

If you are in doubt about this circular, you should consult your stockbroker, other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Hans Energy Company Limited 漢思能源有限公司, you should at once hand this circular together with the accompanying form of proxy and annual report to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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HANS ENERGY COMPANY LIMITED

漢思能源有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00554)

**ADOPTION OF NEW SHARE OPTION SCHEME
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

A notice convening an extraordinary meeting of Hans Energy Company Limited 漢思能源有限公司 is set out on pages 17 to 18 of this circular. Whether or not you intend to attend the meeting, please complete the accompanying form of proxy in accordance with the instructions stated thereon and return it to the Company's branch Share Registrars in Hong Kong, Tricor Secretaries Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong as soon as possible but in any event not later than 10:00 a.m. on Wednesday, 26 December 2012. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting and at any adjournment thereof if you so wish. In such event, the form of proxy shall be deemed to be revoked.

12 December 2012

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DEFINITIONS

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

“Advisor”	any such person as shall have been designated by the Board as such, being a person who provides advisory services (in the areas of legal, technical, financial, corporate managerial or otherwise) to the Company or any Subsidiary;
“Articles”	the Articles of Association of the Company;
“associate(s)”	has the meaning ascribed to it under the Listing Rules;
“Board”	the board of Directors (and, in relation to the New Share Option Scheme, includes any committee delegated from the Board or appointed by the Board to perform any of its function);
“Business Day”	any day on which the Stock Exchange is open for business of dealing in securities;
“Companies Law”	the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands as amended from time to time;
“Company”	Hans Energy Company Limited 漢思能源有限公司, an exempted company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Stock Exchange;
“Connected Person”	has the meaning ascribed to it under the Listing Rules;
“Consultant”	any such person as shall have been designated by the Board as such, being a person who provides consultancy services (legal, technical, financial, corporate, managerial advice or services or otherwise) to the Company or any Subsidiary;
“Date of Grant”	the date on which an offer of the grant of an Option is offered to an Eligible Person;
“Director(s)”	the director(s) of the Company, and in relation to the New Share Option Scheme, the directors of the Company, any Subsidiary or any company in which the Company owns any equity interest;

DEFINITIONS

“EGM”	the extraordinary general meeting of the Company to be held at Room 2708-12, 27th Floor, Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong on Friday, 28 December 2012 at 10:00 a.m.;
“Eligible Person”	any person who is (or will be on the Date of Grant) an Employee, a Director, a Consultant, an Advisor, agent, business affiliate, business partner, joint venture partner and strategic partner of the Company and any Subsidiary, or any supplier or provider of goods or services to the Company or any Subsidiary, as may be determined by the Directors from time to time;
“Employee”	a person who is in the full-time or part-time employment of the Company, any Subsidiary or any company in which the Company owns any equity interest;
“Exercise Period”	the period to be notified by the Board upon the grant of Options during which it may be exercised, such period not to exceed 10 years from the Date of Grant of the relevant Option;
“Exercise Price”	the price per Share at which a Participant may subscribe for Shares upon the exercise of an Option;
“Group”	the Company and its Subsidiaries;
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Latest Practicable Date”	7 December 2012, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular;
“Listing Committee”	means the listing sub-committee of the directors of the Stock Exchange;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;

DEFINITIONS

“New Share Option Scheme”	the new share option scheme of the Company to be proposed for adoption by the Company at the EGM, the principal terms of which are set out in the Appendix to this circular;
“Old Share Option Scheme”	the share option scheme of the Company adopted by the Company on 16 December 2002;
“Option”	as the context may require, in relation to the New Share Option Scheme or the Old Share Option Scheme, a right granted by the Company under the New Share Option Scheme or the Old Share Option Scheme (as the case may be) to subscribe for Shares in accordance with the New Share Option Scheme or the Old Share Option Scheme (as the case may be);
“Participant”	any Eligible Person who accepts the offer of a grant of an Option and who for the time being participates in the New Share Option Scheme (or, where applicable, his personal representatives) and where the context requires or permits any Eligible Person to whom the offer of a grant of Options is made by the Company and which offer has not been withdrawn or lapsed or rejected;
“Scheme Mandate Limit”	the total number of Shares which may be issued upon exercise of all Options to be granted under the New Share Option Scheme and any other share option scheme of the Company and must not, in aggregate, exceed 10% of the Shares in issue as at the date of approval of the New Share Option Scheme (excluding Options which have lapsed in accordance with the terms of the New Share Option Scheme or any other share option scheme of the Company), unless Shareholders’ approval has been obtained pursuant to the terms as set out in the New Share Option Scheme;
“Share(s)”	the ordinary share(s) with nominal value of HK\$0.10 each in the share capital of the Company;
“Shareholder(s)”	the registered holder(s) of the Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;

