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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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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 stockbroker, bank manager, solicitors, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Zhongyu Energy Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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**中裕能源控股有限公司**  
**ZHONGYU ENERGY HOLDINGS LIMITED**

(INCORPORATED IN THE CAYMAN ISLANDS WITH LIMITED LIABILITY)  
(Stock Code:3633)

**GENERAL MANDATES FOR THE ISSUE OF NEW SHARES  
AND THE REPURCHASE OF SHARES  
AND  
RE-ELECTION OF DIRECTORS  
AND  
ADOPTION OF NEW SHARE OPTION SCHEME  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the AGM (as defined herein) to be held at Units 04-06, 28th Floor, China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong on Friday, 2nd June 2023 at 11:00 a.m. is set out on pages AGM-1 to AGM-5 of this circular.

A form of proxy for use at the AGM is enclosed herewith. Whether or not you propose to attend the AGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return the same to the branch share registrar of the Company (as defined herein) in Hong Kong, Tricor Secretaries Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the AGM. Completion and return of the form of proxy will not preclude you from attending and voting at the AGM should you so wish.

28 April 2023

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## CONTENTS

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	<i>Page</i>
<b>Definitions</b> . . . . .	1
<b>Letter from the Board</b> . . . . .	
1. Introduction . . . . .	5
2. General mandate for the issue of new Shares . . . . .	5
3. General mandate for the repurchase of Shares . . . . .	6
4. Re-election of Retiring Directors . . . . .	7
5. Proposed Adoption of New Share Option Scheme . . . . .	11
6. AGM . . . . .	14
7. Voting by Poll . . . . .	14
8. Responsibility Statement . . . . .	15
9. Recommendation . . . . .	15
10. Closure of Register Members . . . . .	15
11. General . . . . .	15
<b>Appendix I – Repurchase Mandate Explanatory Statement</b> . . . . .	App I-1
<b>Appendix II – Summary of the Principal Terms of New Share Option Scheme</b> . . . . .	App II-1
<b>Notice of the AGM</b> . . . . .	AGM-1

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## DEFINITIONS

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

“Adoption Date”	the date on which the New Share Option Scheme is adopted by the Company, currently expected to be the date of the AGM
“AGM”	the annual general meeting of the Company to be held at Units 04-06, 28th Floor, China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong on Friday, 2nd June 2023 11 a.m.
“Annual Report”	the audited consolidated financial statements of the Company and the reports of the directors and independent auditor of the Company for the year ended 31 December 2022
“Articles of Association”	the articles of association of the Company as may be amended from time to time
“Board”	the board of Directors
“Business Day”	any day (excluding a Saturday and Sunday or public holiday in Hong Kong) on which banks in Hong Kong are generally open for business
“BVI”	the British Virgin Islands
“China Gas”	means China Gas Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board (Stock Code: 384). As at the Latest Practicable Date, China Gas holds approximately 37.39% of the issued share capital of the Company
“close associates”	has the same meaning ascribed to it in the Listing Rules
“Company”	Zhongyu Energy Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on Main Board
“core connected person”	has the same meaning ascribed to it in the Listing Rules
“Director(s)”	the director(s) of the Company
“Existing Share Option Scheme”	the share option scheme which was adopted by the Company on 3 May 2013
“General Mandates”	the New Issue Mandate and the Repurchase Mandate

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## DEFINITIONS

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“Group”	the Company and its subsidiaries
“Hezhong”	Hezhong Investment Holding Company Limited, an investment holding company incorporated in the BVI with limited liability and is wholly owned by Mr. Wang Wenliang as at the Latest Practicable Date. Mr. Wang Wenliang is a director of the Company. As at the Latest Practicable Date, Hezhong holds approximately 27.05% of the issued share capital of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	24 April 2023, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information in this circular
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	the Main Board of the Stock Exchange
“New Issue Mandate”	a general and unconditional mandate proposed to be granted to the Directors to allot, issue and deal with new Shares not exceeding 20% of the total number of issued Shares of the Company as at the date of passing of the resolution approving the New Issue Mandate at the AGM
“New Share Option Scheme”	the proposed new share option scheme of the Company to be submitted to the Shareholders for approval at the AGM, a summary of its principal terms is set out in Appendix II to this circular
“Nomination Committee”	the nomination committee of the Company
“PRC”	the People’s Republic of China
“Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise the powers of the Company to repurchase Shares not exceeding 10% of the total number of issued Shares of the Company as at the date of passing of the resolution approving the Repurchase Mandate at the AGM
“SFC”	Securities and Futures Commission
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

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## DEFINITIONS

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“Share(s)”	share(s) of nominal value of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Code on Takeovers and Mergers and Share Buy-backs of Hong Kong
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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LETTER FROM THE BOARD

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**中裕能源控股有限公司**  
**ZHONGYU ENERGY HOLDINGS LIMITED**

(INCORPORATED IN THE CAYMAN ISLANDS WITH LIMITED LIABILITY)  
(Stock Code:3633)

*Executive Directors:*

Mr. Wang Wenliang (*Chairman*)  
Mr. Yiu Chi Shing (*Vice-Chairman*)  
Mr. Lui Siu Keung (*Chief Executive Officer*)  
Mr. Jia Kun (*Executive President*)  
Mr. Lu Zhaoheng  
Mr. Li Yan

*Independent non-executive Directors:*

Mr. Li Chunyan  
Dr. Luo Yongtai  
Ms. Liu Yu Jie

*Registered office:*

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

*Head Office and principal place of  
business in Hong Kong:*

Units 04-06, 28th Floor  
China Merchants Tower  
Shun Tak Centre  
168-200 Connaught Road Central,  
Hong Kong

28 April 2023

*To the Shareholders*

Dear Sir or Madam,

**GENERAL MANDATES FOR THE ISSUE OF NEW SHARES  
AND THE REPURCHASE OF SHARES  
AND  
RE-ELECTION OF DIRECTORS  
AND  
ADOPTION OF NEW SHARE OPTION SCHEME  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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## LETTER FROM THE BOARD

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### 1. INTRODUCTION

The purpose of this circular is to provide you with information regarding the resolutions to be proposed at the AGM to enable the Shareholders to make an informed decision on whether to vote for or against the resolutions and to give you notice of the AGM. Resolutions to be proposed at the AGM include ordinary resolutions relating to, among other things, (i) the New Issue Mandate, (ii) the Repurchase Mandate, (iii) the re-election of Directors and (iv) adoption of the New Share Option Scheme.

### 2. GENERAL MANDATE FOR THE ISSUE OF NEW SHARES

At the annual general meeting of the Company held on 2 June 2022, the Directors were granted general and unconditional mandates to:

- (i) allot, issue and deal with unissued Shares not exceeding 20% of the total number of Shares in issue as at the date of passing such resolution;
- (ii) repurchase Shares not exceeding 10% of the total number of the Shares in issue at the date of passing such resolution; and
- (iii) extend the issue mandate set out in (i) above by an amount equal to the number of Shares repurchased pursuant to the repurchase mandate set out in (ii) above.

The above general mandates will expire at the conclusion of the AGM and the purpose of this circular, among other things, is to request your support to approve the General Mandates at the AGM.

At the AGM, an ordinary resolution will be proposed which, if passed, will grant the Directors the New Issue Mandate to allot, issue and deal with up to 20% of the total number of issued Shares of the Company as at the date of passing of the relevant resolution. As at the Latest Practicable Date, a total of 2,829,753,157 Shares were in issue. Subject to the passing of the relevant resolution granting the New Issue Mandate to the Directors and on the basis that no Shares will be issued or repurchased by the Company between the Latest Practicable Date and prior to the AGM, the Directors will be allowed under the New Issue Mandate to issue a maximum of 565,950,631 Shares. If the share capital of the Company changes as a result of a share consolidation or subdivision after the approval of the New Issue Mandate, the maximum number of Shares that can be issued will be adjusted accordingly such that the maximum percentage of shares which may be issued under the New Issue Mandate immediately before and after such share capital change shall be the same. In addition, approval of the Shareholders is proposed to be sought at the AGM to extend the New Issue Mandate by adding to it the number of Shares repurchased by the Company under the Repurchase Mandate subsequent to the passing of the relevant resolutions.

The above mandates, if granted, will be valid until whichever is the earliest of (i) the conclusion of the next annual general meeting of the Company after the AGM, (ii) the expiration of the period within which the next annual general meeting of the Company after the AGM is required by the Articles of Association or any applicable laws to be held, and (iii) the passing of an ordinary

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## LETTER FROM THE BOARD

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resolution by the Shareholders in general meeting revoking or varying or renewing the authority given to the Directors, in order to provide flexibility for issuing new Shares when it is in the interests of the Company to do so.

