

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in China Regenerative Medicine International Limited (the “Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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China Regenerative Medicine International Limited
中國再生醫學國際有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8158)

- (1) PROPOSED CHANGE OF DOMICILE;**
- (2) PROPOSED ADOPTION OF MEMORANDUM OF CONTINUANCE AND NEW BYE-LAWS;**
- (3) PROPOSED REDUCTION OF SHARE PREMIUM ACCOUNT;**
- (4) PROPOSED CAPITAL REORGANISATION;**
- (5) PROPOSED CHANGE IN BOARD LOT SIZE; AND**
- (6) NOTICE OF EXTRAORDINARY GENERAL MEETING**

A notice convening an extraordinary general meeting (the “EGM”) of the Company to be held on Monday, 12 October 2020 at 2:30 p.m. at Rooms 3006-10, 30/F, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong is set out on pages 50 to 54 of this circular. A form of proxy for the EGM is enclosed with this circular.

Whether or not you are able to attend the EGM, you are requested to complete the accompanying form of proxy, in accordance with the instructions printed thereon and deposit the same at the Company’s branch share registrar and transfer office in Hong Kong, Union Registrars Limited at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

This circular will remain on the GEM of the Stock Exchange website at www.hkgem.com on the “Latest Listed Company Information” page for at least 7 days from the date of publication and on the Company’s website at www.crimi.hk.

18 September 2020

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CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

EXPECTED TIMETABLE

The expected timetable for implementation of the Change of Domicile, the Adoption of Memorandum of Continuance and New Bye-laws, the Reduction of Share Premium Account, the Capital Reorganisation and Change in Board Lot Size is set out below:

Date of despatch of this circular with notice
and form of proxy for the EGM Friday, 18 September 2020

Latest date and time for lodging transfer of Shares
in order to be qualified for attendance and
voting at the EGM 4:00 p.m., on Tuesday, 6 October 2020

Closure of register of members of the Company for
transfer of Shares to determine the right to attend
and vote at the EGM (both days inclusive) Wednesday, 7 October 2020 to
Monday, 12 October 2020

Latest time for lodging the form of proxy for the EGM
(not less than 48 hours prior to time of the EGM) 2:30 p.m., on Saturday,
10 October 2020

Record date for attendance and voting at the EGM Monday, 12 October 2020

Expected date and time of the EGM 2:30 p.m., on Monday,
12 October 2020

Announcement of results of the EGM Monday, 12 October 2020

The following events are conditional on the fulfilment of the conditions for the implementation of the Change of Domicile, the Adoption of Memorandum of Continuance and New Bye-laws, the Reduction of Share Premium Account, the Capital Reorganisation and the Change in Board Lot Size:

Expected effective date of the Change of Domicile
and the Adoption of Memorandum of
Continuance and New Bye-laws on or after Monday,
9 November 2020 (Bermuda time)/
on or after Tuesday,
10 November 2020

Expected effective date of
the Reduction of Share Premium Account on or after Monday,
9 November 2020 (Bermuda time)/
on or after Tuesday,
10 November 2020

EXPECTED TIMETABLE

Expected effective date and time of the Capital Reorganisation	9:00 a.m., on Monday, 30 November 2020
First day of free exchange of share certificates of Shares into new share certificates for New Shares	Monday, 30 November 2020
Commencement of dealings in New Shares	9:00 a.m., on Monday, 30 November 2020
Last day for trading of the Shares in board lots of 5,000 Shares each in the original counter	Friday, 11 December 2020
Effective date of the Change in Board Lot Size from 5,000 Shares to 20,000 New Shares each	Monday, 14 December 2020
Original counter for trading in the Shares in board lots of 5,000 Shares each becomes a counter for trading in the New Shares in board lots of 20,000 New Shares each	9:00 a.m., on Monday, 14 December 2020
Temporary counter for trading in the Shares in board lots of 5,000 Shares each opens	9:00 a.m., on Monday, 14 December 2020
First day of parallel trading in the Shares (in board lots of 20,000 New Shares each and board lots of 5,000 Shares each)	9:00 a.m., on Monday, 14 December 2020
Designated broker starts to provide matching services for odd lots of New Shares	9:00 a.m., on Monday, 14 December 2020
Temporary counter for trading in the Shares in board lots of 5,000 Shares each closes	4:10 p.m., on Tuesday, 5 January 2021

EXPECTED TIMETABLE

Last day of parallel trading in the Shares
(in board lots of 20,000 New Shares each and
board lots of 5,000 Shares each) 4:10 p.m., on Tuesday,
5 January 2021

Designated broker ceases to stand in the market to provide
matching services for odd lots of New Shares 4:10 p.m., on Tuesday,
5 January 2021

Last day and time for free exchange of existing
share certificates in board lots of 5,000 Shares
each for new share certificates in board lots of
20,000 New Shares each 4:00 p.m., on Thursday,
7 January 2021

All times and dates specified in the timetable above refer to Hong Kong times and
dates unless otherwise specified.