DEFINITIONS

“Subsidiary”	a company which is for the time being and from time to time a subsidiary (as such term is defined in the Listing Rules) of the Company, whether incorporated in Hong Kong or elsewhere;
“substantial shareholder”	has the meaning ascribed to under the Listing Rules; and
“%”	per cent.

LETTER FROM THE BOARD



HANS ENERGY COMPANY LIMITED

漢思能源有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00554)

Executive Directors:

Mr. David An (*Chairman*)
Mr. Fung Chi Kwan, Nicholas
Ms. Liu Zhijun
Mr. Zhang Lei

Registered Office:

P.O. Box 309, Ugland House
South Church Street
George Town, Grand Cayman
Cayman Islands
British West Indies

Independent Non-Executive Directors:

Mr. Li Wai Keung
Mr. Liu Jian
Mr. Chan Chun Wai, Tony

Principal Place of Business in Hong Kong:

Room 2708–12, 27th Floor
Office Tower, Convention Plaza
1 Harbour Road
Wanchai
Hong Kong

12 December 2012

To the Shareholders,

Dear Sir or Madam,

ADOPTION OF NEW SHARE OPTION SCHEME AND NOTICE OF EXTRAORDINARY GENERAL MEETING

1 INTRODUCTION

The purpose of this circular is to provide the Shareholders with information regarding an ordinary resolution to be proposed at the EGM relating to the adoption of the New Share Option Scheme.

2 ADOPTION OF NEW SHARE OPTION SCHEME

Pursuant to an ordinary resolution passed by the Shareholders at an extraordinary general meeting held on 16 December 2002, the Company adopted the Old Share Option Scheme which is due to expire on 15 December 2012.

LETTER FROM THE BOARD

As at the Latest Practicable Date, the Company had granted 72,400,000 Options under the Old Share Option Scheme, all of which had lapsed and no Option was outstanding. Other than the Old Share Option Scheme, the Company has no other share option scheme as at the Latest Practicable Date. Upon expiry of the Old Share Option Scheme, no further Options will be granted under the Old Share Option Scheme. The Board has no present intention to grant any further Option under the Old Share Option Scheme up to the date of the expiry of the Old Share Option Scheme.

In order to enable the continuity of the share option scheme of the Company, the Board proposes that the Company adopt the New Share Option Scheme. The purpose of the New Share Option Scheme is to grant Options at the discretion of the Board to Eligible Persons as incentives and rewards for their contribution to the Group. Unless the Directors otherwise determine, there is no general requirement of any minimum period for which an Option must be held or any performance targets which must be achieved before any Options granted under the New Share Option Scheme can be exercised. However, the New Share Option Scheme will give the Board discretion to impose such conditions on the Options where appropriate. The Directors consider that it may not always be appropriate to impose such conditions particularly when the purpose of granting Options is to remunerate or compensate employees. The Directors consider it more beneficial to the Company to retain the flexibility to determine when such conditions are appropriate. In addition, the Directors shall have absolute discretion to determine the subscription price for Shares in respect of any particular Option (as described in paragraph 12 of Appendix to this circular). The Directors consider that the aforesaid criteria and rules will serve to motivate and retain the Eligible Persons for contribution to the benefit and success of the Group.

The New Share Option Scheme will become effective for a 10-year period from the date of its adoption. The adoption of the New Share Option Scheme is conditional upon the following:

- (a) the passing of an ordinary resolution by the Shareholders at the EGM approving the adoption of the New Share Option Scheme; and
- (b) the Listing Committee granting the approval of the listing of, and permission to deal in, the Shares which may be issued pursuant to the exercise of the Options to be granted under the New Share Option Scheme.