As at the Latest Practicable Date, the Listing Rules provide that, unless the Stock Exchange agrees otherwise, in the event the New Issue Mandate is exercised and Shares are placed for cash consideration under the New Issue Mandate, the issue price of the Shares may not be at a price which represents a discount of 20% or more to the benchmarked price of the Shares, such benchmarked price being the higher of:

- (i) the closing price of the Shares as quoted on the Stock Exchange on the date of the relevant placing agreement or other agreement involving the proposed issue of securities under the New Issue Mandate; and
- (ii) the average closing price of the Shares as quoted on the Stock Exchange in the 5 trading days immediately prior to the earlier of:
  - a) the date of announcement of the placing or the proposed transaction or arrangement involving the proposed issue of Shares under the New Issue Mandate;
  - b) the date of the placing agreement or other agreement involving the proposed issue of Shares under the New Issue Mandate; and
  - c) the date on which the placing or subscription price is fixed.

In terms of the price at which Shares may be issued at time of exercise of the New Issue Mandate, the Company will comply with the then prevailing requirements under the Listing Rules.

### **3. GENERAL MANDATE FOR THE REPURCHASE OF SHARES**

An ordinary resolution will be proposed at the AGM to grant to the Directors the Repurchase Mandate. The Shares which may be repurchased pursuant to the Repurchase Mandate is limited to a maximum of 10% of the total number of issued Shares of the Company at the date of passing of the relevant resolution. Subject to the passing of the relevant resolution granting the Repurchase Mandate to the Directors and on the basis that no Shares will be issued or repurchased by the Company between the Latest Practicable Date and prior to the AGM, the Directors will be allowed under the Repurchase Mandate to repurchase a maximum of 282,975,315 Shares.

The Repurchase Mandate, if granted, will be valid until whichever is the earliest of (i) the conclusion of the next annual general meeting of the Company after the AGM, (ii) the expiration of the period within which the next annual general meeting of the Company after the AGM is required by the Articles of Association or any applicable laws to be held, or (iii) the passing of an ordinary resolution by the Shareholders in general meeting revoking or varying or renewing the authority given to the Directors. If the share capital of the Company changes as a result of a share consolidation or subdivision after the approval of the Repurchase Mandate, the maximum number of Shares that can



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## LETTER FROM THE BOARD

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be purchased will be adjusted accordingly such that the maximum percentage of Shares which may be purchased under the Repurchase Mandate immediately before and after such share capital change shall be the same.

Appendix I to this circular contains an explanatory statement, as required by Rule 10.06(1)(b) and other relevant provisions of the Listing Rules, to provide the requisite information to the Shareholders to enable the Shareholders to make an informed decision on whether to vote for or against the resolution to grant the Repurchase Mandate.

#### 4. RE-ELECTION OF RETIRING DIRECTORS

In accordance with Article 84(1) and (2) of the Articles of Association, Mr. Wang Wenliang (“**Mr. Wang**”), Mr. Li Chunyan (“**Mr. Li**”) and Ms. Liu Yu Jie (“**Ms. Liu**”) will retire from office as Directors by rotation at the AGM and being eligible, offer themselves for re-election at the AGM.

The Nomination Committee has reviewed the structure and composition of the Board, the confirmations and disclosures given by the Directors, the qualifications, skills and experience, time commitment and contribution of the retiring Directors with reference to the nomination principles and criteria, defined process of selection and performance evaluation set out in the Company’s Board Diversity Policy and Director Nomination Policy and the Company’s corporate strategy. The Nomination Committee has established and implemented processes including taking into consideration the attendance records at the meetings of the Board and the relevant Board committees for monitoring and evaluating the contribution of the retiring Directors.

The Nomination Committee and the Board are satisfied with all the retiring Directors’ and the newly appointed Director’s contribution to the Company, which will continue to bring valuable knowledge and professionalism to the Board for its efficient and effective functioning and diversity. The Nomination Committee and the Board therefore recommended the re-election of all the retiring Directors and the newly appointed Director at the AGM.

Set out below are the details of the Directors proposed to be re-elected:

**Mr. Wang Wenliang**, aged 52, is the Chairman of the Company. He was appointed as an executive Director on 10 July 2003 and is responsible for the overall strategic planning and operational development of the Company and its subsidiaries (collectively the “Group”). Mr. Wang also serves as a director of certain other subsidiaries within the Group. Mr. Wang have accumulated over 30 years of business experience in China. With keen investment vision and rich operational and management experience, he has invested in various fields including financial securities, internet information services and operation, building materials, real estate development, energy and infrastructures, etc. Mr. Wang currently serves as the standing vice chairman of Hong Kong Association for Promotion of Peaceful Reunification of China and the deputy chairman of the fourth council of China Foundation For Justice And Courage. Mr. Wang was an executive director of China Gas Holdings Limited between 17 January 2003 and 10 June 2003. Mr. Wang completed his postgraduate course in Finance in the Graduate School of Chinese Academy of Social Sciences in the PRC in June 2001. Mr. Wang

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## LETTER FROM THE BOARD

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completed the EMBA program at School of Business of Peking University in July 2019. Mr. Wang is the sole shareholder, a chairman and director of Hezhong Investment Holding Company Limited (“Hezhong”), which is a substantial shareholder (as defined in the Listing Rules) of the Company.

As at the Latest Practicable Date, Mr. Wang is interested in an aggregate of 797,725,206 Shares, 21,324,616 Shares of which is beneficially owned by him, 10,938,301 Shares of which is beneficially owned by his wife, Ms. Feng Haiyan and 765,462,289 Shares of which is beneficially owned by Hezhong, a company wholly-owned by Mr. Wang. Under Part XV of the SFO, Mr. Wang is deemed to be interested in the Shares held by his spouse and company controlled by him. Save as disclosed above, Mr. Wang does not have any other interest in the Shares within the meaning of Part XV of the SFO.

Save as disclosed above, as at the Latest Practicable Date, Mr. Wang did not hold any directorships in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years and did not hold any other positions with the Company or other members of the Group.

Save as disclosed above, as at the Latest Practicable Date, Mr. Wang did not have any relationships with any of the Directors, senior management or substantial shareholders (within the meaning of the Listing Rules) or controlling shareholders (within the meaning of the Listing Rules) of the Company.

Pursuant to the service agreement entered into between Mr. Wang and the Company, the term of appointment for Mr. Wang is three years commencing on 11 July 2021 and shall determine upon expiry subject to renewal by mutual agreement between Mr. Wang and the Company prior thereto and in compliance with the Listing Rules. Mr. Wang’s directorship is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles of Association. Under the service agreement, Mr. Wang is entitled to an annual emolument of HK\$7,140,000 for acting as the Chairman of the Company and an executive Director and a bonus for each financial year of the Company at the discretion of the Board. The annual emolument of Mr. Wang and his discretionary bonus would be determined with reference to various factors such as duties and level of responsibilities of Mr. Wang within the Group, the available information in respect of companies of comparable business or scale, the performance of Mr. Wang and the Group’s performance for the financial year concerned and the prevailing market conditions and based on the recommendation from the Remuneration Committee of the Company.

Save as disclosed in this circular, Mr. Wang is not aware of any other matters that need to be brought to the attention of the Shareholders nor is there any information that needs to be disclosed by the Company pursuant to any of the requirements under rule 13.51(2)(h) to (v) of the Listing Rules.

**Mr. Li Chunyan**, aged 59, is an independent non-executive Director, Chairman of Audit Committee, Remuneration Committee and Nomination Committee of the Company. He was appointed as an independent non-executive Director on 5 October 2010. He has been a practicing lawyer at Henan Shi Ji Tong Law Office (河南世紀通律師事務所) since April 1999. He has also been a teacher at Xiangcheng Normal School in Henan Province, a lawyer at Pingdingshan Economic Law Office (平頂山經濟律師事務所), a lawyer at Asia Pacific (Group) CPAs, a certified public accountant, as well as a registered assets valuer. In July 2007, he attended the independent director training of Shenzhen

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## LETTER FROM THE BOARD

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Stock Exchange and obtained the qualification certificate of independent directors. He has been an external director of Henan Investment Group Co., Ltd. (河南投資集團有限公司) Since November 2022.

As at the Latest Practicable Date, Mr. Li is beneficially interested in an aggregate of 1,510,761 Shares (comprising 1,007,861 Shares directly held by Mr. Li and 502,900 underlying Shares issuable upon exercise of the rights attaching to the 502,900 share options at an exercise price of HK\$5.468 per Share granted under the Existing Share Option Scheme). Save as disclosed above, Mr. Li does not have any other interest in the Shares within the meaning of Part XV of the SFO.

Save as disclosed above, as at the Latest Practicable Date, Mr. Li did not hold any directorships in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years and did not hold any other positions with the Company or other members of the Group.

Save as disclosed above, as at the Latest Practicable Date, Mr. Li did not have any relationships with any of the Directors, senior management or substantial shareholders (within the meaning of the Listing Rules) or controlling shareholders (within the meaning of the Listing Rules) of the Company.

