual General Meeting to allot, issue and/or deal with Shares not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the relevant resolution granting the Issue Mandate
“Latest Practicable Date”	21 April 2022, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Date”	23 December 2011, the date on which dealings in the Shares first commenced on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“PRC”	the People’s Republic of China, and for the purpose of this circular, excludes Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan
“Repurchase Mandate”	a general mandate proposed to be granted to the Directors at the Annual General Meeting to repurchase Shares not exceeding 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the relevant resolution granting the Repurchase Mandate

DEFINITIONS

“RMB”	Renminbi, the legal currency of the PRC
“SFO”	Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended from time to time
“Share(s)”	ordinary share(s) of nominal value of US\$0.0001 each in the capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs, as amended from time to time
“%”	per cent

LETTER FROM THE BOARD



SPT Energy Group Inc.
華油能源集團有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1251)

Executive Directors:

Mr. Wang Guoqiang
Mr. Ethan Wu
Mr. Li Qiang

Non-executive Directors:

Ms. Chen Chunhua
Mr. Wu Jiwei

Independent non-executive Directors:

Mr. Wu Kwok Keung Andrew
Mr. Wan Kah Ming
Ms. Zhang Yujuan

Registered office:

P.O. Box 31119
Grand Pavilion
Hibiscus Way
802 West Bay Road
Grand Cayman
KY1-1205
Cayman Islands

Corporate headquarters:

5/F, Hongmao Commercial Building
Jia No. 8 Hongjun Ying East Road
Chaoyang District
Beijing
PRC

Principal place of business in Hong Kong:

33/F, Edinburgh Tower
The Landmark
15 Queen's Road Central
Hong Kong

27 April 2022

To the Shareholders

Dear Sir or Madam

PROPOSALS FOR
(1) GENERAL MANDATES TO ISSUE SHARES AND
REPURCHASE SHARES
(2) RE-ELECTION OF RETIRING DIRECTORS
(3) PROPOSED APPOINTMENT OF INDEPENDENT
NON-EXECUTIVE DIRECTOR
AND
NOTICE OF ANNUAL GENERAL MEETING

INTRODUCTION

The purpose of this circular is to give you the notice of Annual General Meeting and the following proposals to be put forward at the Annual General Meeting: a) the grant to the Directors of the Issue Mandate and the Repurchase Mandate; b) the re-election of the retiring Directors; and c) the proposed appointment of an independent non-executive Director.

* *for identification purpose only*

LETTER FROM THE BOARD

ISSUE MANDATE

In order to ensure flexibility and give discretion to the Directors, in the event that it becomes desirable for the Company to issue any new Shares, approval is to be sought from the Shareholders, pursuant to the Listing Rules, for the Issue Mandate. At the Annual General Meeting, an ordinary resolution no. 4(A) will be proposed to grant the Issue Mandate to the Directors to exercise the powers of the Company to allot, issue and deal with the additional Shares in the share capital of the Company up to 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the resolution in relation to the Issue Mandate.

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,853,775,999 Shares. Subject to the passing of the ordinary resolution no. 4(A) and on the basis that no further Shares are issued or repurchased after the Latest Practicable Date and up to the Annual General Meeting, the Company will be allowed to issue a maximum of 370,755,199 Shares.

In addition, subject to a separate approval of the ordinary resolutions no. 4(B) and 4(C), the number of Shares repurchased by the Company under ordinary resolution no. 4(B) will also be added to extend the Issue Mandate as mentioned in the ordinary resolution no. 4(A) provided that such additional amount shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing the resolutions in relation to the Issue Mandate and Repurchase Mandate. The Directors wish to state that they have no immediate plans to issue any new Shares pursuant to the Issue Mandate.

REPURCHASE MANDATE

An ordinary resolution will also be proposed at the Annual General Meeting to approve the granting of the Repurchase Mandate to the Directors to exercise the powers of the Company to repurchase Shares representing up to 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the resolution in relation to the Repurchase Mandate.

An explanatory statement required by the Listing Rules to be sent to the Shareholders in connection with the proposed Repurchase Mandate is set out in Appendix II to this circular. This explanatory statement contains all information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the relevant resolution at the Annual General Meeting.

RE-ELECTION OF RETIRING DIRECTORS

In accordance with article 108 of the Articles of Association, Mr. Wang Guoqiang, Mr. Wu Jiwei and Mr. Wan Kah Ming will retire, and being eligible, have offered themselves for re-election as Directors at the Annual General Meeting of the Company.