As at the Latest Practicable Date, the Company has 3,732,638,000 Shares in issue. Subject to the obtaining of Shareholders' approval with respect to the adoption of the New Share Option Scheme at the EGM and assuming that there is no change in the number of Shares in issue prior to the EGM, the total number of Shares which may be allotted and issued upon exercise of all Options to be granted under the New Share Option Scheme and any other share option scheme of the Company will be 373,263,800 Shares, representing 10% of the issued share capital of the Company as at the date of approval of the New Share Option Scheme by the Shareholders at the EGM.

LETTER FROM THE BOARD

A summary of the principal terms of the rules of the proposed New Share Option Scheme is set out in the Appendix to this circular.

The Directors consider that it is not appropriate to state the value of all Options that can be granted pursuant to the New Share Option Scheme as if they had been granted at the Latest Practicable Date. The Directors believe that any statement regarding the value of the Options as at the Latest Practicable Date will not be meaningful to the Shareholders, taking into account the number of variables which are crucial for the calculation of the option value which have not been determined. Such variables include the exercise price, exercise period, any lock-up period, any performance targets set and other relevant variables.

Application will be made to the Listing Committee for approval of the listing of, and permission to deal in, the Shares which may be issued pursuant to the exercise of any such Options that may be granted under the New Share Option Scheme.

An announcement will be made on the outcome of the EGM regarding the adoption of the New Share Option Scheme after the EGM pursuant to Rule 17.02(1)(a) of the Listing Rules.

None of the Directors are appointed as trustees of the New Share Option Scheme or have a direct or indirect interest in the trustee.

No Shareholders has a material interest in the adoption of the New Share Option Scheme, and hence no Shareholders are required to abstain from voting on relevant resolution at the EGM.

3 EXTRAORDINARY GENERAL MEETING

The EGM will be held at Room 2708-12, 27th Floor, Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong on Friday, 28 December 2012 at 10:00 a.m.. The notice of EGM is set out on pages 17 to 18 of this circular. Resolution in respect of the adoption of New Share Option Scheme as referred to above will be proposed at the EGM.

4 ACTION TO BE TAKEN

A form of proxy for appointing proxy is despatched with this circular and published on the websites of the Stock Exchange (www.hkexnews.hk) and of the Company (www.hansenergy.com). Whether or not you intend to attend the EGM, you are requested to complete the form of proxy in accordance with the instructions stated thereon and return it to the Company's branch Share Registrars in Hong Kong, Tricor Secretaries Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for the holding of the EGM or the adjourned meeting. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM and at any adjournment thereof if you so wish. In such event, the form of proxy shall be deemed to be revoked.

LETTER FROM THE BOARD

5 VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, all votes of the Shareholders at the general meetings must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands.

6 RECOMMENDATION

The Directors believe the adoption of the New Share Option Scheme is in the interests of the Company and Shareholders as a whole, and accordingly recommend you to vote in favour of the relevant resolution to be proposed at the EGM.

7 DOCUMENT AVAILABLE FOR INSPECTION

A copy of the proposed New Share Option Scheme is available for inspection at the principal place of business of the Company in Hong Kong at Room 2708-12, 27th Floor Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong during normal business hours on any week day (except public holidays) from the date of this circular up to and including the date of the EGM (on which date it is also available at the venue of the EGM for inspection).

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.

Yours faithfully,
For and on behalf of the Board
Hans Energy Company Limited
漢思能源有限公司
David An
Chairman of the Board

The following is a summary of the principal terms of the New Share Option Scheme proposed to be approved at the EGM:

1 PURPOSE OF THE NEW SHARE OPTION SCHEME

The purpose of the New Share Option Scheme is to enable the Company to recruit and retain high-calibre employees and attract resources that are valuable to the Group and to provide the Company with a means of giving incentive to, rewarding, remunerating, compensating and/or providing benefits to such persons who contribute or may bring benefit to the Group.

2 WHO MAY JOIN

The Board may, at its absolute discretion, offer an Option to any person who is (or will be on the Date of Grant) an Eligible Person to subscribe for such number of Shares at the Exercise Price as the Board may determine, as set out in paragraph 12 below, subject always to any limits and restrictions specified in the Listing Rules.