**The timetable is indicative only and may be extended or varied. Any change to the
expected timetable above will be announced by the Company as and when appropriate.**

DEFINITIONS

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

“Adoption of Memorandum of Continuance and New Bye-laws”	the proposed adoption of the Memorandum of Continuance and the New Bye-laws in compliance with the laws of Bermuda to replace, respectively, the Memorandum and the Articles
“Articles”	the existing articles of association of the Company
“Board”	the board of Directors
“Capital Reduction”	the proposed reduction of the issued share capital of the Company through a cancellation of the paid-up capital of the Company to the extent of HK\$0.19 on each of the issued Shares such that the nominal value of each issued Share will be reduced from HK\$0.20 to HK\$0.01
“Capital Reorganisation”	the proposed reorganisation of the share capital of the Company involving the Capital Reduction and the Share Subdivision
“CCASS”	Central Clearing and Settlement System established and operated by HKSCC
“Change in Board Lot Size”	the proposed change in board lot size for trading on the Stock Exchange from 5,000 Shares to 20,000 New Shares upon the Capital Reorganisation becoming effective
“Change of Domicile”	the proposed change of domicile of the Company from the Cayman Islands to Bermuda by way of de-registration of the Company in the Cayman Islands and continuation of the Company as an exempted company under the laws of Bermuda
“Companies Act”	the Companies Act 1981 of Bermuda
“Company”	China Regenerative Medicine International Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on GEM

DEFINITIONS

“Contributed Surplus Account”	the account designated as the contributed surplus account of the Company within the meaning of the Companies Act upon Change of Domicile becoming effective
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held on Monday, 12 October 2020 at 2:30 p.m., for the Shareholders to consider and, if thought fit, approve, the Change of Domicile, the Adoption of Memorandum of Continuance and New Bye-laws, the Reduction of Share Premium Account and the Capital Reorganisation
“GEM”	GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	15 September 2020, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Memorandum”	the existing memorandum of association of the Company
“Memorandum of Continuance”	a memorandum of continuance of the Company proposed to be adopted by the Company and to take effect upon continuation of the Company in Bermuda
“New Bye-laws”	a new set of bye-laws of the Company proposed to be adopted by the Company and to take effect upon continuation of the Company in Bermuda

DEFINITIONS

“New Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company immediately after the Capital Reorganisation becoming effective
“Reduction of Share Premium Account”	the proposed reduction of the entire amount standing to the credit of the share premium account of the Company to nil
“Share Options”	the outstanding share options granted under the share option scheme of the Company
“Share Subdivision”	the proposed sub-division of each of the authorised but unissued Shares of HK\$0.20 each into 20 unissued New Shares of HK\$0.01 each
“Shareholder(s)”	holder(s) of the Share(s), and/or the New Share(s), as the case may be
“Share(s)”	ordinary share(s) of HK\$0.20 each in the share capital of the Company prior to the Capital Reorganisation becoming effective
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.



China Regenerative Medicine International Limited
中國再生醫學國際有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8158)

Executive Directors:

Mr. Wang Chuang
(Chairman and Chief Executive Officer)
Mr. Qiu Bin

Non-executive Directors:

Mr. Wu Weiliang
Mr. Tsang Ho Yin

Independent non-executive Directors:

Dr. Fang Jun
Ms. Huo Chunyu
Ms. Yang Ying

Registered office:

P.O. Box 309
Ugland House
Grand Cayman
KY1-1104
Cayman Islands

*Principal place of business
in Hong Kong:*

Suite 2310-2318,
Miramar Tower
132 Nathan Road
Tsim Sha Tsui
Kowloon
Hong Kong

18 September 2020

To the Shareholders

Dear Sir or Madam,

- (1) PROPOSED CHANGE OF DOMICILE;**
- (2) PROPOSED ADOPTION OF MEMORANDUM OF
CONTINUANCE AND NEW BYE-LAWS;**
- (3) PROPOSED REDUCTION OF SHARE PREMIUM ACCOUNT;**
- (4) PROPOSED CAPITAL REORGANISATION;**
- (5) PROPOSED CHANGE IN BOARD LOT SIZE; AND**
- (6) NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

Reference is made to the announcements of the Company dated 28 August 2020 and 11 September 2020 in relation to, among others, the proposed Change of Domicile, the Adoption of Memorandum of Continuance and New Bye-laws, the Reduction of Share Premium Account, the Capital Reorganisation and the Change in Board Lot Size.

LETTER FROM THE BOARD

The purpose of this circular is to provide you with, among other matters, (i) further information on the Change of Domicile, the Adoption of Memorandum of Continuance and New Bye-laws, the Reduction of Share Premium Account, the Capital Reorganisation and the Change in Board Lot Size; and (ii) the notice of the EGM.