LETTER FROM THE BOARD

The re-appointment of the abovenamed Directors has been reviewed by the nomination committee of the Company (the “**Nomination Committee**”). The Nomination Committee leads the Board appointment process and agrees the criteria for any appointment. At the conclusion of this process, the Nomination Committee will nominate potential candidates for appointment to the Board. In exercise of its responsibilities, the Nomination Committee will regularly review the Board’s structure, size and composition, including its skill, knowledge, independence and diversity to ensure it remains aligned with the Group’s strategic directions. The Nomination Committee made recommendation to the Board that the re-election be proposed for Shareholders’ approval at the Annual General Meeting and has recommended three Directors to the Board for re-election at the Annual General Meeting.

The Nomination Committee has also reviewed and assessed the independence of Mr. Wan Kah Ming based on his confirmation of independence pursuant to the independence guidelines as set out in Rule 3.13 of the Listing Rules. Mr. Wan Kah Ming is not involved in the daily management of the Company nor in any relationships which would interfere with the exercise of his independent judgment. In addition, taking into consideration of the diversity perspectives (including but not limited to gender, age, cultural and educational background, professional experience, length of service, skills and knowledge), the current public directorships held by Mr. Wan Kah Ming and the other factors the Board considered as set out in Appendix I to this circular, the Board is satisfied that Mr. Wan Kah Ming is of such character, integrity and experience commensurating with the office of independent non-executive Director. The Board believes that he will be able to devote sufficient time to the Board, will continue to provide independent, balanced and objective view to the Company’s affairs and is able to carry out his duties as an independent non-executive Director despite the fact that he will serve the Company for more than nine years.

All of the independent non-executive Directors of the Company have served the Company for more than nine years. Their respective lengths of tenure up to the date of the Annual General Meeting are set out below:

	Date of appointment as an independent non-executive Director	Length of tenure
Mr. Wan Kah Ming	1 December 2011	11 years
Mr. Wu Kwok Keung Andrew	1 December 2011	11 years
Ms. Zhang Yujuan	27 March 2013	9 years

Details of the above retiring Directors who are subject to re-election at the Annual General Meeting are set out in Appendix I to this circular in accordance with the relevant requirements of the Listing Rules.

LETTER FROM THE BOARD

PROPOSED APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR

In accordance with article 111 of the Articles of Association, and with the recommendations of the Nomination Committee, the Board recommends Mr. Ma Xiaohu to be appointed as a new Director and a resolution to this effect will be proposed at the Annual General Meeting. Subject to Mr. Ma Xiaohu being elected as a new Director at the Annual General Meeting, he will be an independent non-executive Director of the Company. Details of the new Director proposed to be elected at the Annual General Meeting are set out in Appendix I to this circular in accordance with the relevant requirements of the Listing Rules.

NOTICE OF ANNUAL GENERAL MEETING

Set out on pages 17 to 21 of this circular is the notice of the Annual General Meeting containing, inter alia, ordinary resolutions in relation to, among others, granting the Directors the Issue Mandate and the Repurchase Mandate, approving the re-election of the retiring Directors and the proposed appointment of an independent non-executive Director.

FORM OF PROXY

A form of proxy is enclosed for use at the Annual General Meeting. Such form of proxy is also published on the websites of the Stock Exchange at www.hkexnews.hk and the Company at www.sptenergygroup.com. Whether or not you intend to attend the Annual General Meeting, you are required to complete the form of proxy in accordance with the instructions printed thereon and deliver it to the Company's Hong Kong 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 fixed for the holding of the Annual General Meeting or any adjournment thereof. Completion and delivery of the form of proxy shall not preclude a Shareholder from attending and voting in person at the Annual General Meeting if they so wish and in such event, the form of proxy shall be deemed to be revoked.

VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll. The chairman of the Annual General Meeting shall therefore demand voting on all resolutions set out in the notice of Annual General Meeting be taken by way of poll pursuant to Article 72 of the Articles of Association.

On a poll, every Shareholder present in person or by proxy or, in the case of a Shareholder being a corporation, by its duly authorised representative, shall have one vote for every fully paid Share of which he/she/it is the holder. A Shareholder entitled to more than one vote needs not use all his/her/its votes or cast all the votes he/she/it uses in the same way.