3 MAXIMUM NUMBER OF SHARES

The maximum number of Shares which may be issued upon the exercise of all outstanding Options granted and yet to be exercised under the New Share Option Scheme and any other schemes of the Company must not exceed such number of Shares as represents 30% of the issued share capital of the Company from time to time. No Options may be granted under the New Share Option Scheme if this will result in the aforesaid 30% limit being exceeded.

Subject always to the 30% limit as described in the paragraph above:

- (a) the total number of Shares which may be issued upon exercise of all Options to be granted under the New Share Option Scheme and any other share option scheme of the Company must not, in aggregate, exceed 10% of the Shares in issue as at the date of the approval of the New Share Option Scheme by the Shareholders (being 10% of 3,732,638,000 Shares). Options lapsed in accordance with the New Share Option Scheme will not be counted for the purpose of calculating the Scheme Mandate Limit;
- (b) the Scheme Mandate Limit may be refreshed by obtaining approval of the Shareholders in general meeting from time to time, provided that such refreshed limit shall not exceed 10% of the Shares in issue as at the date of approval of such limit. Options previously granted under the New Share Option Scheme (including those outstanding, cancelled, lapsed in accordance with the New Share Option Scheme or exercised Options) prior to the approval of such refreshment shall not be counted for the purpose of calculating the Scheme Mandate Limit as refreshed. In such case, the Company must send a circular to its shareholders containing the information in relation to any such proposed refreshment of the Scheme Mandate Limit as required under the Listing Rules; and

- (c) the Board may grant Options in excess of the Scheme Mandate Limit (as refreshed from time to time) if the grant of such Options is to specifically identified Eligible Persons and the grant of such Options to specifically identified Eligible Persons is first approved by the Shareholders in general meeting. In obtaining the approval of the Shareholders, the Company must send a circular to the Shareholders containing all information as required by the Listing Rules.

4 MAXIMUM NUMBER OF OPTIONS GRANTED TO ANY ONE INDIVIDUAL

Unless approved by the Shareholders in the manner as set out in the paragraph below, the total number of Shares issued and to be issued upon the exercise of the Options granted to each Eligible Person (including exercised, cancelled and outstanding Options) in any 12 month period shall not exceed 1% of the relevant class of securities of the Company in issue.

Further Options in excess of this 1% limit may be granted to an Eligible Person by obtaining approval of the Shareholders in general meeting with such Eligible Person and his associate(s) abstaining from voting provided that the terms and number of Shares subject to the Options to be granted to such Eligible Person are fixed before the relevant Shareholders' approval is obtained, and the date of the meeting of the Board proposing such further grant shall be deemed to be the Date of Grant for the purpose of determining the Exercise Price of such Options. The Company must send a circular to the Shareholders disclosing all information as required by the Listing Rules.

5 PERFORMANCE TARGET

The New Share Option Scheme allows the Board, when offering an Option, to impose any condition including any performance target which must be achieved before the Option can be exercised. Such conditions are not currently set out in the New Share Option Scheme.

6 MINIMUM PERIOD FOR WHICH AN OPTION MUST BE HELD

The New Share Option Scheme allows the Board, when offering an Option, to impose any minimum period for which the Option must be held before it can be exercised. Such minimum period is not currently set out in the New Share Option Scheme.

7 RESTRICTIONS ON THE TIME OF GRANT OF OPTION

Subject to the requirements of the Listing Rules as may be amended from time to time, the Board shall not grant any Options under the New Share Option Scheme after a price sensitive development concerning the Company or any Subsidiary has occurred or a price sensitive matter concerning the Company or any Subsidiary has been the subject of a decision until such price sensitive information has been announced pursuant to the

requirements of the Listing Rules. In particular, no Option shall be granted during the period commencing one month immediately preceding the earlier of:

- (a) the date of the Board meeting for the approval of the Company's annual or interim results; and
- (b) the deadline for the Company to publish its annual or interim results announcement under the Listing Rules

and ending on the date of the results announcement. The period during which no Option may be granted will cover any period of delay in the publication of a results announcement.

8 GRANT OF OPTIONS TO CONNECTED PERSONS

Any Options granted to a Participant who is a Director, chief executive or substantial shareholder of the Company or any of their respective associates under the New Share Option Scheme must be approved by the independent non-executive Directors and in any event that the proposed Participant is an independent non-executive Director, the vote of such independent non-executive Director shall not be counted for the purpose of approving such grant.