PROPOSED CHANGE OF DOMICILE

The Board proposes to change the domicile of the Company from the Cayman Islands to Bermuda by way of de-registration of the Company in the Cayman Islands and continuation of the Company as an exempted company under the laws of Bermuda. The Board also proposes to implement the Capital Reorganisation upon the Change of Domicile becoming effective, details of which are set out in the section headed "Proposed Capital Reorganisation" below.

Conditions of the Change of Domicile

The Change of Domicile is conditional upon:

- (i) the passing of the necessary special resolution(s) by the Shareholders at the EGM to approve the Change of Domicile, and the Adoption of Memorandum of Continuance and New Bye-laws;
- (ii) compliance with the relevant requirements under the GEM Listing Rules and the relevant legal procedures and requirements under the laws of the Cayman Islands and the laws of Bermuda in respect of the Change of Domicile; and
- (iii) the obtaining of all necessary approvals from the relevant regulatory authorities or otherwise as may be required in respect of the Change of Domicile, if required.

The Change of Domicile is not conditional upon the Capital Reorganisation becoming effective. However, the Capital Reorganisation is conditional upon the Change of Domicile becoming effective.

Effect of the Change of Domicile

Other than the expenses to be incurred, the Change of Domicile will not alter the underlying assets, investments, management or financial position of the Company nor the proportionate interests of the Shareholders. The Company's legal advisers as to the laws of the Cayman Islands and Bermuda are of the view that the continuation of the Company in Bermuda does not create a new legal entity or prejudice or affect the continuity of the Company. The Company will continue to maintain a principal place of business in Hong Kong.

The Change of Domicile also will not involve the formation of a new holding company, or the withdrawal of listing of the existing Shares, any issue of new existing Shares, any transfer of assets of the Company or any change in the existing shareholding of the Company. Implementation of the Change of Domicile will not affect the listing status of the Company on the Stock Exchange.

LETTER FROM THE BOARD

Reasons for the Change of Domicile

As advised by the Company's legal advisers as to the laws of the Cayman Islands, if the Company proceeds with the Capital Reorganisation under the laws of the Cayman Islands, which includes, amongst other things, the Capital Reduction in the Cayman Islands, the sanction by the Grand Court of the Cayman Islands would be required, and subject to the availability of the Grand Court of the Cayman Islands, the Capital Reorganisation may take between three to four months to complete. The Board considers that the Capital Reorganisation under the laws of the Cayman Islands cannot be completed in a commercially expedient time frame. If the Capital Reorganisation will be effected by way of a change of domicile of the Company from the Cayman Islands to Bermuda through de-registration of the Company in the Cayman Islands and continuation of the Company in Bermuda, the legal advisers of the Company as to the laws of the Cayman Islands and Bermuda advised that no court order is required in the Cayman Islands or Bermuda for the Change of Domicile and the Capital Reorganisation after de-registration of the Company in the Cayman Islands and its continuation in Bermuda.

The Board considers that it would save the Company's time for carrying out the Capital Reorganisation in Bermuda by first implementing the Change of Domicile. The Board believes that the Change of Domicile is beneficial to and in the interests of the Company and the Shareholders as a whole.

PROPOSED ADOPTION OF MEMORANDUM OF CONTINUANCE AND NEW BYE-LAWS

In connection with the Change of Domicile, the Company proposes to adopt the Memorandum of Continuance and the New Bye-laws in compliance with Bermuda laws to replace, respectively, the Memorandum and the Articles.

A summary of the Memorandum of Continuance and the New Bye-laws and differences with the Memorandum and the Articles are set out in the Appendix to this circular.

Condition of the Adoption of Memorandum of Continuance and New Bye-laws

The Adoption of Memorandum of Continuance and New Bye-laws is conditional upon the passing of a special resolution by the Shareholders to approve the Adoption of Memorandum of Continuance and New Bye-laws at the EGM.

PROPOSED REDUCTION OF SHARE PREMIUM ACCOUNT

Where the Company issues Shares at a premium, a sum equal to the aggregate amount or value of the premiums on those Shares are transferred to an account called the share premium account, to which the provisions of the Companies Act relating to a reduction of share capital of the Company shall apply as if the share premium account was paid up share capital of the Company except that the share premium account may be applied by the Company (i) in paying up unissued Shares of the Company to be issued to members of the Company as fully paid bonus shares; (ii) in writing off: (aa) the preliminary expenses of the Company; or (bb) the expenses of, or the commission paid or discount allowed on, any issue of Shares or debentures of the Company; or (iii) in providing for the premiums payable on redemption of any Shares or of any debentures of