Pursuant to the service agreement entered into between Mr. Li and the Company, the term of appointment for Mr. Li is three years commencing on 11 July 2021 and shall determine upon expiry subject to renewal by mutual agreement between Mr. Li and the Company prior thereto and in compliance with the Listing Rules. Mr. Li's directorship is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles of Association. Under the service agreement, Mr. Li is entitled to an annual emolument of HK\$250,000 for acting as an executive Director and a bonus for each financial year of the Company at the discretion of the Board. The annual emolument of Mr. Li and his discretionary bonus would be determined with reference to various factors such as duties and level of responsibilities of Mr. Li within the Group, the available information in respect of companies of comparable business or scale, the performance of Mr. Li and the Group's performance for the financial year concerned and the prevailing market conditions and based on the recommendation from the Remuneration Committee of the Company.

Mr. Li has always emphasised high standards of corporate governance to the Company and contributed objectively in advising as well as constructively monitoring and mentoring the management team in his capacity as an independent non-executive Director. Being familiar with the corporate values of the Company, the presence of Mr. Li has enhanced these values by his development of a strong relationship with the management. The Board and Mr. Li agreed that his long service would not affect his exercise of independent judgment and the Board is satisfied that Mr. Li has the required character, integrity, experience and knowledge to continue fulfilling the role of independent non-executive Director effectively. Taking into consideration of the above factors as well as the Company having received from Mr. Li a confirmation of independence according to Rule 3.13 of the Listing Rules, and his independent scope of work in the past years, the Board considers Mr. Li to be independent under the Listing Rules despite the fact that he has served the Company for more than nine years. The Board believes that Mr. Li's continued tenure brings considerable stability as he has over time gained valuable insight into the operations and management of the Group.

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## LETTER FROM THE BOARD

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Save as disclosed in this circular, Mr. Li is not aware of any other matters that need to be brought to the attention of the Shareholders in connection with his re-election nor is there any information that needs to be disclosed by the Company pursuant to any of the requirements under rule 13.51(2)(h) to (v) of the Listing Rules.

**Ms. Liu Yu Jie**, aged 58, is an independent non-executive Director, a member of Audit Committee, Remuneration Committee and Nomination Committee of the Company. She was appointed as an independent non-executive Director on 30 June 2017. Ms. Liu graduated from University of International Business and Economics in Beijing and obtained a master's degree in business management. She has been working in Hong Kong, Singapore and the PRC for over 20 years and is familiar with the business environment and regulatory systems of such jurisdictions. She has comprehensive experience in capital markets, business promotion and corporate management through participating in initial public offerings, underwriting over 30 companies in their respective initial public offerings on The Stock Exchange of Hong Kong Limited, and having led and completed mergers and acquisitions of a number of companies in Hong Kong and Singapore. Ms. Liu also assisted in capital raising and management of large-scale industrial funds which make investments in China, and acted as executive directors of listed companies in Hong Kong and Singapore which engaged in utilities and infrastructure investments. Ms. Liu is a non-executive director of China Water Affairs Group Limited (stock code: 855) and an executive director of New Universe Environmental Group Limited (stock code: 436) and Kangda International Environmental Company Limited (stock code: 6136). She was also an executive director of SIIC Environment Holdings Ltd. (a company listed on the Singapore Exchange) from 19 November 2009 to 8 August 2014.

As at the Latest Practicable Date, Ms. Liu directly held 502,900 shares options of the Company, the exercise of which in full will result in the issue and allotment of 502,900 Shares. Save as disclosed above, Ms. Liu does not have any interest in the Shares within the meaning of Part XV of the SFO.

Save as disclosed above, as at the Latest Practicable Date, Ms. Liu did not hold any directorships in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years and did not hold any other positions with the Company or other members of the Group.

Save as disclosed above, as at the Latest Practicable Date, Ms. Liu did not have any relationships with any of the Directors, senior management or substantial shareholders (within the meaning of the Listing Rules) or controlling shareholders (within the meaning of the Listing Rules) of the Company.

Pursuant to the service agreement entered into between Ms. Liu and the Company, the term of appointment for Ms. Liu is three years commencing on 3 June 2020 and shall determine upon expiry subject to renewal by mutual agreement between Ms. Liu and the Company prior thereto and in compliance with the Listing Rules. Ms. Liu's directorship is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles of Association. Under the service agreement, Ms. Liu is entitled to an annual emolument of HK\$250,000 for acting as an executive Director and a bonus for each financial year of the Company at the discretion of the Board. The annual emolument of Ms. Liu and her discretionary bonus would be determined with reference to various factors such as duties and level of responsibilities of Ms. Liu within the Group,

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## LETTER FROM THE BOARD

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the available information in respect of companies of comparable business or scale, the performance of Ms. Liu and the Group's performance for the financial year concerned and the prevailing market conditions and based on the recommendation from the Remuneration Committee of the Company.

Save as disclosed in this circular, Ms. Liu is not aware of any other matters that need to be brought to the attention of the Shareholders in connection with her re-election nor is there any information that needs to be disclosed by the Company pursuant to any of the requirements under rule 13.51(2)(h) to (v) of the Listing Rules.

### 5. PROPOSED ADOPTION OF NEW SHARE OPTION SCHEME

The Existing Share Option Scheme is due to expire on 2 May 2023. As at the Latest Practicable Date, there were 16,098,600 outstanding share options under the Existing Share Option Scheme which may be exercised by the grantees until 4 January 2028. Upon expiry of the Existing Share Option Scheme, its provisions shall remain in full force and effect in respect of the outstanding share options. The Board has no plan to grant any options under the Existing Share Option Scheme prior to the AGM.

In view of the impending expiry of the Existing Share Option Scheme, the Company proposes to adopt the New Share Option Scheme which will take effect upon the passing of relevant ordinary resolution by the Shareholders at the AGM. After adoption of the New Share Option Scheme and prior to grant of any Options to the Participants, the Company will apply to the Listing Committee of the Stock Exchange for the listing of and permission to deal in the new Shares to be issued upon exercise of the Options to be granted.

A summary of the principal terms of the New Share Option Scheme is set out in Appendix II to this circular. Unless otherwise stated, the defined terms in Appendix II shall apply to the disclosure herein. The full terms of the New Share Option Scheme will be published on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company's website for a period of 14 days before the date of the AGM and will be made available for inspection at the AGM.

#### **Purpose**

The purpose of the New Share Option Scheme is to reward the Participants who have contributed or will contribute to the Group and to encourage longer term commitment of grantees to the Group and to better align their interests with those of the Shareholders, which can contribute towards enhancing the value of the Company and the Shares for the benefit of the Company and its Shareholders as a whole.

#### **Participants**

Participants include the Employee Participants and the Related Entity Participants. In determining the eligibility of each Participant, the Board shall consider the experience of the Participant on the Group's business, the length of employment or office of the Participant with the Group, the amount of support, assistance, guidance, advice or efforts the Participant has given or will give towards the Group's success and any other factor that allows the Board to assess the amount of contribution made or to be made by the Participant to the Group. The Board (including the independent non-executive

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## LETTER FROM THE BOARD

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Directors) considers that the aforesaid criteria for determining eligibility of the Participants (including the Related Entity Participants) are and terms of the grant of Options to the Participants will be, in line with the purpose of the New Share Option Scheme (i.e. to reward the Participants who have contributed or will contribute to the Group, to encourage longer term commitment from them and to better align their interests with those of the Shareholders).

As is fairly commonplace in the energy sector, the Group may from time to time enter into joint ventures or hold a minority equity interest in entities that constitute associated companies of the Company in connection with the development of the Group's business. Given the Group's economic interest in these associated companies, it is important for the Company to be able (if thought fit) to grant options to the Related Entity Participants to attract, retain and/or incentivise appropriate directors and/or employees of such Related Entities in the same way as Employee Participants, so that the Related Entity Participants may also align their interest with the growth and performance of the Group. Therefore, the Board (including the independent non-executive Directors) considers that inclusion of the Related Entity Participants is in line with the Group's business needs.

### **Scheme Mandate Limit**

As at the Latest Practicable Date, the total number of Shares in issue is 2,829,753,157 Shares. Assuming there is no change in the number of Shares in issue during the period between the Latest Practicable Date and the Adoption Date, the maximum number of Shares which may be issued upon exercise of all options to be granted under the New Share Option Scheme and (if any) other share option scheme(s) of the Company and the awards to be granted under (if any) share award scheme(s) of the Company, is 282,975,315 Shares, representing 10% of the total number of Shares in issue as at the Adoption Date. The Scheme Mandate Limit complies with the requirements of the Listing Rules and strikes a balance between achieving the purpose of the New Share Option Scheme and protecting the Shareholders from potential excessive dilution effect as a result of issue of new Shares on exercise of Options which may be granted under the New Share Option Scheme.

### **Vesting Period**

Vesting period for the Options shall not be less than twelve (12) months. To ensure the practicability in fully attaining the purpose of the New Share Option Scheme, the Board and the Remuneration Committee are of the view that (a) there are certain instances where a strict twelve (12)-month vesting requirement would not work or would not be fair to the grantees, such as those set out in paragraphs 5.2 of Appendix II to this circular; (b) there is a need for the Company to retain flexibility to reward exceptional performers with accelerated vesting or in exceptional circumstances where justified; and (c) the Company should be allowed discretion to formulate its own talent recruitment and retention strategies in response to changing market conditions and industry competition, and thus should have flexibility to impose vesting conditions such as performance-based vesting conditions instead of time-based vesting criteria depending on individual circumstances, and thus the vesting period of 12 months which may be shortened under certain circumstances aligns with the purpose of the New Share Option Scheme by encouraging the Participants to perform exceptionally for accelerated vesting.