Any Options granted to an Eligible Person who is a substantial shareholder or independent non-executive Director or their respective associates, which will result in the total number of Shares issued and to be issued upon exercise of all Options granted and to be granted (including Options whether exercised, cancelled or still outstanding) to such person in the period of 12 months up to and including the date of such grant:

- (a) representing in aggregate over 0.1% (or such other percentage as may from time to time be specified by the Stock Exchange) of the Share in issue; and
- (b) having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK\$5,000,000 (or such other amount as may from time to time be specified by the Stock Exchange),

such proposed grant of Options must be approved by the Shareholders in general meeting by poll convened and held in accordance with the Articles and the Listing Rules. The Company must send a circular to the Shareholders. All Connected Persons shall abstain from voting in favour at such general meeting, except that any connected person of the Company may vote against such resolution provided that his intention to do so has been stated in the circular to be issued by the Company to the Shareholders. The aforementioned circular shall contain such information as required under Rule 17.04(3) of the Listing Rules.

9 ACCEPTANCE OF OPTION

An offer of an Option to acquire Shares must be made by the Company on a Business Day and accepted in writing by the Participant in such manner as the Board may prescribe within 21 days of the same being made and if not so accepted shall lapse. An offer may be accepted in part. An offer may not be accepted unless the offeree remains an Eligible Person on acceptance.

The amount payable for the acceptance of an Option shall be the sum of HK\$1.00 which shall be paid upon acceptance of the offer of such Option. This consideration shall not be refundable to the Participant and shall not be deemed to be a part payment of the Exercise Price.

10 RIGHTS ARE PERSONAL TO GRANTEES

An Option shall be personal to the Participant to whom it is granted or made and the Participant shall not in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any third party over or in relation to any Option held by him or any offer relating to the grant of an Option made to him.

11 TIME OF EXERCISE OF OPTION

An Option may be exercised in whole or in part by the Participant at any time during the Exercise Period and subject to compliance with the terms of the relevant Option and the New Share Option Scheme.

12 EXERCISE PRICE

The Exercise Price shall be determined by the Board and shall not be less than the greater of:

- (a) the closing price of the Shares on the Stock Exchange as stated in the Stock Exchange's daily quotations sheet on the Date of Grant of such Option;
- (b) the average closing price of the Shares on the Stock Exchange as stated in the Stock Exchange's daily quotations sheets for the five Business Days immediately preceding the Date of Grant of such Option; and
- (c) the nominal value of the Shares.

13 LAPSE OF OPTION

An Option shall lapse on the occurrence of the earliest of the following events:

- (a) expiry of the Exercise Period;

- (b) the first anniversary of the death of the Participant;
- (c) in the case of a Participant who is an Employee or a Director, upon the Participant ceasing to be an Employee or a Director by reason of dismissal from employment or termination of office, in the case of a Participant who is a Consultant, Advisor, agent, business affiliate, business partner, joint venture partner, strategic partner, or any supplier or provider of goods or services, by reason of termination by the Company or the relevant Subsidiary of the contract for provision of such services or the Group ceasing to have any interest in or corporation with the company/partnership for which he serves, in each case on the ground of: (i) the Participant's misconduct; (ii) the Participant committing an act of bankruptcy; (iii) the Participant becoming insolvent or making any arrangements or composition with his creditors generally; or (iv) the Participant being convicted of any criminal offence involving his integrity or honesty;
- (d) three months after the Participant ceases to be an Employee by reason of (i) his retirement on or after attaining normal retirement age; (ii) resignation; (iii) ill health or disability; (iv) the company by which he is employed ceasing to be a Subsidiary; (v) the expiry of his contract of Employment; or (vi) termination of Employment for reasons other than the reasons specified in paragraphs 13 (b) and 13 (c) above;
- (e) three months after the Participant ceases to be a Director for reasons other than the reasons specified in paragraphs 13 (b) and 13 (c) above;
- (f) the expiry of any period referred to in paragraphs 16 to 18 below and on commencement of the winding up of the Company, provided that in the case of paragraph 17 the proposed compromise or arrangement becomes effective;
- (g) save as otherwise provided in paragraph 18, the earlier of the close of business on the fifth Business Day prior to the general meeting referred to in paragraph 18 or the date of the commencement of the winding up of the Company;
- (h) any breach of the provisions of paragraph 10 above; or
- (i) in the case of a Participant who is a Consultant or an Advisor, on the date which is the earlier of (i) three months from the date on which the Participant is notified of the resolution passed by the Board where the Board has resolved in its reasonable opinion that the Participant no longer provides consultancy or advisory (as appropriate) services to the Company or any Subsidiary and (ii) three months from the date on which the consultancy or advisory (as appropriate) services provided by a Consultant or an Advisor is terminated.