LETTER FROM THE BOARD

the Company. The Board proposes to reduce the entire amount standing to the credit of the share premium account of the Company to nil and to transfer the credits arising from such reduction to the Contributed Surplus Account upon the Change of Domicile becoming effective. The Contributed Surplus Account includes proceeds arising from donated Shares, credits resulting from the redemption or conversion of Shares at less than the amount set up as nominal capital and donations of cash and other assets to the Company and is considered a distributable reserve of the Company provided that no dividend shall be paid or distribution made out of the Contributed Surplus Account if to do so would render the Company unable to pay its liabilities as they become due or the realisable value of its assets would thereby become less than its liabilities. Based on the advice of the Company's legal advisers as to the Cayman Islands and Bermuda laws, the Company considers that the Reduction of Share Premium Account (and in particular the transfer of the credits from the share premium account of the Company to the Contributed Surplus Account) are in compliance with the laws of the Cayman Islands and Bermuda and will not have any material adverse impact to the interests of the Shareholders. As at 31 July 2020, being the latest date to which unaudited management accounts of the Company was made up to as of the Latest Practicable Date, the Company has a credit balance of approximately HK\$3,198,407,000 standing in its share premium account.

Conditions of the Reduction of Share Premium Account

The Reduction of Share Premium Account is conditional upon:

- (i) the Change of Domicile becoming effective;
- (ii) passing of a special resolution by the Shareholders approving the Reduction of Share Premium Account at the EGM; and
- (iii) the compliance with the relevant legal procedures and requirements under the laws of Bermuda to effect the Reduction of Share Premium Account.

PROPOSED CAPITAL REORGANISATION

The Company proposes to implement the Capital Reorganisation upon the Change of Domicile becoming effective which involves the following:

Proposed Capital Reduction and Share Subdivision

The Board proposes that:

- (i) the issued share capital of the Company be reduced through a cancellation of the paid-up capital of the Company to the extent of HK\$0.19 on each of the issued Shares such that the nominal value of each issued Share will be reduced from HK\$0.20 to HK\$0.01;
- (ii) immediately following the Capital Reduction, each of the authorised but unissued Shares of HK\$0.20 each be sub-divided into 20 New Shares of HK\$0.01 each;
- (iii) the credit arising in the books of the Company from the reduction of the paid-up capital of the Company of HK\$376,065,005 be credited to the Contributed Surplus Account; and

LETTER FROM THE BOARD

- (iv) the amount standing to the credit of the Contributed Surplus Account be applied to set off the accumulated losses of the Company in full and be applied in any other manner as may be permitted under the New Bye-laws and all applicable laws of Bermuda.

As at the Latest Practicable Date, the authorised share capital of the Company was HK\$1,000,000,000 comprising 5,000,000,000 Shares of HK\$0.20 each, of which 1,979,289,500 Shares have been issued and fully paid. Immediately following the Capital Reorganisation becoming effective, the authorised share capital of the Company will be HK\$1,000,000,000 divided into 100,000,000,000 New Shares of HK\$0.01 each, of which 1,979,289,500 New Shares will remain in issue and the aggregate nominal value of the issued share capital of the Company will be HK\$19,792,895 (assuming that no Shares are issued from the Latest Practicable Date until the effective date of the Capital Reorganisation). A credit of HK\$376,065,005 will arise as a result of the Capital Reduction. Such credit will be transferred to the Contributed Surplus Account which, together with the amount already in the Contributed Surplus Account as a result of the Reduction of Share Premium Account, will then be applied by the Board to set off against the accumulated losses of the Company in full on the date of the Capital Reorganisation becoming effective. The total accumulated losses of the Company was approximately HK\$3,439,643,000 as at 31 December 2019, as shown in the audited consolidated financial statements of the Company for the year ended 31 December 2019 and approximately HK\$3,888,497,000 as at 31 July 2020 (being the latest date to which unaudited management accounts of the Company was made up to as of the Latest Practicable Date) respectively. Assuming that there will be no change in the issued share capital of the Company from the Latest Practicable Date up to the date(s) on which the Reduction of Share Premium Account and the Capital Reorganisation becoming effective, the estimated reduction of the accumulated losses of the Company after the Reduction of Share Premium Account and Capital Reorganisation should be approximately HK\$3,198,407,000 and HK\$376,065,005 respectively.

Assuming no Shares are issued from the Latest Practicable Date until the effective date of the Capital Reorganisation, the share capital structure of the Company will be as follows:

	As at the Latest Practicable Date	Immediately after the Capital Reorganisation becoming effective
Authorised share capital	HK\$1,000,000,000	HK\$1,000,000,000
Par Value	HK\$0.20 per Share	HK\$0.01 per New Share
Number of authorised shares	5,000,000,000 Shares	100,000,000,000 New Shares
Amount of issued share capital	HK\$395,857,900	HK\$19,792,895
Number of issued shares	1,979,289,500 Shares	1,979,289,500 New Shares
Amount of unissued share capital	HK\$604,142,100	HK\$980,207,105
Number of unissued shares	3,020,710,500 Shares	98,020,710,500 New Shares

All New Shares will rank pari passu in all respects with each other.

LETTER FROM THE BOARD

As at the Latest Practicable Date, save for the Share Options entitling the holders thereof to subscribe for 8,314,000 Shares (of which 5,717,100 Shares are exercisable), the Company has no other outstanding warrants, options or convertible securities.