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## LETTER FROM THE BOARD

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### **Subscription Price**

The basis for determining the Subscription Price is specified in the rules of the New Share Option Scheme (see paragraph 4 of Appendix II to this circular). Such basis will serve to preserve the value of the Company and encourage the Participants to acquire proprietary interests in the Company. The basis of the Subscription Price complies with the requirements of the Listing Rules and is consistent with the purpose of the New Share Option Scheme as it encourages the Participants to contribute to the Group and benefit from an increase in market price of the Shares.

### **Performance Targets**

If and to the extent that any performance target is required to be achieved by any grantee before an Option is capable of being exercised, particulars of such targets shall be specified in the offer of an Option. The Board may determine such performance target at its sole and absolute discretion, which may include, among others, financial and management targets based on (i) individual performance, (ii) performance of the Group or one or more member of the Group and/or (iii) performance of business groups, projects and/or geographical area managed by the grantees. Such performance target will be consistent with the purpose of the New Share Option Scheme as it encourages the Participants to achieve such performance target thereby increasing the value of the Group.

Notwithstanding the foregoing, no Options being offered to any independent non-executive Director shall contain any performance target unless the Board is satisfied that such target will not lead to any bias in the decision-making or compromise the objectivity and independence in the course of performance of the duties of the grantee as an independent non-executive Director. This complies with the practice recommended by the Stock Exchange under Appendix 14 of the Listing Rules.

### **Clawback Mechanism**

Options shall lapse automatically if a grantee ceases to be a Participant by reason of termination of employment on grounds entitling the employer to effect such termination without notice (including, but not limited to, if he has been guilty of serious misconduct, or has committed any act of bankruptcy or has made any composition with his creditors generally or has been convicted of any criminal offence involving his integrity or honesty) whether pursuant to the terms of the contract of his employment or otherwise, or a notice terminating his employment for such reason is in fact given, whichever is the earlier; or by reason of removal of his directorship in accordance with the constitutional documents of the Company or its subsidiary and the laws of the jurisdiction in which such company is incorporated. The above clawback mechanism is consistent with the purpose of the New Share Option Scheme as a Participant falling under any of the above grounds should not be rewarded under the New Share Option Scheme.

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## LETTER FROM THE BOARD

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### General

As at the Latest Practicable Date,

- (i) the Company has not engaged any trustee for administration of the New Share Option Scheme. If the Company is to engage any trustee in the future, such trustee will not be a Director and no Director will have any direct or indirect interest in the trustee;
- (ii) the Company does not have any share option scheme or share award scheme other than the Existing Share Option Scheme;
- (iii) the Company has not formulated any plan to grant Options under the New Share Option Scheme and the Company will continue to assess from time to time whether there is a need to formulate such plan; and
- (iv) to the best knowledge of the Directors and having made all reasonable enquiries, no Shareholder has any material interest in the proposed adoption of the New Share Option Scheme and no Shareholder is required to abstain from voting on the resolution in relation thereto.

### 6. AGM

The AGM will be held at Units 04-06, 28th Floor, China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong at 11 a.m. on Friday, 2nd June 2023, at which, *inter alia*, resolutions will be proposed to Shareholders to consider the re-election of Directors, the grant of the General Mandates and the adoption of the New Share Option Scheme. A notice of the AGM is set out on pages AGM-1 to AGM-5 of this circular.

A form of proxy for use by the Shareholders at the AGM is enclosed herewith. Whether or not you propose to attend the AGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return the same to the branch share registrar of the Company in Hong Kong, Tricor Secretaries Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the AGM. Completion and return of the form of proxy will not preclude you from attending and voting at the AGM should you so wish.

### 7. VOTING BY POLL

Under Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Accordingly, the resolutions proposed at the AGM will also be taken by poll. A poll results announcement will be published on the websites of the Company and the Stock Exchange after the AGM in accordance with Rule 13.39(5) of the Listing Rules. As at the Latest Practicable Date, to the knowledge of Directors, no Shareholder is required to abstain from voting under the Listing Rules in respect of any of the resolutions proposed at the AGM.



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## LETTER FROM THE BOARD

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### 8. RESPONSIBILITY STATEMENT

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

### 9. RECOMMENDATION

The Directors are of the opinion that the resolutions to be proposed at the AGM set out in the notice of the AGM set out on pages AGM-1 to AGM-5 of this circular, including the re-election of the retiring Directors, the grant of the General Mandates and the adoption of the New Share Option Scheme, are in the best interests of the Company and the Shareholders as a whole and recommend the Shareholders to vote in favour of all the resolutions to be proposed at the AGM.

### 10. CLOSURE OF REGISTER OF MEMBERS

Shareholders whose names appear on the Company's register of members on Friday, 2nd June 2023 will be eligible to attend and vote at the AGM. The transfer books and register of members of the Company will be closed from Tuesday, 30th May 2023 to Friday, 2nd June 2023 (both days inclusive) during which period no transfer of Shares will be registered. In order to determine the identity of Shareholders who are entitled to attend and vote at the AGM, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Monday, 29th May 2023.

### 11. GENERAL

Your attention is also drawn to the additional information set out in Appendix I (Repurchase Mandate Explanatory Statement) and Appendix II (Summary of the Principal Terms of New Share Option Scheme) to this circular.

Yours faithfully,  
By Order of the Board of  
**ZHONGYU ENERGY HOLDINGS LIMITED**  
**Wang Wenliang**  
*Chairman*

This appendix is an explanatory statement given to all Shareholders relating to the resolution to be proposed at the AGM in relation to the Repurchase Mandate, which contains all the information required pursuant to Rule 10.06(1)(b) and other relevant provisions of the Listing Rules:

## **1. SHARE CAPITAL**

As at the Latest Practicable Date, the Company has 2,829,753,157 Shares in issue.

Subject to the passing of ordinary resolution numbered 5 as set out in the notice of AGM set out on pages AGM-1 to AGM-5 of this circular and on the basis that no further Shares are issued or repurchased after the Latest Practicable Date and prior to the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 282,975,315 Shares representing slightly less than 10% of the number of issued Shares of the Company, during the period from the passing of the resolution until (i) the conclusion of the next annual general meeting of the Company after the AGM; (ii) the expiration of the period within which the next annual general meeting of the Company after the AGM is required by the Articles of Association or any applicable laws to be held; or (iii) the date of the revocation, variation or renewal of the Repurchase Mandate by ordinary resolution of the Shareholders in general meeting, whichever occurs first.

As at the Latest Practicable Date, the Directors do not propose to exercise the Repurchase Mandate to repurchase any Shares.

## **2. REASONS FOR REPURCHASES**

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

## **3. FUNDING OF REPURCHASES**

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with the memorandum and articles of association of the Company, the Listing Rules and the applicable laws of the Cayman Islands. The Company may not repurchase its own Shares on Main Board for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

## **4. GENERAL**

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited consolidated financial statements of the Group contained in the Annual Report) in the event that the Repurchase Mandate is exercised in full. However, the Directors do not propose to exercise the Repurchase Mandate to such an extent as

would, in the circumstances, have any 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.

## 5. SHARE PRICES

The highest and lowest prices at which the Shares had been traded on the Main Board in each of the twelve calendar months immediately preceding the Latest Practicable Date, and the current month up to the Latest Practicable Date were as follows:

	Prices per Share	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
April 2022	7.39	6.60
May 2022	7.41	6.59
June 2022	7.24	6.31
July 2022	6.95	6.40
August 2022	6.86	6.36
September 2022	6.49	5.36
October 2022	6.07	4.92
November 2022	5.93	5.21
December 2022	6.07	5.36
January 2023	6.06	5.31
February 2023	5.78	5.24
March 2023	5.73	5.12
April 2023 (up to the Latest Practicable Date)	6.02	5.86

## 6. DIRECTORS' UNDERTAKING

The Directors have undertaken to the Stock Exchange that they will exercise the power of the Company to make purchases pursuant to the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their close associates has notified the Company of any present intention, if the Repurchase Mandate is approved by the Shareholders, to sell Shares to the Company.

No core connected person has notified the Company that it has a present intention to sell Shares to the Company, or has undertaken not to do so, in the event that the Repurchase Mandate is approved by the Shareholders.