LETTER FROM THE BOARD

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. All Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this document 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.

RECOMMENDATION

The Directors consider that the proposed resolutions for the granting to the Directors of the Issue Mandate and the Repurchase Mandate, approving the re-election of the retiring Directors and the proposed appointment of an independent non-executive Director are in the interests of the Company and the Shareholders as a whole. The Directors therefore recommend the Shareholders to vote in favour of all the resolutions to be proposed at the Annual General Meeting.

Yours faithfully,
By Order of the Board
SPT Energy Group Inc.
Mr. Wang Guoqiang
Chairman

The following are the particulars of the Directors (as required by the Listing Rules) proposed to be re-elected and to be appointed at the Annual General Meeting:

As at the Latest Practicable Date, each of the following Directors/proposed Director, save as disclosed herein, did not have any interest in the Shares within the meaning of Part XV of the SFO.

Save as disclosed herein, no Director/proposed Director holds any other major appointments, any position with the Company or any other member of the Group, nor has any directorships in other listed companies in the past three years.

In addition, save as disclosed therein, no Director/proposed Director has any relationship with any other Directors, senior management personnel, substantial Shareholders or Controlling Shareholders of the Company.

Save as disclosed herein, there is no other matter relating to the re-election of the following Directors and proposed appointment of director that needs to be brought to the attention of the Shareholders and there is no other information relating to the following Directors which is required to be disclosed pursuant to any of the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules.

DIRECTORS CANDIDATES

Executive Director

Wang Guoqiang (王國強), aged 59, is an executive Director and chairman of the Board. He had been the chief executive officer of the Company during the period from 1 December 2011 to 31 August 2016 and 1 September 2017 to 10 May 2018. He is also the chairman of the Nomination Committee and a member of the Remuneration Committee of the Company. Mr. Wang has over 37 years of experience in the petroleum industry. Mr. Wang has been a Director of the Company since June 2008. He served as an engineer of North China Oil Field Testing Company (華北油田測試公司), a subsidiary of China National Petroleum Corporation (“CNPC”), from July 1984 to August 1993. Mr. Wang obtained a diploma in field machinery from North China Petroleum Vocational College (華北石油職工大學) (currently known as Beijing Institute of Economics and Management (北京經濟管理職業學院) in July 1984 and a master’s degree in business administration from The National University of Singapore in April 2007.

Mr. Wang Guoqiang had entered into a service contract with the Company for a term of 3 years. Mr. Wang Guoqiang does not receive any director’s fee. He received director’s remuneration in the amount of RMB2,101,000 in 2021, of which RMB2,049,000 was salary and the remaining as allowances, retirement benefits and other benefits, etc. The remuneration was determined by the Board with reference to his responsibility, workload, time devoted, contribution to the Group, salaries paid by the comparable companies and prevailing market conditions.

As at the Latest Practicable Date, Mr. Wang was deemed to be interested in a total of 654,074,000 Shares, of which 489,512,000 Shares held by Truepath Limited, 140,372,000 Shares held by Widescope Holdings Limited and 21,600,000 Shares held by True Harmony Limited respectively. He also has an interest in 2,590,000 underlying Shares of the Company in respect of the share option granted under the share option scheme of the Company within the meaning of Part XV of the SFO.

Non-Executive Director

Wu Jiwei (武吉偉), aged 50, has been an executive Director of the Company since 26 March 2019, and was re-designated as a non-executive Director on 8 December 2020. Since October 2021, he has been a deputy president and chief finance officer of Baoshihua Home Investment Management Company Limited* (寶石花家園投資管理有限公司). Since 25 September 2018 to 8 December 2020, he served as the senior vice president of the Company to assist the chief executive officer of the Company to expand the strategic blueprint and explore new markets and new businesses. Prior to joining the Group, Mr. Wu was the chairman of Dongxu Optoelectronic Technology Co., Ltd. (東旭光電科技股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock codes: 000413 and 200413) from April 2018 to August 2018. He was the chairman of the supervisory committee of China National Building Material Company Limited (中國建材股份有限公司) (a company listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), stock code: 03323), from May 2016 to December 2017. He was the chief accountant of China National Building Material Group Co., Ltd. (中國建材集團有限公司) (formerly known as China National Building Material Group Corporation) from March 2011 to May 2017, and the standing committee member of the party committee of such company from August 2016 to May 2017. He was the director of financial management centre of China Chengtong Holdings Group Limited (中國誠通控股集團有限公司) from October 2008 to March 2011. He served as the vice chairman of Enterprise Financial Management Association of China since 8 August 2020. Mr. Wu served the positions of general manager assistant and financial manager of China Petroleum International Engineering Ltd. (中油國際工程有限責任公司), chief accountant of China National Logging Corporation (中油測井技術服務有限責任公司) and deputy chief accountant of Engineering Technology Branch Company of China National Petroleum Corporation (中國石油天然氣集團公司), etc. Mr. Wu obtained a bachelor’s degree in foreign enterprise accounting from Xi’an Shiyou University and received a master’s degree in management from Central University of Finance and Economics. He is a senior accountant.