Under the laws of Bermuda, the Directors may apply the contributed surplus in any manner permitted by the laws of Bermuda and the New Bye-laws in effect from time to time.

Conditions of the Capital Reorganisation

The Capital Reorganisation is conditional upon:

- (i) the Change of Domicile becoming effective;
- (ii) the passing of the necessary special resolution(s) by the Shareholders approving the Capital Reorganisation at the EGM;
- (iii) the Stock Exchange granting the listing of, and permission to deal in, the New Shares in issue and to be issued upon the Capital Reorganisation becoming effective and the New Shares which may fall to be allotted and issued upon exercise of the Share Options outstanding and to be granted under the share option scheme of the Company;
- (iv) the compliance with the relevant procedures and requirements under the Bermuda laws and the GEM Listing Rules to effect the Capital Reorganisation; and
- (v) the obtaining of all necessary approvals from the regulatory authorities or otherwise as may be required in respect of the Capital Reorganisation.

Shareholders should note that as the Capital Reorganisation is not conditional on the Reduction of Share Premium Account, the Capital Reorganisation will still proceed if the Shareholders vote down the Reduction of Share Premium Account at the EGM.

Reasons for the Capital Reorganisation

The Board is of the opinion that the Capital Reorganisation will provide the Company with greater flexibility in possible fund raisings in the future. Further, the credit in the Contributed Surplus Account arising from the Capital Reduction will enable the Company to set off its accumulated loss and may be applied in the future for distribution to the Shareholders or in any manner permitted by the laws of Bermuda and the New Bye-laws in effect from time to time.

LETTER FROM THE BOARD

As at the Latest Practicable Date, save as disclosed above, the Company has no other plan in relation to the use of the credit in the Contributed Surplus Account and distribution to the Shareholders. The Company also has no concrete plan in relation to further fund raisings at present. In the event that the financing plans and measures as disclosed in the section headed “Working Capital” in the circular of the Company dated 12 September 2020 cannot be materislied, the Company will consider alternative means of fund raising which may or may not involve issuance of shares or convertible bonds of the Company and/or the realisation of assets, financial assets or otherwise. Further announcement(s) will be made by the Company in relation to any further fund raisings (if any) as and when appropriate in compliance with the GEM Listing Rules.

The Board considers that the Capital Reorganisation is beneficial to and in the interests of the Company and the Shareholders as a whole.

Effects of the Capital Reorganisation

Implementation of the Capital Reorganisation will not, of itself, alter the underlying assets, business operations, management or financial position of the Company or the proportionate interests of the Shareholders, except for the payment of the related expenses. The Board believes that the Capital Reorganisation will not have any material adverse effect on the financial position of the Group and that on the date the Capital Reorganisation is to be effected, there are no reasonable grounds for believing that the Company is, or after the Capital Reorganisation would be, unable to pay its liabilities as they become due. No capital will be lost as a result of the Capital Reorganisation and, except for the expenses involved in relation to the Capital Reorganisation which are expected to be insignificant in the context of the net asset value of the Company, the net asset value of the Company will remain unchanged before and after the Capital Reorganisation becoming effective. The Capital Reorganisation does not involve any diminution of any liability in respect of any unpaid capital of the Company or the repayment to the Shareholders of any paid up capital of the Company nor will it result in any change in the relative rights of the Shareholders.

Listing and dealings

Application will be made to the Stock Exchange for the granting of the listing of, and permission to deal in, the New Shares arising from the Capital Reorganisation and the New Shares which may fall to be allotted and issued upon exercise of the Share Options outstanding and to be granted under the share option scheme of the Company.

Subject to the granting of the listing of, and permission to deal in, the New Shares on the Stock Exchange, the New Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the New Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

LETTER FROM THE BOARD

The New Shares will be identical in all respects and rank pari passu in all respects with each other as to all future dividends and distributions which are declared, made or paid. All necessary arrangements will be made for the New Shares to be admitted into CCASS.

None of the securities of the Company is listed or dealt in on any other stock exchange other than the Stock Exchange and no such listing or permission to deal is being or is proposed to be sought.

Free exchange of share certificates

Subject to the Capital Reorganisation becoming effective, the Shareholders may, on or after Monday, 30 November 2020 until Thursday, 7 January 2021 (both days inclusive), submit share certificates for the Shares to the Company's branch share registrar and transfer office in Hong Kong, Union Registrars Limited at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, to exchange, at the expense of the Company, for new share certificates for the New Shares. Thereafter, each existing share certificate will be accepted for exchange only on payment of a fee of HK\$2.50 (or such other amount as may from time to time be specified by the Stock Exchange) by the Shareholders for each share certificate for the Shares submitted for cancellation or each new share certificate issued for the New Shares, whichever the number of certificates cancelled/issued is higher. After 4:10 p.m. on Tuesday, 5 January 2021, existing share certificates for the Shares will only remain effective as documents of title and may be exchanged for share certificates for the New Shares at any time but will not be accepted for delivery, trading and settlement purposes.