All lapsed Option may be reissued by the Company as if the Scheme Mandate Limit was refreshed by the same amount of the number of Shares which may be issued upon the exercise of the lapsed of the Option.

14 RIGHTS

No dividends shall be payable and no voting rights shall be exercisable in relation to Options that have not been exercised. Shares issued or transferred on the exercise of an Option shall rank equally in all respects with the other Shares of the same class in issue at the date of allotment (including without limitation as to voting, dividend and transfer rights and rights arising on the liquidation of the Company) and will be subject to all the provisions of the Articles. They will not rank for any rights attaching to Shares by reference to a record date preceding the date of allotment. A Share issued upon the exercise of an Option will not carry voting rights until the registration of the grantee (or any other person) as the holder thereof in the register of members of the Company.

15 EFFECT OF REORGANISATION OF CAPITAL STRUCTURE

In the event of capitalisation issue, rights issues, consolidation, subdivision or reduction of the share capital of the Company in accordance with applicable laws and regulatory requirements, such corresponding alterations (if any) shall be made to:

- (a) the number of Shares subject to the Option to the extent it is unexercised; and/or
- (b) the Exercise Price; and/or
- (c) in the event of a consolidation and subdivision of the share capital of the Company, the maximum number of Shares referred to in paragraph 3 above,

and the Board will instruct the auditors of the Company for the time being or independent financial adviser to certify in writing, either generally or, if applicable, as regards any particular Participant, to be in their opinion fair and reasonable, provided that:

- (i) subject to paragraphs 15 (ii) and 15 (iii) below, any such alteration will give a Participant the same proportion of the issued share capital of the Company as that to which he was previously entitled;
- (ii) no such adjustments will be made to the advantage of Participants (including, but not limited to, adjustments which would increase the intrinsic value of any Option) except with the prior sanction of a resolution of the Shareholders in general meeting; and
- (iii) no such adjustment will be made if the effect of which would enable a Share to be issued at less than its nominal value or which would result in the aggregate amount payable on the exercise of any Option in full being increased.

16 RIGHTS ON A TAKEOVER

If during the Exercise Period an offer is made to acquire all or part of the issued Shares, or all or part of the issued Shares other than those held by the offeror and any persons acting in concert with the offeror, and such offer becomes or is declared unconditional, the Company shall give written notice to all Participants then holding Options of the offer becoming unconditional as soon as reasonably practicable after becoming so aware, and each Participant may, by notice in writing to the Company, within 14 days of the date of such notice exercise his Option to its full extent or to the extent specified in such notice.

17 RIGHTS ON A SCHEME OF COMPROMISE OR ARRANGEMENT

If during the Exercise Period an application is made to the court (otherwise than where the Company is being voluntarily wound up), pursuant to the Companies Law and/or the Companies Ordinance (Chapter 32 of the Laws of Hong Kong), in connection with a proposed compromise or arrangement between the Company and its creditors (or any class of them) or between the Company and its Shareholders (or any class of them), a Participant may by notice in writing to the Company, within the period of 30 days after the date of such application, exercise his Option to its full extent or to the extent specified in such notice.

18 RIGHTS ON LIQUIDATION

In the event of a notice of a meeting being convened to consider a resolution for the voluntary winding up of the Company during the Exercise Period, the Company shall forthwith upon notice of such meeting being given, give to the Participants written notice of the convening of such meeting and a Participant may thereupon by notice in writing to the Company exercise any Option at any time not later than 14 Business Days prior to the proposed general meeting of the Company to its full extent or to the extent specified in such notice.

19 ALTERATION OF THE NEW SHARE OPTION SCHEME

Subject to the paragraphs below, the Board may amend any of the provisions of the New Share Option Scheme at any time but no alteration shall be made to the advantage of any Participant unless approved by the Shareholders in general meeting. In addition, no alteration shall operate to affect adversely any rights which have accrued to any Participant at that date.