Mr. Wu Jiwei had entered into an appointment letter with the Company for a term of three years. He received director’s remuneration in the amount of RMB693,000 in 2021, of which RMB588,000 was director’s fee and the remaining as allowances and other benefits, etc. The remuneration was determined by the Board with reference to his duties and responsibilities with the Company and prevailing market conditions.

As at the Latest Practicable Date, Mr. Wu Jiwei has an interest in 15,000,000 underlying Shares of the Company in respect of the share options granted under the share option scheme of the Company within the meaning of Part XV of SFO.

Independent Non-Executive Director

Mr. Ma Xiaohu (馬小虎), aged 59, is proposed to be appointed as a new Director at the Annual General Meeting. Upon the approval of the Shareholders at the Annual General Meeting, Mr. Ma will become an independent non-executive Director.

Mr. Ma has over 35 years of experience in the legal industry, specialising in commercial disputes and arbitration, PRC equity transactions, venture capital, private equity investment, PRC domestic and overseas investment, real estate development and financing. He has been a senior partner of Beijing Huizhong Law Firm since July 2019. Prior to that, he worked at Morrison & Foerster from July 1994 to June 2019 where his last position was a partner. Mr. Ma also worked as a professional lawyer at China Legal Affairs Center and China Legal Service (H. K.) Ltd., all under the Ministry of Justice of the PRC from September 1987 to June 1994. Mr. Ma obtained a bachelor's degree and a master's degree in laws from Peking University in 1984 and 1987, respectively.

The Company will enter into an appointment letter with Mr. Ma for a term of three years. He will receive director's remuneration in the amount of HK\$300,000 per annum, of which HK\$300,000 was director's fee. The remuneration was determined by the Board with reference to his duties and responsibilities with the Company and prevailing market conditions.

As at the Latest Practicable Date, Mr. Ma does not have and is not deemed to have any interests or short positions in any Shares, underlying Shares or interests in debentures of the Company and its associated corporations within the meaning of Part XV of the SFO.

Based on the confirmation of independence received from Mr. Ma in respect of his independence in accordance with the independence guidelines set out in Rule 3.13 of the Listing Rules, the Board considers that Mr. Ma is independent and recommends him to be elected as an independent non-executive Director at the Annual General Meeting.

Wan Kah Ming (溫嘉明), aged 51, served as an independent non-executive Director of the Company since 1 December 2011. He is also a member of Audit Committee of the Company. He is currently also the vice chairman of China Council for the Promotion of Nationalities Trade, Hong Kong Branch (中國民族貿易促進會香港分會), a standing director and an honorary legal advisor of Hong Kong Association of China Council for the Promotion of Peaceful National Reunification (中國和平統一促進會香港總會), the founding director of the China Industrial Overseas Development Association (中國產業海外發展協會), the executive director of China Mergers & Acquisitions Association (中國併購公會), the vice chairman of its Hong Kong Branch and a member of the Chinese Association of Hong Kong and Macau Studies (全國港澳研究會). Mr. Wan has over 27 years of experience in legal practice focusing on China inbound and outbound investment, finance, mergers, acquisitions and restructuring. Since 1 February 2017, he has been a member of the Torture Claims Appeal Board. He has been the executive chairman of Boen Capital Ltd. (邦溫資本有限公司) since May 2006, respectively. He has been the principal solicitor of Leung & Wan Solicitors (梁溫律師事務所) since October 2001. Mr. Wan was an independent non-executive director and a