The new share certificates for the New Shares will be issued in dark blue colour in order to distinguish them from existing share certificates for the existing Shares which are in light blue colour.

Arrangement on odd lot trading

In order to facilitate the trading of odd lots (if any) of the New Shares arising from the Capital Reorganisation and the Change in Board Lot Size, the Company has appointed Chung Lee Securities Company Limited ("**Chung Lee**"), as an agent to provide matching services, on a best-efforts basis, to those Shareholders who wish to acquire odd lots of the New Shares to make up a full board lot, or to dispose of their holding of odd lots of the New Shares during the period from 9:00 a.m. on Monday, 14 December 2020 to 4:10 p.m. on Tuesday, 5 January 2021. Shareholders who wish to take advantage of this service should contact Ms. Toby Kwong of Chung Lee at Room 1808-10, 18/F, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong or at telephone number 2522-6877 during office hours of such period. Shareholders should note that the matching of the sale and purchase of odd lots of the New Shares is on a best-efforts basis and successful matching of the sale and purchase of odd lots of the New Shares is not guaranteed. Shareholders who are in doubt about this service are recommended to consult their professional advisers.

LETTER FROM THE BOARD

Adjustment in relation to the Share Options

As at the Latest Practicable Date, the Company has Share Options entitling the holders thereof to subscribe for 8,314,000 Shares (of which 5,717,100 Shares are exercisable). As confirmed by the independent financial adviser of the Company, no adjustment will be required to be made to the exercise prices and/or the number of the Share Options as a result of the Capital Reorganisation.

Save as aforesaid, the Company has no other outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into Shares as at the Latest Practicable Date.

PROPOSED CHANGE IN BOARD LOT SIZE

At present, the Shares are traded in board lot size of 5,000 Shares. Upon the Capital Reorganisation becoming effective, the board lot size for trading of the New Shares will be changed from 5,000 existing Shares to 20,000 New Shares. Based on the closing price of HK\$0.191 per Share as at the Latest Practicable Date, the value of each board lot of 5,000 New Shares would be HK\$955. The estimated market value per board lot of 20,000 New Shares would be HK\$3,820 assuming the Change in Board Lot Size had been effective. The Board proposes to change the board lot size to 20,000 New Shares immediately after the Capital Reorganisation becoming effective so that the board lot value will attain the minimal board lot value of HK\$2,000.

Condition of the Change in Board Lot Size

The Change in Board Lot Size is conditional upon the Capital Reorganisation becoming effective.

EGM

In accordance with the GEM Listing Rules, any Shareholder who has a material interest in the Change of Domicile, the Adoption of Memorandum of Continuance and New Bye-laws, the Reduction of Share Premium Account and the Capital Reorganisation shall abstain from voting on the resolutions to approve the same and the transactions contemplated thereunder at the EGM. To the best of knowledge, information and belief of the Directors, having made all reasonable enquiries, no Shareholder has any material interest in the Change of Domicile, the Adoption of Memorandum of Continuance and New Bye-laws, the Reduction of Share Premium Account and the Capital Reorganisation and will be required to abstain from voting on the relevant resolutions to approve the same and the transactions contemplated thereunder at the EGM.

Pursuant to Rule 17.47(4) of the GEM Listing Rules, any vote of Shareholders at a general meeting must be taken by poll. Accordingly, the Company will procure the chairman of the EGM to demand for voting on poll in respect of the resolutions to be proposed at the EGM in accordance with the Memorandum and the Articles and Union Registrars Limited, the branch share registrar and transfer office of the Company in Hong Kong, will serve as the scrutineer for the vote-taking.

LETTER FROM THE BOARD

The notice convening the EGM is set out on pages 50 to 54 of this circular. The EGM will be held on Monday, 12 October 2020 at 2:30 p.m. at Rooms 3006-10, 30/F, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong for the purpose of, considering and, if thought fit, approving the Change of Domicile, the Adoption of Memorandum of Continuance and New Bye-laws, the Reduction of Share Premium Account and the Capital Reorganisation and the transactions contemplated thereunder. A form of proxy for use at the EGM is enclosed with this circular.

Whether or not you are able to attend the EGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the branch share registrar and transfer office of the Company in Hong Kong, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the EGM (i.e. before 2:30 p.m. on Saturday, 10 October 2020 Hong Kong time) or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM and any adjournment thereof should you so desire and in such case, the form of proxy shall be deemed to be revoked.

RECOMMENDATION

The Board is of the view that the terms of the Change of Domicile, the Adoption of Memorandum of Continuance and New Bye-laws, the Reduction of Share Premium Account, the Capital Reorganisation and the Change in Board Lot Size are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the resolutions approving the Change of Domicile, the Adoption of Memorandum of Continuance and New Bye-laws, the Reduction of Share Premium Account and the Capital Reorganisation and the transactions contemplated thereunder at the EGM.