## 7. TAKEOVERS CODE IMPLICATIONS

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

In the event that the Directors exercise the Repurchase Mandate in full and on the basis that the number of issued Shares and the Shares held by each substantial Shareholder as set out below remain the same, the total interests of the following substantial shareholders (within the meaning under the Listing Rules) of the Company in the Shares immediately before and after the repurchase of Shares would be as follows:

Name of substantial shareholders	<i>Notes</i>	Number of shares and/or underlying Shares <small>(Note 5)</small>	Approximate percentage of interest as at the Latest Practicable Date	Approximate percentage of interest after the exercise in full of the Repurchase Mandate
China Gas	<i>1</i>	1,057,905,071	37.39%	41.54%
Rich Legend International Limited	<i>1</i>	1,057,905,071	37.39%	41.54%
Hezhong	<i>2</i>	765,462,289	27.05%	30.06%
Mr. Wang Wenliang	<i>3</i>	797,725,206	28.19%	31.32%

*Notes:*

1. According to the disclosure of interests pages as shown on the website of the Stock Exchange as at the Latest Practicable Date, China Gas controlled 100% of Rich Legend International Limited.
2. Hezhong is beneficially interested in 765,462,289 Shares. Mr. Wang Wenliang is beneficially interested in 100% of the issued share capital of Hezhong.
3. Among these Shares, 765,462,289 Shares are held by Hezhong, a company wholly-owned by Mr. Wang Wenliang, and the remaining 21,324,616 Shares and 10,938,301 Shares are directly held by Mr. Wang Wenliang and his spouse Ms. Feng Haiyan, respectively.
4. All figures in the above table are rounded up to two decimal places.
5. Based on the shareholding as at the Latest Practicable Date.

As such, the increase in shareholding as a result of exercising the Repurchase Mandate in full may give rise to an obligation for (i) Rich Legend International Limited and China Gas; and (ii) Hezhong and Mr. Wang Wenliang to make a mandatory offer under Rule 26 of the Takeover Code. The Directors do not have any present intention to exercise the Repurchase Mandate to such an extent as could give rise to such an obligation.

Save as aforesaid in this circular, the Directors are not aware of any consequence which may arise under the Takeovers Code as a consequence of any purchase made under the Repurchase Mandate. Further, the Company may not repurchase Shares which would result in the amount of Shares held by the public being reduced to less than 25% being the minimum prescribed percentage for the Company as required by the Stock Exchange.

#### 8. SHARES REPURCHASE MADE BY THE COMPANY

The Company repurchased a total of 7,840,000 Shares during the six months preceding the Latest Practicable Date. Details of such repurchases are as follows:

Date of Repurchase	Number of Shares Repurchased on the Stock Exchange	Purchase Price Per Share	
		Highest	Lowest
		HK\$	HK\$
25 October 2022	500,000	5.34	5.3
26 October 2022	500,000	5.57	5.42
27 October 2022	500,000	5.68	5.62
28 October 2022	500,000	5.8	5.68
7 November 2022	579,000	5.41	5.38
8 December 2022	500,000	5.52	5.46
9 December 2022	500,000	5.63	5.51
13 December 2022	500,000	5.76	5.58
29 December 2022	300,000	5.9	5.84
31 March 2023	500,000	5.49	5.37
4 April 2023	500,000	5.46	5.32
6 April 2023	1,500,000	5.46	5.3
13 April 2023	500,000	5.47	5.4
20 April 2023	461,000	5.9	5.8

*The following is a summary of the principal terms of the New Share Option Scheme but the summary does not form part of, nor is it intended to be part of, the New Share Option Scheme nor should it be taken as affecting the interpretation of the New Share Option Scheme. Unless the context otherwise requires, the following expressions have the following meanings:*

“Auditors”	the auditors of the Company for the time being;
“Board”	the board of directors of the Company for the time being and from time to time or a duly authorised committee thereof;
“Business Day”	any day on which Shares are available for trading on the Stock Exchange;
“Date of Grant”	in respect of an Option, the date (which shall be a Business Day) on which the Offer is made to a Participant, whether or not the Offer is subject to the Shareholders’ approval;
“Employee Participant”	any participant who is a director or employee of the Company or any Subsidiary (including any person who is granted any Option as an inducement to enter into any employment contract with the Company or such Subsidiary);
“Grantee”	any Participant who accepts an Offer in accordance with the terms of this Scheme, or (where the context so permits) a person entitled to any such Option pursuant to a permitted transfer under paragraph 7.2 or in consequence of the death of the original Grantee, including the legal personal representative of the original Grantee;
“INED”	an independent non-executive director of the Company for the time being and from time to time;
“Offer”	the offer of an Option made in accordance with paragraph 3;
“Option”	an option to subscribe for Shares pursuant to this Scheme and for the time being subsisting;
“Option Period”	in respect of an Option, the period during which the Grantee may exercise the Option, which is determined and notified by the Board to the Grantee at the time of making an Offer and must not be more than 10 years from the Date of Grant subject always to the provisions of paragraphs 3 and 5;
“Participant”	any Employee Participant or Related Entity Participant of the Scheme (as determined by the Board pursuant to paragraph 2);

“Related Entity”	has the meaning ascribed to it under Chapter 17 of the Listing Rules;
“Related Entity Participant”	any participant who is a director or employee of any Related Entity;
“Remuneration Committee”	remuneration committee as set up by the Board;
“Scheme Mandate Limit”	has the meaning ascribed to it in paragraph 9.1;
“Subscription Price”	the price per Share at which a Grantee may subscribe for Shares on the exercise of an Option pursuant to paragraph 4;
“Subsidiary”	a company which is for the time being and from time to time a subsidiary (within the meaning ascribed to it under the Listing Rules) of the Company, whether incorporated in Hong Kong or elsewhere;
“Supplementary Guidance”	supplementary guidance on rule 17.03(13) of the Listing Rules issued by the Stock Exchange on 5 September 2005, as may be amended or updated from time to time by the Stock Exchange.

## **1. PURPOSE AND DURATION**

- 1.1 The purpose of this Scheme is to reward Participants who have contributed or will contribute to the Group and to encourage longer term commitment of Grantees to the Group and to better align their interests with those of the Shareholders, which can contribute towards enhancing the value of the Company and the Shares for the benefit of the Company and its Shareholders as a whole.
- 1.2 Subject to paragraph 15, this Scheme shall be valid and effective for a period of 10 years commencing on the Adoption Date, after which period no further Options shall be offered or granted but the provisions of this Scheme shall remain in full force and effect in all other respects. Options granted during the life of this Scheme shall continue to be exercisable in accordance with their terms of grant after the end of the 10-year period.

## **2. PARTICIPANTS AND ELIGIBILITY**

Participants include the Employee Participants and the Related Entity Participants. In determining the eligibility of each Participant, the Board shall consider the experience of the Participant on the Group’s business, the length of employment or office of the Participant with the Group, the amount of support, assistance, guidance, advice or efforts the Participant has given or will give towards the Group’s success and any other factor that allows the Board to assess the amount of contribution made or to be made by the Participant to the Group.

**3. GRANT OF OPTIONS**

- 3.1 Subject to the terms of this Scheme and the Listing Rules, the Board shall be entitled at any time within 10 years after the Adoption Date to make an Offer to any Participant as the Board may at its absolute discretion select to take up an Option pursuant to which such Participant may, during the Option Period, subscribe for such number of Shares as the Board may determine at the Subscription Price. The Offer shall specify the terms on which the Option is to be granted. Such terms may at the discretion of the Board, include, among other things, (i) the vesting period of the Option; (ii) a performance target that must be achieved before the Option can be exercised in whole or in part; and (iii) any other terms, all of which may be imposed (or not imposed) either on a case-by-case basis or generally.
- 3.2 An Offer shall be made to a Participant by letter in such form as the Board may from time to time determine 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 this Scheme and shall remain open for acceptance by the Participant for a period of 28 days from the Date of Grant provided that no such Offer shall be open for acceptance after the expiry of the Option Period or after this Scheme has been terminated in accordance with the terms hereof or after the Participant to whom the Offer is made has ceased to be a Participant.
- 3.3 Every Offer is conditional upon the Listing Committee (as defined in the Listing Rules) of the Stock Exchange granting the approval of the listing of, and permission to deal in, the Shares which fall to be issued pursuant to the exercise of the Option to be granted. If this condition is not satisfied on or before the date following 30 days after the Date of Grant, any Option granted or agreed to be granted pursuant to the Offer shall be of no effect and no person shall be entitled to any rights or benefits or be under any obligations under or in respect of the Offer.
- 3.4 No Offer shall be made to, nor shall any Offer be capable of acceptance by, any Participant at a time when the Participant would or might be prohibited from dealing in the Shares by the Listing Rules or by any other applicable rules, regulations or law.
- 3.5 An Offer is deemed to be accepted when the Company receives from the Grantee the offer letter signed by the Grantee specifying the number of Shares in respect of the Option accepted and a remittance to the Company of HK\$1.00 as consideration for the grant of Option. Such remittance is not refundable in any circumstances.
- 3.6 Any Offer may be accepted in whole or in respect of less than the number of Shares in respect of the Option offered provided that it is accepted in a whole board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof. To the extent that the Offer is not accepted in the manner indicated in paragraph 3.5 within 28 days from the date on which the offer letter is delivered to the Participant, it shall be deemed to have been irrevocably declined by such Participant.



**4. SUBSCRIPTION PRICE**

4.1 The Subscription Price shall be determined by the Board at its absolute discretion but in any event shall not be less than the higher of:

- (a) the closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange on the Date of Grant which must be a Business Day;
- (b) the average closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five Business Days immediately preceding the Date of Grant; and
- (c) the nominal value of the Shares.