member of the Audit Committee of Lerthai Group Limited (a company listed on the Stock Exchange, stock code: 00112) from December 2018 to December 2019. He served as a consultant of Chan & Chiu Solicitors (陳彼得趙國榮律師行) from January 1998 to September 2001 and an assistant solicitor of S.H. Chan & Co. (陳淑雄律師行) from June 1994 to December 1997. Mr. Wan received his bachelor of law (hons) and postgraduate certificate in laws (PCLL) from The University of Hong Kong in 1993 and 1994, respectively. He was admitted as a solicitor by the High Court of Hong Kong in 1996 and the Supreme Court of England and Wales in 2001. He is also currently a member of The Law Society of Hong Kong (香港律師會) and the Chartered Institute of Arbitrators (英國特許仲裁會) and a appointed attesting officer by the Ministry of Justice, PRC.

Mr. Wan Kah Ming had entered into an appointment letter with the Company for a term of three years. He received director's remuneration in the amount of RMB249,000 in 2021, of which RMB249,000 was director's fee. The remuneration was determined by the Board with reference to his duties and responsibilities with the Company and prevailing market conditions.

As at the Latest Practicable Date, Mr. Wan has an interest in 1,833,334 underlying Shares of the Company in respect of the share options granted under the Share Option Scheme within the meaning of Part XV of SFO. He also beneficially owns 33,333 Shares of the Company.

Continuous appointment of Independent Non-executive Director who has served more than nine years

According to code provision B.2.3 of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules, if an independent non-executive Director serves more than nine years, any further appointment of such independent non-executive Director should be subject to a separate resolution to be approved by the Shareholders.

Mr. Wan Kah Ming was appointed as an independent non-executive Director on 1 December 2011. If Mr. Wan Kah Ming is to be re-elected at the Annual General Meeting, he may continue to serve the Company for more than nine years. The Company has received Mr. Wan Kah Ming's confirmation of independence according to Rule 3.13 of the Listing Rules. Mr. Wan Kah Ming has not engaged in any executive management of the Group. Taking into consideration of (a) his independent scope of works in the past years; (b) he is able to confirm his independence in respect of each of the factors set out in Rule 3.13 of the Listing Rules; (c) he has demonstrated continued independent judgement which contributes positively to the development of the Company's strategy and policies; (d) he has not had and does not have any executive or management role or functions in the Company and its subsidiaries, nor has he been employed by any member of the Group; (e) he does not receive any remuneration from the Company apart from Director's fees; (f) he does not receive any remuneration from a third party in relationship to his directorship; (g) he does not have any financial, business, family or other material relationships with the Group, its management, advisers and business; (h) he holds less than 1% of the total issued share capital of the Company; and (i) he does not serve as a director or employee of a significant competitor of the Group, the Board considers Mr. Wan Kah Ming continues to be independent under the Listing Rules and is able to carry out his

duties as an independent non-executive Director despite the fact that he will serve the Company for more than nine years. The Board believes that Mr. Wan Kah Ming's continuous tenure will bring considerable stability to the Board and the Board has benefited greatly from the presence of Mr. Wan Kah Ming who has contributed valuable insight into the Group over time. Separate resolution will be proposed for his re-election at the Annual General Meeting.

Mr. Wan Kah Ming confirmed that he has satisfied all factors set out in Rule 3.13 of the Listing Rules in assessing his independence. Mr. Wan Kah Ming is not connected with any Directors, senior management, substantial Shareholders or Controlling Shareholders of the Company.

The following is an explanatory statement required to be sent to the Shareholders under the Listing Rules in connection with the proposed Repurchase Mandate.

SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,853,775,999 Shares of nominal value of US\$0.0001 each. Subject to the passing of the resolution granting the Repurchase Mandate and on the basis that no further Shares are issued or repurchased before the Annual General Meeting, the Company will be allowed to repurchase a maximum of 185,377,599 Shares which represent 10% of the issued share capital of the Company during the period ending on the earliest of (i) the conclusion of the next annual general meeting of the Company; or (ii) the expiration of the period within which the next annual general meeting of the Company is required by any applicable laws or the Articles of Association to be held; or (iii) the date on which such authority is revoked or varied by a resolution of the Shareholders in general meeting.

REASONS AND FUNDING OF REPURCHASES

The Directors believe that it is in the best interests of the Company and the Shareholders as a whole to seek a general authority from the Shareholders to enable the Company to repurchase its Shares. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or its earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders as a whole.