Any change which relates to the following requires approval by the Shareholders in general meeting:

- (a) the persons to or for whom Shares may be provided under the New Share Option Scheme;
- (b) the authority of the Board in relation to any alteration to the terms of the New Share Option Scheme;

- (c) the limitations on the number of Shares which may be issued under the New Share Option Scheme;
- (d) the individual limit for each Participant under the New Share Option Scheme;
- (e) the determination of the Exercise Price;
- (f) any rights attaching to the Options and the Shares;
- (g) the terms of the granted Options;
- (h) the rights of Participants in the event of a capitalisation issue, rights issue, sub-division or consolidation of shares or reduction or any other variation of capital of the Company;
- (i) the terms of this paragraph 19;
- (j) any matters as set out in Rule 17.03 of the Listing Rules as amended from time to time; and
- (k) any alterations to the New Share Option Scheme which are of a material nature.

Any alterations to the terms and conditions of the New Share Option Scheme which are of a material nature shall be subject to the approval of the Shareholders save where the alterations take effect automatically under the existing terms of the New Share Option Scheme.

Unless otherwise approved by the Stock Exchange, the amended terms of the Scheme or the Options shall comply with the relevant requirements of the Listing Rules.

20 CANCELLATION OF OPTIONS

Any cancellation of any Option must be approved by the Board and the Participant(s) concerned. In the event that the Board elects to cancel Options and issue new Options to the Participant(s) concerned, the issue of such new Options shall be made with available unissued Options (excluding the cancelled Options) within the Scheme Mandate Limit or the Refreshed Limit, as the case may be.

21 TERMINATION OF THE NEW SHARE OPTION SCHEME

The Board may terminate the operation of the New Share Option Scheme at any time and in such event, no further Option shall be offered thereunder but the provisions of the New Share Option Scheme shall remain in force in all other respects. All Options granted prior to such termination and not then exercised shall continue to be valid and exercisable subject to and in accordance with the terms of the New Share Option Scheme.

NOTICE OF EXTRAORDINARY GENERAL MEETING



HANS ENERGY COMPANY LIMITED

漢思能源有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00554)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (the “Meeting”) of Hans Energy Company Limited 漢思能源有限公司 (the “Company”) will be held at Room 2708-12, 27th Floor, Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong on Friday, 28 December 2012 at 10:00 a.m. for the purpose of considering and, if thought fit, passing with or without modification, the following ordinary resolution of the Company:

ORDINARY RESOLUTION

“**THAT** subject to and unconditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting approval for the listing of and permission to deal in the shares of the Company to be issued pursuant to the exercise of any options (the “Options”) to be granted pursuant to the new share option scheme of the Company (the “New Share Option Scheme”), the rules of which are contained in the document marked “A” produced to the meeting and for the purposes of identification signed by the Chairman thereof, the New Share Option Scheme be and is hereby approved and adopted and the directors of the Company be and are hereby authorized to grant Options under the New Share Option Scheme, to allot and issue shares pursuant to the exercise of any Options and to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the New Share Option Scheme.”

By order of the Board
Hans Energy Company Limited
漢思能源有限公司
Fung Chi Kwan, Nicholas
Company Secretary

Hong Kong, 12 December 2012

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Notes:

1. Pursuant to Rule 13.39(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), all votes of the shareholders at the general meetings must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. An announcement on the results of the poll will be published by the Company after the EGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.
2. A member entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not be a member of the Company. If more than one proxy is appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
3. In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, must be deposited at the Company's branch Share Registrars in Hong Kong, Tricor Secretaries Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for the holding of the Meeting or any adjournment thereof. Delivery of the form of proxy shall not preclude a member of the Company from attending and voting in person at the Meeting and, in such event, the said form of proxy shall be deemed to be revoked.

As at the date of this notice, the board of directors of the Company comprises Mr. David An (Chairman), Mr. Fung Chi Kwan, Nicholas, Ms. Liu Zhijun and Mr. Zhang Lei as Executive Directors and Mr. Li Wai Keung, Mr. Liu Jian and Mr. Chan Chun Wai, Tony as Independent Non-Executive Directors.