4.2 For the purpose of calculating the Subscription Price, the Date of Grant shall be deemed as the date of Board meeting at which the relevant Offer is approved.

**5. VESTING PERIOD**

5.1 Save for the circumstances prescribed in paragraph 5.2, every Grantee must hold an Option for at least 12 months before he can exercise such Option.

5.2 An Employee Participant may be subject to a vesting period shorter than 12 months as deemed appropriate at the discretion of the Board or the Remuneration Committee (where the Participant is a director or a member of the senior management of the Company) in any of the following circumstances:

- (a) grants of “make-whole” Options to new joiners to replace the share awards or options they forfeited when leaving their previous employers;
- (b) grants to an Employee Participant whose employment is terminated due to death or disability or occurrence of any out of control event;
- (c) grants that are made in batches during a year for administrative and compliance reasons, which include Options that should have been granted earlier if not for such administrative or compliance reasons but had to wait for subsequent batch. In such case, the vesting period may be shorter to reflect the time from which the Option would have been granted;
- (d) grants with a mixed or accelerated vesting schedule such as where the Option may vest evenly over a period of 12 months; and
- (e) grants with performance-based vesting conditions in lieu of time-based vesting criteria.

**6. PERFORMANCE TARGETS**

- 6.1 If and to the extent that any performance target is required to be achieved by any Grantee before an Option is capable of being exercised (in which case, the performance target shall be based on, amongst other things, length of continued employment with the Group, business or financial performance results, annual corporate targets or goals achieved, relevant transaction milestones, individual performance and appraisal on contribution to the Group), details of specific targets tailored for each Grantee shall be specified in the Offer and the Board may assess such performance target against group-wide or subsidiary, division, operating unit, line of business, project, geographic or individual key performance indicators, which may include cash flow; earnings; earnings per share; market value added or economic value added; profits; return on assets; return on equity; return on investment; sales; revenue; Share price; total Shareholder return; customer satisfaction metrics; and such other goals as the Board may determine from time to time.
- 6.2 Notwithstanding the foregoing, no Options being offered to any INED shall contain any performance target unless the Board is satisfied that such target will not lead to any bias in the decision-making or compromise the objectivity and independence in the course of performance of the duties of the Grantee as an INED.

**7. EXERCISE OF OPTIONS**

- 7.1 An Option shall be personal to the Grantee and shall not be assignable or transferable and no Grantee shall in any way sell, transfer, assign, charge, mortgage, encumber or create any interest in favour of any other person over or in relation to any Option.
- 7.2 Any breach of the restrictions set out in paragraph 7.1 by the Grantee shall entitle the Company to cancel any outstanding Option or any part thereof granted to such Grantee to the extent not already exercised without incurring any liability on the part of the Company, provided that a Grantee shall not be deemed to have breached such restrictions if he transfers any Option to a vehicle (such as a trust or private company) for the benefit of himself and/or his family members (such as for the purpose of estate planning or tax planning purposes) and the Stock Exchange has granted a waiver to allow such transfer prior to such transfer having taken place.
- 7.3 An Option may, subject to the provisions of paragraph 7.4, be exercised in whole or in part (in a whole board lot of the Shares which are traded on the Stock Exchange at the time of such exercise or an integral multiple thereof) by the Grantee by giving notice in writing to the Company (in such manner as may from time to time be specified by the Company) stating that the Option is thereby exercised and the number of Shares in respect of which it is exercised. Each notice must be accompanied by a remittance for, or evidence of such other method of cash settlement as may be approved by the Company from time to time of, the full amount of the Subscription Price multiplied by the number of Shares in respect of which the notice is given. Within 28 days after receipt of the notice and the remittance or other form of cash settlement as may be approved by the Company from time to time of the full amount of the

relevant aggregate Subscription Price and, where appropriate, receipt of the Auditors' certificate or the certificate from the independent financial adviser to the Company pursuant to paragraph 11, the Company shall accordingly allot and issue the relevant number of Shares to the Grantee or the relevant custodian of clearing house for credit for the benefit of the Grantee, credited as fully paid, and issue to the Grantee a share certificate in respect of the Shares so allotted.

- 7.4 Subject to any restrictions applicable under the Listing Rules and notwithstanding the terms of grant thereof:-
- (a) in the event of the Grantee ceasing to be a Participant by reason of his death before exercising his Option in full and none of the events which would be a ground for termination of his employment or removal of directorship as specified in paragraph 8(f) having arisen, his legal personal representative may exercise the Option up to the Grantee's entitlement (whether vested or not) as at the date of his death (to the extent not already exercised) within the period of 6 months following his death, provided that where any of the events set out in paragraphs 7.4(d), (e) and (f) occurs prior to his death or within such period of 6 months following his death, then his legal personal representative may so exercise the Option only within the various periods respectively set out in such paragraphs;
  - (b) in the event of a Grantee ceasing to be a Participant for any reason other than his death or the termination of his employment on one or more of the grounds, or removal from directorship, as specified in paragraph 8(f), the Option (to the extent not already exercised) shall lapse on the date of cessation of such employment or directorship (which date shall be the Grantee's last actual working day with the Company or the relevant Subsidiary or Related Entity, whether salary is paid in lieu of notice or not) and shall on that day cease to be exercisable, provided that the Board may within one month prior to the date of such cessation otherwise determine that the Option (or such remaining part thereof, whether vested or not) shall become exercisable within such period following the date of such cessation as the Board may determine;
  - (c) in the event of a Grantee ceasing to be a Participant by reason of the termination of his employment on one or more of the grounds, or removal from directorship, as specified in paragraph 8(f) and the Grantee having exercised the Option in whole or in part pursuant to paragraph 7.3 but Shares have not been allotted to him, the Grantee shall be deemed not to have so exercised such Option and the Company shall return to the Grantee the amount of the Subscription Price received by the Company in respect of the purported exercise of such Option;
  - (d) in the event a general offer (whether by way of takeover offer or scheme of arrangement or otherwise in like manner) being made to all the Shareholders (or all such Shareholders 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 such offer, having been approved in accordance with applicable laws and regulations, becomes or is declared

unconditional prior to the expiry date of the relevant Option, the Grantee shall be entitled to exercise the Option (whether vested or not) in full (to the extent not already exercised) or to the extent as notified by the Company at any time within such period as notified by the Company;

- (e) in the event a notice is given by the Company to its Shareholders to convene a Shareholders' meeting for the purpose of considering and, if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall forthwith give notice thereof to all Grantees who have Options unexercised on the date of such notification and any such Grantee may at any time thereafter (but before such time as notified by the Company being not less than ten Business Days prior to the date of the proposed Shareholders' meeting) exercise the Option (whether vested or not) to its full extent or to the extent notified by the Company, and the Company shall as soon as possible and in any event no later than three Business Days prior to the date of the proposed Shareholders' meeting, allot, issue and register in the name of the Grantee or the custodian of clearing house for credit for the benefit of the Grantee such number of Shares to the Grantee which fall to be issued on such exercise; and
- (f) in the event of a compromise or arrangement, other than a scheme of arrangement contemplated in paragraph 7.4(d), between the Company and the Shareholders or its creditors being proposed in connection with a scheme for the reconstruction or amalgamation of the Company, the Company shall give notice thereof to all Grantees, who have Options unexercised on the date of such notification, on the same date as it gives notice of the meeting to the Shareholders or its creditors to consider such compromise or arrangement, and the Grantee may, at any time thereafter but before such time as notified by the Company, exercise the Option (whether vested or not) either to its full extent or to the extent notified by the Company. In the event such compromise or arrangement is sanctioned by the court and becomes effective, the Company may require each Grantee to transfer or otherwise deal with the Shares issued on exercise of the Options pursuant to this paragraph so as to place the Grantee in the same position as would have been the case had such Shares been the subject of such compromise or arrangement and each Grantee must transfer or deal with the Shares in accordance with the request of the Company.

- 7.5 For the purpose of paragraph 7.4(b), subject to the sole discretion of the Board, a Grantee shall not be regarded as ceasing to be a Participant if he ceases to hold a position of directorship or employment with the Company or any Subsidiary or any Related Entity but at the same time takes up a different position of directorship or employment with the Company or the Subsidiary or the Related Entity, as the case may be.
- 7.6 The Shares to be allotted upon the exercise of an Option shall be subject to all the provisions of the bye-laws of the Company for the time being in force and shall rank *pari passu* in all respects with the existing fully paid Shares in issue on the allotment date and accordingly shall entitle the holders of such Shares to all dividends or other distributions paid or made after the

allotment date, other than any dividends or distributions previously declared or recommended or resolved to be paid or made if the record date thereof shall be on or before the allotment date.