FURTHER INFORMATION

Your attention is also drawn to the additional information as set out in the appendix to this circular.

COMPETING INTERESTS

As at the Latest Practicable Date, so far as the Directors are aware of, none of the Directors, controlling Shareholder or substantial Shareholders or any of their respective associates had any business or interest which competes or may compete with the business of the Group or has or may have any other conflict of interest with the Group.

LETTER FROM THE BOARD

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM 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.

WARNING

Shareholders and potential investors of the Company should be aware of and take note that the Change of Domicile, the Adoption of Memorandum of Continuance and New Bye-laws, the Reduction of Share Premium Account, the Capital Reorganisation and the Change in Board Lot Size are conditional upon satisfaction of the conditions precedent set out in the respective paragraphs headed "Conditions of the Change of Domicile", "Condition of the Adoption of Memorandum of Continuance and New Bye-laws", "Conditions of the Reduction of Share Premium Account", "Conditions of the Capital Reorganisation" and "Condition of the Change in Board Lot Size" in this circular. Therefore, the Change of Domicile, the Adoption of Memorandum of Continuance and New Bye-laws, the Reduction of Share Premium Account, the Capital Reorganisation and the Change in Board Lot Size may or may not proceed.

Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the Shares of the Company, and if they are in any doubt about their position, they should consult their professional advisers.

By order of the Board
China Regenerative Medicine International Limited
Wang Chuang
Chairman, Chief Executive Officer and Executive Director

Set out below is a summary of the provisions of the Memorandum of Continuance and the New Bye-laws which will become effective upon continuation of the Company in Bermuda and their differences with the Memorandum and the Articles.

As advised by the legal advisers of the Company as to the laws of the Cayman Islands and Bermuda, the differences between the Memorandum of Continuance and the Memorandum, and the differences between the New Bye-laws and the Articles, are largely a result of the differences between the laws of Bermuda and the laws of the Cayman Islands. The Company has reviewed the proposed changes in the New Bye-laws and based on the advice of the Company's legal advisers as to Cayman Islands and Bermuda laws, the Company considers that the proposed changes are in the interests of the Company and its Shareholders as a whole.

1. THE MEMORANDUM AND THE MEMORANDUM OF CONTINUANCE

The Memorandum states, *inter alia*, that the liability of each member of the Company is limited to the amount from time to time unpaid on such member's shares, that the objects for which the Company is established are unrestricted and that the Company shall have and be capable of from time to time and at all times exercising any and all of the powers at any time or from time to time exercisable by a natural person or body corporate, irrespective of any question of corporate benefit provided that the Company shall only carry on the businesses for which a licence is required under the laws of the Cayman Islands when so licensed under the terms of such laws.

Upon continuance of the Company in Bermuda, the Company will adopt the Memorandum of Continuance which, upon filing with and registration by the Bermuda Registrar, will in effect be the Company's new memorandum of association. The Memorandum of Continuance states, *inter alia*, that the liability of members of the Company is limited to the amount, if any, for the time being unpaid on the shares respectively held by them and that the Company is an exempted company as defined in the Companies Act. The Memorandum of Continuance also sets out the objects of the Company from the date of its continuance which are unrestricted and that the Company has the capacity, rights, powers and privileges of a natural person. As an exempted company, the Company will be carrying on business outside Bermuda.

In accordance with and subject to section 42A of the Companies Act, the Memorandum of Continuance empowers the Company to purchase its own shares and pursuant to the New Bye-laws, this power is exercisable by the Board upon such terms and subject to such conditions as it thinks fit.

2. THE ARTICLES AND THE NEW BYE-LAWS

(a) Directors

(i) *Power to allot and issue shares and warrants*

Summary

Subject to the Companies Act, the Memorandum of Continuance and the New Bye-laws and any special rights conferred on the holders of any shares or class of shares, any share in the Company (whether forming part of the present capital or not) may be issued with or have attached thereto such rights, or such restrictions, whether with regard to dividend, voting, return of capital, or otherwise, as the Company may by ordinary resolution determine or, if there has not been any such determination or so far as the same shall not make specific provision, as the Board may determine. Subject to the Companies Act, the Memorandum of Continuance and the New Bye-laws and any special rights conferred on the holders of any shares or attaching to any class of shares, any preference shares may be issued or converted into shares that are liable to be redeemed at a determinable date or at the option of the Company or the holder, on such terms and in such manner as the Company before the issue or conversion may by ordinary resolution of the members of the Company determine. The Board may issue warrants or convertible securities or securities of similar nature conferring the right upon the holders thereof to subscribe for any class of shares or securities in the capital of the Company on such terms as it may from time to time determine.