Repurchases of Shares will be financed out of funds legally available for the purpose and in accordance with the Articles of Association, the Listing Rules, the Companies Law and any other applicable laws. The Companies Law provides that the amount of capital repaid in connection with a share repurchase may be paid out of the profits of the Company, the share premium account of the Company or the proceeds of a fresh issue of Shares made for the purposes of the repurchase or out of capital subject to and in accordance with the Companies Law. The amount of premium payable on repurchase may only be paid out of either or both the profits of the Company or the share premium account of the Company before or at the time the Company's Shares are repurchased, or in the manner provided for in the Companies Law.

The Directors have no present intention to repurchase any Shares and they would only exercise the power to repurchase in circumstances where they consider that the repurchase would be in the best interests of the Company and the Shareholders as a whole. The Directors consider that if the Repurchase Mandate was to be exercised in full, it may not have adverse impact on the working capital or the gearing position of the Company, as compared with the positions disclosed in the audited consolidated financial statements of the Company as at 31 December 2021, being the date on which the latest published audited consolidated financial statements of the Company were made up. The Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or on the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

GENERAL

To the best of their knowledge, having made all reasonable enquiries, none of the Directors or any of their close associates, as defined in the Listing Rules, currently intends to sell any Shares to the Company or its subsidiaries, if the Repurchase Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules, the memorandum and Articles of Association and the Companies Law.

No core connected person, as defined in the Listing Rules, has notified the Company that he or she has a present intention to sell any Shares to the Company, or has undertaken not to do so, if the proposed Repurchase Mandate is approved by the Shareholders.

TAKEOVERS CODE

If as a result of a repurchase of Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. Accordingly, a Shareholder, or a group of Shareholders acting in concert (within the meaning of the Takeovers Code), depending on the level of increase of the Shareholder's interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, to the best knowledge and belief of the Directors, Mr. Wang Guoqiang and Mr. Ethan Wu are parties acting in concert (the "**Concert Parties**") for the purpose of the Takeovers Code, and are deemed to be interested in a total of 651,484,000 Shares, representing approximately 35.14% of the issued share capital of the Company, of which 489,512,000 Shares held by Truepath Limited, 140,372,000 Shares held by Widescope Holdings Limited and 21,600,000 Shares held by True Harmony Limited, respectively. In the event that the Directors should exercise in full the Repurchase Mandate, the aggregate interests of the Concert Parties will be increased to approximately 39.04% of the issued share capital of the Company. To the best knowledge and belief of the Directors, such increase will give rise to an obligation to make a mandatory offer under the Takeovers Code. The Directors have no present intention to repurchase the Shares to the extent that will trigger the obligations under the Takeovers Code for the Controlling Shareholders. Save as aforesaid, the Directors are not aware of any consequences which would arise under the Takeovers Code as a result of any repurchase of Shares pursuant to the Repurchase Mandate.

The Listing Rules prohibit a company from making repurchase on the Stock Exchange if the result of the repurchase would be that less than 25% (or such other prescribed minimum percentage as determined by the Stock Exchange) of the issued share capital would be in public hands. The Directors do not propose to repurchase Shares which would result in less than the prescribed minimum percentage of Shares in public hands.

SHARE REPURCHASE MADE BY THE COMPANY

No repurchase of Shares (whether on the Stock Exchange or otherwise) had been made by the Company in the six months prior to the Latest Practicable Date.

SHARE PRICES

The following table shows the highest and lowest prices at which the Shares have been traded on the Stock Exchange during the 12 months preceding the Latest Practicable Date:

Month	Highest prices <i>HK\$</i>	Lowest prices <i>HK\$</i>
2021		
April	0.355	0.285
May	0.355	0.280
June	0.330	0.285
July	0.305	0.240
August	0.260	0.202
September	0.380	0.221
October	0.450	0.295
November	0.345	0.235
December	0.270	0.239
2022		
January	0.300	0.250
February	0.335	0.285
March	0.310	0.225
April (up to the Latest Practicable Date)	0.305	0.265

NOTICE OF ANNUAL GENERAL MEETING



SPT Energy Group Inc.
華油能源集團有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1251)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the annual general meeting (the “**Annual General Meeting**”) of SPT Energy Group Inc. (the “**Company**”) will be held at Xi’an Room, 3F, Kempinski Hotel Beijing Lufthansa Center, 50 Liangmaqiao Road, Chaoyang District, Beijing, the PRC on Friday, 10 June 2022 at 9:30 a.m., for the following purposes:

1. To consider, receive and adopt the audited consolidated financial statements of the Company and the reports of the directors and auditor for the year ended 31 December 2021.
2. (a) To re-elect the following retiring directors of the Company:
 - (i) Mr. Wang Guoqiang as executive director;
 - (ii) Mr. Wu Jiwei as non-executive director; and
 - (iii) Mr. Wan Kah Ming as an independent non-executive director;
- (b) to elect Mr. Ma Xiaohu as independent non-executive director of the Company;
- (c) To authorise the board of directors of the Company to fix the remuneration of the directors.
3. To re-appoint PricewaterhouseCoopers as auditor of the Company to hold office until the conclusion of the next annual general meeting of the Company and to authorise the board of directors of the Company to fix their remuneration.
4. To consider and, if thought fit, pass the following resolutions as ordinary resolutions:
 - (A) “**That:**
 - (i) subject to paragraph (iii) below, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue or otherwise deal with additional

* *for identification purpose only*

NOTICE OF ANNUAL GENERAL MEETING

ordinary shares in the capital of the Company (“**Shares**”) or securities convertible into Shares, or options, warrants or similar rights to subscribe for Shares or such convertible securities of the Company and to make or grant offers, agreements and/or options (including bonds, warrants and debentures exchangeable or convertible into Shares) and rights of exchange or conversion which may require the exercise of such powers be and is hereby generally and unconditionally approved;

- (ii) the approval in paragraph (i) above shall be in addition to any other authorisation given to the directors of the Company and shall authorise the directors of the Company during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and/or options (including bonds, warrants and debentures exchangeable or convertible into Shares) and rights of exchange or conversion which may require the exercise of such power after the end of the Relevant Period;
- (iii) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) by the directors of the Company during the Relevant Period pursuant to paragraph (i) above, otherwise than pursuant to (1) a Rights Issue (as hereinafter defined); or (2) the grant or exercise of any option under the option scheme of the Company or any other option, scheme or similar arrangements for the time being adopted for the grant or issue to the directors, officers and/or employees of the Company and/or any of its subsidiaries and/or other eligible participants specified thereunder of options to subscribe for Shares or rights to acquire Shares; or (3) an issue of Shares as scrip dividend or similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company in force from time to time; or (4) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any existing convertible notes issued by the Company or any existing securities of the Company which carry rights to subscribe for or are convertible into Shares of the Company, shall not exceed 20% of the aggregate nominal amount of share capital of the Company in issue as at the date of passing this resolution and the approval shall be limited accordingly; and
- (iv) for the purpose of this resolution:
 - (a) “**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:
 - (1) the conclusion of the next annual general meeting of the Company;

NOTICE OF ANNUAL GENERAL MEETING

- (2) the expiration of the period within which the next annual general meeting of the Company is required by any applicable laws or the articles of association of the Company to be held; and
 - (3) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.
- (b) “**Rights Issue**” means an offer of shares in the capital of the Company, or an offer or issue of warrants, options or other securities giving rights to subscribe for shares, open for a period fixed by the directors of the Company to holders of shares in the capital of the Company whose names appear on the register of members on a fixed record date in proportion to their holdings of shares of the Company (subject to such exclusion 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, or the requirements of, or the expense or delay which may be involved in determining the exercise or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction applicable to the Company, any recognised regulatory body or any stock exchange applicable to the Company).”

(B) “**That:**

- (i) subject to paragraph (ii) below, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase shares of the Company on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or on any other stock exchange on which the shares of the Company may be listed and recognised for this purpose by the Securities and Futures Commission of Hong Kong and the Stock Exchange under the Code on Share Buy-Backs and, subject to and in accordance with all applicable laws and the Rules Governing the Listing of Securities on the Stock Exchange, be and is hereby generally and unconditionally approved;
- (ii) the aggregate nominal amount of the shares of the Company, which may be repurchased pursuant to the approval in paragraph (i) above shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this resolution, and the said approval shall be limited accordingly;
- (iii) subject to the passing of this resolution, any prior approvals of the kind referred to in paragraphs (i) and (ii) of this resolution which had been granted to the directors of the Company and which are still in effect be and are hereby revoked; and

NOTICE OF ANNUAL GENERAL MEETING

(iv) for the purpose of this resolution:

“**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the expiration of the period within which the next annual general meeting of the Company is required by any applicable laws or the articles of association of the Company to be held; and
- (c) the revocation or variation of the authority given under this resolution by ordinary resolution of the shareholders of the Company in general meeting.”