## **8. LAPSE OF OPTION**

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

- (a) the expiry of the Option Period;
- (b) the expiry of the periods referred to in paragraphs 7.4(a), (b) or (e);
- (c) the expiry of the period referred to in paragraph 7.4(d) subject to any court of competent jurisdiction making an order to prohibit the offeror from acquiring the remaining Shares in the Offer, the relevant period within which Options may be exercised shall not begin or continue to run (as the case may be) until the discharge of the order in question;
- (d) the expiry of the period referred to in paragraph 7.4(f) subject to the scheme of arrangement becoming effective;
- (e) the date of the commencement of the winding-up of the Company;
- (f) the date on which the Grantee ceases to be a Participant:
  - (i) by reason of the termination of his employment on the grounds that he has been guilty of serious misconduct, or appears either to be unable to pay or to have no reasonable prospect of being able to pay his debts or has committed any act of bankruptcy or has become insolvent or has made any arrangements or compromise with his creditors generally, or has been convicted of any criminal offence involving his integrity or honesty or on any other grounds on which an employer would be entitled to terminate his employment summarily or pursuant to the respective employment contract, or
  - (ii) by reason of the removal of his directorship in accordance with the constitutional documents of the Company or such Subsidiary or Related Entity and the laws of the jurisdiction in which the Company or such Subsidiary or Related Entity is incorporated.

A resolution of the Board or Shareholders or the board of directors or shareholders of the relevant Subsidiary or Related Entity to the effect that the employment of a Grantee has been terminated on one or more of the grounds specified in this paragraph 8(f)(i) or the Grantee has been removed as a director shall be conclusive and binding on the Grantee; and

- (g) the date on which the Grantee commits a breach of the restriction set out in paragraph 7.1; and

- (h) subject to paragraphs 7.4 and 7.5, the date on which the Grantee ceases to be a Participant for any other reason.

## **9. MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION**

- 9.1 The total number of Shares which may be issued upon the exercise of all Options and all options and awards to be granted under any other share schemes of the Company shall not in aggregate exceed 10% of the Shares in issue on the Adoption Date (the “**Scheme Mandate Limit**”) unless the Company obtains an approval from the Shareholders pursuant to paragraph 9.3 or 9.5.
- 9.2 Options lapsed in accordance with the terms of this Scheme shall not be taken into account for determining the extent to which the Scheme Mandate Limit has been utilised.
- 9.3 The Scheme Mandate Limit may be “refreshed” with the approval of the Shareholders in general meeting subject to paragraph 9.4. The total number of Shares which may be issued upon the exercise of all Options and all options and awards to be granted under any other share schemes of the Company shall not in aggregate exceed 10% of the Shares in issue on the date of the Shareholders’ approval of the refreshment.
- 9.4 No refreshment shall take effect within three years after the Adoption Date or the effective date of a previous refreshment unless the Company complies with rules 17.03C(1)(b) and (c) of the Listing Rules.
- 9.5 Notwithstanding the foregoing provisions, the Company may seek separate approval by the Shareholders in a general meeting for granting Options beyond the Scheme Mandate Limit provided that the terms of such Options and the identifying of the Grantees have been determined before the approval.

## **10. ENTITLEMENT OF SHARES OF EACH PARTICIPANT**

- 10.1 Where any Offer proposed to be made to a Participant would result in the Shares issued and to be issued in respect of all options and awards granted to such Participant (excluding the options and the awards lapsed in accordance with terms of the share schemes of the Company) in the 12-month period up to and including the Date of Grant representing in aggregate over 1% of the Shares in issue on the Date of Grant, such Offer and acceptance thereof must be conditional upon approval by the Shareholders in a general meeting with such Participant and his close associates (or associates if the Participant is a connected person) abstaining from voting. The number and terms of the Options to be granted to such Participant must be fixed before the Shareholders’ approval.
- 10.2 Any grant of Options to any director, chief executive or substantial shareholder of the Company or any of their respective associates shall be subject to the prior approval of the INEDs (excluding those INEDs who are the proposed Grantees of the Options in question).

- 10.3 Where any Offer proposed to be made to an INED or a substantial shareholder of the Company or any of their respective associates would result in the Shares issued and to be issued in respect of all options and awards granted to such person (excluding the options and the awards lapsed in accordance with terms of the share schemes of the Company) in the 12-month period up to and including the Date of Grant representing in aggregate over 0.1% of the Shares in issue on the Date of Grant, such Offer and acceptance thereof must be conditional upon approval by the Shareholders in a general meeting with such person, his associates and all core connected persons of the Company abstaining from voting in favour of the relevant resolution.

## **11. REORGANISATION OF CAPITAL STRUCTURE**

- 11.1 In the event of a capitalisation issue, rights issue, sub-division or consolidation of Shares or reduction of capital (other than an issue of Shares as consideration in respect of a transaction), whilst any Option remains outstanding in that it is granted and yet to be exercised (and has not lapsed or been cancelled), corresponding adjustments (if any) shall be made to:–

- (i) the number of Shares subject to the Scheme;
- (ii) the number of Shares subject to outstanding Options;
- (iii) the Subscription Price in relation to each outstanding Options; and/or
- (iv) the method of exercise of the Options,

or any combination thereof, provided that:–

- (a) any such adjustments give a Grantee the same proportion of the equity capital of the Company, rounded to the nearest whole share, as that to which that Grantee was previously entitled;
- (b) notwithstanding paragraph 11.1(a), any adjustments as a result of an issue of securities with a price-dilutive element, such as a rights issue, open offer or capitalisation issue, should be based on a scrip factor similar to the one used in accounting standards in adjusting the earnings per share figures (referred to in Hong Kong Accounting Standards 33); and
- (c) in any event any adjustment shall be consistent with those set out in the Supplementary Guidance and any other guidance/interpretation of the Listing Rules issued by the Stock Exchange from time to time,

but no such adjustments shall be made to the extent that a Share would be issued at a price less than its nominal value.

- 11.2 In respect of any adjustment made by the Company under paragraph 11.1 (other than adjustment made on a capitalisation issue), the Company shall engage the Auditors or an independent financial advisor to certify in writing, either generally or in regard to any particular Grantee, that the adjustment satisfies the requirements set out in paragraphs 11.1. The capacity and role of the Auditors or the independent financial adviser is that of experts and not of arbitrators and their certification shall (in the absence of manifest error) be final and binding on the Company and the Grantees. The costs of the Auditors or the independent financial adviser shall be borne by the Company.
- 11.3 If there has been any alteration in the capital structure of the Company as referred to in paragraph 11.1, the Company shall within 28 days after receipt of a confirmation of the independent financial advisor or the Auditors as referred to in paragraph 11.2, inform the Grantee of such alteration and of any adjustment to be made in accordance with the independent financial adviser's or the Auditors' confirmation obtained by the Company for such purposes.
- 11.4 Notwithstanding the aforesaid, if the Company conducts a share consolidation or subdivision after the Scheme Mandate Limit has been approved by the Shareholders, the maximum number of Shares that may be issued in respect of all options and awards to be granted under all share schemes of the Company under the Scheme Mandate Limit shall automatically be proportionately adjusted provided that such maximum number of shares 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, rounded to the nearest whole share.

## **12. SHARE CAPITAL**

- 12.1 The exercise of any Option shall be subject to the Shareholders in general meeting approving any necessary increase in the authorised share capital of the Company. Subject thereto the Board shall make available sufficient authorised but unissued share capital of the Company to meet subsisting requirements on the exercise of Options.
- 12.2 The Options do not carry any right to vote at any general meeting of the Company, or any right to dividend or transfer or any other rights, including those arising on the liquidation of the Company.
- 12.3 No Grantee shall enjoy any of the rights of a Shareholder by virtue of the grant of an Option pursuant to this Scheme, unless and until Shares are actually issued to the Grantee pursuant to exercise of such Option. A Share issued upon the exercise of an Option shall not carry any right of a Shareholder (including voting rights) until the registration of the Grantee as the holder thereof.



**13. ALTERATION OF THIS SCHEME**

The Board or scheme administrator to which the Board delegates its duty of administering this Scheme is entitled to amend the terms of this Scheme without the Shareholders' approval, provided that:

- (a) any alteration to the term of the Scheme which is of a material nature or any alteration to the provisions relating to the matters set out in rule 17.03 of the Listing Rules to the advantage of the Participants must be approved by the Shareholders;
- (b) any change to the terms of Options granted to a Participant must be approved by the Board, the Remuneration Committee, the INEDs and/or the Shareholders (as the case may be) if the initial grant of the Options was approved by the Board, the Remuneration Committee, the INEDs and/or the Shareholders (as the case may be), unless such change of terms takes effect automatically under existing terms of this Scheme;
- (c) the amended terms of this Scheme or the Options must still comply with the relevant requirements of Chapter 17 of the Listing Rules; and
- (d) any change to the authority of the Board or scheme administrators to alter the terms of this Scheme must be approved by the Shareholders.

**14. CANCELLATION**

14.1 Any Options granted but not exercised may be cancelled if the Grantee so agrees, as the Board may at its absolute discretion see fit and in a manner that complies with all applicable legal requirements for such cancellation, except that where the Grantee is in breach of the restrictions set out in paragraph 7.1, the Board may cancel any outstanding Option without the relevant Grantee's agreement.