(C) “**That** conditional upon the resolutions numbered 4(A) and 4(B) set out in this notice being passed, the general mandate granted to the directors of the Company to exercise the powers of the Company to allot, issue and otherwise deal with new shares of the Company and to make or grant offers, agreements and options which might require the exercise of such powers pursuant to the ordinary resolution numbered 4(A) set out in this notice be and is hereby extended by the addition to the aggregate nominal amount of the share capital of the Company which may be allotted by the directors of the Company pursuant to such general mandate of an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company under the authority granted pursuant to ordinary resolution numbered 4(B) set out in this notice, provided that such amount shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this resolutions.”

By Order of the Board
SPT Energy Group Inc.
Mr. Wang Guoqiang
Chairman

The PRC, 27 April 2022

Registered office:

P.O. Box 31119
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Hibiscus Way
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Grand Cayman
KY1-1205
Cayman Islands

Corporate Headquarters:

5/F, Hongmao Commercial Building
Jia No. 8 Hongjunying East Road
Chaoyang District
Beijing
PRC

Principal place of business

in Hong Kong:
33/F, Edinburgh Tower
The Landmark
15 Queen’s Road Central
Hong Kong

NOTICE OF ANNUAL GENERAL MEETING

Notes:

- (i) Ordinary resolution numbered 4(C) will be proposed to the shareholders for approval provided that ordinary resolutions numbered 4(A) and 4(B) are passed by the shareholders of the Company.
- (ii) A shareholder entitled to attend and vote at the Annual General Meeting is entitled to appoint another person as his/her proxy to attend and vote instead of him/her. A shareholder who is the holder of 2 or more Shares may appoint more than one proxy to represent him/her and vote on his/her behalf at the above Annual General Meeting. A proxy need not be a shareholder of the Company.
- (iii) In the case of joint holders of any Share, any one of such persons may vote at the Annual General Meeting, either personally or by proxy, in respect of such Share as if he/she were solely entitled thereto. However, if more than one of such joint holders be present at the above Annual General Meeting personally or by proxy, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other joint holder(s) and for this purpose, seniority shall be determined as that one of the said persons so present whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof.
- (iv) In order to be valid, a form of proxy must be deposited at the Hong Kong share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong together with the power of attorney or other authority (if any) under which it is signed (or a notarially certified copy thereof) not less than 48 hours before the time appointed for the holding of the Annual General Meeting or any adjournment thereof. The completion and deposit of the form of proxy shall not preclude shareholders of the Company from attending and voting in person at the Annual General Meeting (or any adjourned meeting thereof) if they so wish.
- (v) The transfer books and register of members of the Company will be closed from Tuesday, 7 June 2022 to Friday, 10 June 2022, both dates inclusive, to determine the entitlement of shareholders to attend and vote at the Annual General Meeting, during which period no transfers of shares of the Company will be registered. All transfers accompanied by the relevant share certificates must be lodged with the Hong Kong share registrar of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Friday, 3 June 2022.
- (vi) In respect of ordinary resolutions numbered 2 above, Mr. Wang Guoqiang, Mr. Wu Jiwei and Mr. Wan Kah Ming shall retire from office at the Annual General Meeting and be eligible to offer themselves for re-election. Mr. Ma Xiaohu is proposed to be appointed as a new director. Details of the above retiring directors/proposed director are set out in Appendix I to the accompanied circular dated 27 April 2022.
- (vii) In respect of the ordinary resolution numbered 4(A) above, the directors of the Company wish to state that they have no immediate plans to issue any new Shares of the Company. Approval is being sought from the shareholders of the Company as a general mandate for the purposes of the Rules Governing the Listing of Securities of the Stock Exchange ("Listing Rules").
- (viii) In respect of ordinary resolution numbered 4(B) above, the directors of the Company wish to state that they will exercise the powers conferred by the general mandate to repurchase Shares of the Company in circumstances which they deem appropriate for the benefits of shareholders of the Company. The explanatory statement containing the information necessary to enable shareholders to make an informed decision on whether to vote for or against the resolution to approve the repurchase by the Company of its own Shares, as required by the Listing Rules, is set out in Appendix II to the accompanied circular dated 27 April 2022.