14.2 Where the Company cancels Options of a Grantee and grants new Options to the same Grantee, such grant may only be made if the Scheme Mandate Limit will not be exceeded as a result of Shares issued pursuant to exercise of the Options so granted and for the purpose of calculating the Scheme Mandate Limit, the cancelled Options will be regarded as utilised.

**15. TERMINATION**

The Company by ordinary resolution in general meeting or the Board may at any time terminate this Scheme and in such event no further Options may be granted but in all other respects the provisions of this Scheme shall remain in full force and effect in respect of Options which are granted during the life of this Scheme and (a) which remain unexercised and of which Offer Period remain unexpired immediately prior to the termination of this Scheme or (b) which are exercised but the Shares in respect of such Options have not yet been issued to the relevant Grantees by the Company immediately prior to the termination of this Scheme.

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## NOTICE OF THE AGM

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# 中裕能源控股有限公司 ZHONGYU ENERGY HOLDINGS LIMITED

(INCORPORATED IN THE CAYMAN ISLANDS WITH LIMITED LIABILITY)  
(Stock Code:3633)

**NOTICE IS HEREBY GIVEN** that the annual general meeting (the “**AGM**”) of Zhongyu Energy Holdings Limited (the “**Company**”) will be held at Units 04-06, 28th Floor, China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong on Friday, 2nd June 2023 at 11 a.m. for the following purposes:

1. To receive and consider the audited consolidated financial statements, the report of the directors and independent auditor’s report of the Company for the year ended 31 December 2022.
- 2(a). To re-elect Mr. Wang Wenliang as an executive director of the Company (“**Director**”).
- 2(b). To re-elect Mr. Li Chunyan as an independent non-executive Director.
- 2(c). To re-elect Ms. Liu Yu Jie as an independent non-executive Director.
- 2(d). To authorise the board of directors of the Company (the “**Board**”) or the Remuneration Committee of the Company to fix the remuneration of the Directors.
3. To re-appoint Messrs. Deloitte Touche Tohmatsu as the Company’s auditor and authorise Board to fix its remuneration.

And, as special business, to consider and, if thought fit, to pass the following resolutions as ordinary resolutions of the Company:

4. “**THAT**
  - (i) subject to paragraph (iii) of this resolution, pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”), the exercise by the Directors during the Relevant Period (as defined hereinafter) of all the powers of the Company to allot, issue and deal with additional shares of nominal value of HK\$0.01 each in the share capital of the Company (“**Shares**”) and to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares) which might require the exercise of such powers be and is hereby generally and unconditionally approved;

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## NOTICE OF THE AGM

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- (ii) the approval in paragraph (i) of this resolution shall authorise the Directors during the Relevant Period (as defined hereafter) to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period (as defined hereinafter);
- (iii) the aggregate number of Shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (i) of this resolution, otherwise than pursuant to:
  - (a) a Rights Issue (as defined hereinafter);
  - (b) the exercise of warrants to subscribe for Shares or the exercise of options or awards granted under any ordinary share scheme adopted by the Company; or
  - (c) an issue of Shares in lieu of whole or part of a dividend on Shares in accordance with the articles of association of the Company,

shall not exceed 20% of the aggregate number of the Shares in issue as at the date of the passing of this resolution (or such number of Shares as adjusted to the extent there is a change to the number of the total issued Shares after the date of passing this resolution as a result of sub-division or consolidation of Shares) and this approval shall be limited accordingly; and

- (iv) for the purpose of this resolution:

“**Relevant Period**” means the period from the date 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 the articles of association of the Company (“**Articles**”) or any applicable laws to be held; and
- (c) the date on which the revocation, variation or renewal of the issue mandate by an ordinary resolution of the shareholders of the Company in general meeting.

“**Rights Issue**” means offer of Shares open for a period fixed by the Directors to holders of Shares on the register of members of the Company on a fixed record date in proportion to their then holdings of such Shares as at that date (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to overseas shareholders or fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of, any recognised regulatory body or any stock exchange in any territory outside Hong Kong).”

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## NOTICE OF THE AGM

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5. **“THAT**

- (i) subject to paragraph (ii) of this resolution, the exercise by the Directors during the Relevant Period (as defined hereinafter) of all powers of the Company to repurchase issued Shares on The Stock Exchange of Hong Kong Limited or any other stock exchange on which the securities of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and The Stock Exchange of Hong Kong Limited for such purpose, subject to and in connection with all applicable laws and/or the requirements of the Listing Rules or of any other stock exchange as may be amended from time to time, be and the same is hereby generally and unconditionally approved;
- (ii) the aggregate number of Shares which the Company is authorised to repurchase pursuant to the approval in paragraph (i) of this resolution shall not exceed 10% of the aggregate number of the Shares in issue as at the date of the passing of this resolution (or such number of Shares as adjusted to the extent there is a change to the number of the total issued Shares after the date of passing this resolution as a result of sub-division or consolidation of Shares), and this approval shall be limited accordingly; and
- (iii) 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 the Articles or any applicable laws to be held; and
  - (c) the date on which the revocation, variation or renewal of the repurchase mandate by an ordinary resolution of the shareholders of the Company in general meeting.”
6. **“THAT** conditional upon ordinary resolutions numbered 5 and 6 set out above being passed, the aggregate number of Shares which are repurchased by the Company under the authority granted to the Directors as mentioned in ordinary resolution numbered 6 above shall be added to the aggregate number of the Shares that may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to ordinary resolution numbered 5 set out above.”
7. **”THAT** the proposed new share option scheme of the Company as described in the circular of the Company dated 28 April 2023 (the **“New Share Option Scheme”**) (a printed copy of which being tabled before the meeting and initialled by the chairman of the meeting for the purposes of identification) be approved and adopted and that the Directors be authorised to grant options thereunder and (subject to the Listing Committee of The Stock Exchange of Hong Kong Limited

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## NOTICE OF THE AGM

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granting approval of the listing of, and permission to deal in the shares of the Company to be allotted) to allot and issue shares of the Company pursuant to the New Share Option Scheme and take all such steps as may be necessary or desirable to implement the New Share Option Scheme”

By Order of the Board of  
**ZHONGYU ENERGY HOLDINGS LIMITED**  
**Wang Wenliang**  
*Chairman*

Hong Kong  
28 April 2023

*Registered Office:*

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

*Head Office and Principal Place of Business:*

Units 04-06, 28th Floor  
China Merchants Tower  
Shun Tak Centre  
168-200 Connaught Road Central  
Hong Kong

*Notes:*

- (1) A member of the Company entitled to attend and vote at the meeting convened by the above notice is entitled to appoint another person as his proxy to attend and vote instead of such member. A member of the Company who is the holder of two or more shares of the Company may appoint more than one proxy to represent him and vote on his behalf at the meeting convened by the above notice. A proxy need not be a member of the Company.
- (2) Where there are joint holders of any share of the Company, any one of such holders may vote at the meeting either personally or by proxy in respect of such share as if he were solely entitled thereto, but if more than one of such holders be present at the meeting personally or by proxy, then the one of such holders 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. Several executors or administrators of a deceased member of the Company in whose name any share stands shall for this purpose be deemed joint holders thereof.
- (3) In order to be valid, the proxy form together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power or authority, must be deposited at the Company's branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours before the time appointed for the meeting or any adjourned meeting.
- (4) For the purposes of determining member's eligibility to attend, speak and vote at the AGM, the register of members of Company will be closed as set out below:

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## NOTICE OF THE AGM

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Latest time to lodge transfer documents for registration with the Company's branch share registrar and transfer office in Hong Kong      No later than 4:30 p.m. on Monday, 29th May 2023

Closure of register of members      Tuesday, 30th May 2023 to Friday, 2nd June 2023  
(both days inclusive)

Record date to establish the identity of the members of the Company who are entitled to attend and vote at the AGM      Friday, 2nd June 2023

During the above closure periods, no transfer of shares will be registered. To be eligible to attend, speak and vote at the AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than the aforementioned latest time.

- (5) Pursuant to Rule 13.39(4) of the Listing Rules, all resolutions set out in this notice will be decided by poll at the above meeting.
- (6) The registration for attending the AGM will start at 10 a.m. on 2nd, June 2023.
- (7) The Chinese translation of this notice is for reference only, and in case of any inconsistency, the English version shall prevail.
- (8) If a Typhoon Signal No. 8 or above is hoisted or a Black Rainstorm Warning Signal is in force at or at any time after 9:00 a.m. on the date of the AGM, the AGM will be postponed or adjourned. The Company will post an announcement on the Company's website ([www.zhongyuenergy.com](http://www.zhongyuenergy.com)) and HKEXnews website ([www.hkexnews.hk](http://www.hkexnews.hk)) to notify shareholders of the date, time and place of the rescheduled AGM.

The AGM will be held as scheduled when an Amber or a Red Rainstorm Warning Signal is in force. Shareholders should decide on their own whether they would attend the AGM under bad weather condition bearing in mind their own situations.

- (9) All references to times and dates in this notice are to Hong Kong times and dates.