Subject to the provisions of the Companies Act, the New Bye-laws, any direction that may be given by the Company in general meeting and, where applicable, the rules of any Designated Stock Exchange (as defined in the New Bye-laws) and without prejudice to any special rights or restrictions for the time being attached to any shares or any class of shares, the unissued shares in the Company (whether forming part of the original or any increased capital) shall be at the disposal of the Board, which may offer, allot, grant options over or otherwise dispose of them to such persons, at such times, for such consideration and upon such terms and conditions as the Board may in its absolute discretion determine, but so that no shares shall be issued at a discount to their nominal value.

Neither the Company nor the Board shall be obliged, when making or granting any allotment of, offer of, option over or disposal of shares, to make, or make available, any such allotment, offer, option or shares to members of the Company with registered addresses in any particular territory or territories being a territory or territories where, in the absence of a registration statement or other special formalities, this would or might, in the opinion of the Board, be unlawful or impracticable. Members affected as a result of the foregoing sentence shall not be, or be deemed to be, a separate class of members for any purpose whatsoever.

Material differences

The corresponding provisions of the Articles relating to the power of Directors to allot and issue shares and warrants are similar save and except that (i) instead of ordinary resolution, a special resolution is required for the issue of share that is liable to be redeemed, whether at the option of the Company or the holder thereof; and (ii) the Articles prohibit the Company to issue warrants to bearer for so long as a recognised clearing house (in its capacity as such) is a member of the Company.

- (ii) *Power to dispose of the assets of the Company or any of its subsidiaries*

Summary

There are no specific provisions in the New Bye-laws relating to the disposal of the assets of the Company or any of its subsidiaries.

Note: The Directors may, however, exercise all powers and do all acts and things which may be exercised or done or approved by the Company and which are not required by the New Bye-laws or the laws of Bermuda to be exercised or done by the Company in general meeting.

Material differences

The Articles do not contain any prohibition or restriction on the disposal of the assets of the Company or any of its subsidiaries.

(iii) *Compensation or payments for loss of office*

Summary

Payments to any Director or past Director of any sum by way of compensation for loss of office or as consideration for or in connection with his retirement from office (not being a payment to which the Director is contractually entitled) must be approved by the Company in general meeting.

Material differences

The Articles contain the same provision.

(iv) *Loans and provision of security for loans to Directors*

Summary

There are no provisions in the New Bye-laws relating to the making of loans to Directors. However, the Companies Act contains restrictions on companies making loans or providing security for loans to their directors.

Material differences

There are provisions in the Articles prohibiting, except as would, if the Company were a company incorporated in Hong Kong, be permitted by Section 157H of the Companies Ordinance as in force at the date of adoption of the Articles, and except as permitted under the Companies Law (as defined in the Articles) (the “**Companies Law**”) (which provides no prohibition or restriction on loans and provision of security for loans to Directors), (i) the making of a loan to a Director or to his Associates (as defined in the Articles) or a director of any holding company of the Company; (ii) the entering into of any guarantee or the provision of any security in connection with a loan made by any person to a Director or such a director; and (iii) if any one or more of the Directors hold (jointly or severally or directly or indirectly) a controlling interest in another company, the making of a loan to that other company or the entering into of any guarantee or the provision of any security in connection with a loan made by any person to that other company.

(v) *Financial assistance to purchase shares of the Company*

Summary

Subject to compliance with the rules and regulations of the Designated Stock Exchange (as defined in the New Bye-laws) and any other relevant regulatory authority, the Company may give financial assistance for the purpose of or in connection with a purchase made or to be made by any person of any shares in the Company.

Material differences

The Company is also empowered under the Articles to give financial assistance subject to compliance with the rules and regulations of the Exchange (as defined in the Articles) or the Securities and Futures Commission of Hong Kong from time to time in force.

(vi) *Disclosure of interests in contracts with the Company or any of its subsidiaries*

Summary

A Director may hold any other office or place of profit with the Company (except that of auditor of the Company) in conjunction with his office of Director for such period and, subject to the Companies Act, upon such terms as the Board may determine, and may be paid such remuneration (whether by way of salary, commission, participation in profits or otherwise) in respect of any such other office or place of profit in addition to any remuneration provided for by or pursuant to any other New Bye-laws. A Director may be or become a director or other officer of, or a member of, any company promoted by the Company or any other company in which the Company may be interested as a vendor, shareholder or otherwise, and shall not be liable to account to the Company or the members of the Company for any remuneration, profits or other benefits received by him as a director, officer or member of, or from his interest in, such other company. Subject as otherwise provided by the New Bye-laws, the Directors may exercise or cause to be exercised the voting powers conferred by the shares in any other company held or owned by the Company, or exercisable by them as directors of such other company in such manner in all respects as they think fit, including the exercise thereof in favour of any resolution appointing the Directors or any of them to be directors or officers of such other company, or voting or providing for the payment of remuneration to the directors or officers of such other company.

Subject to the Companies Act and to the New Bye-laws, no Director or proposed or intending Director shall be disqualified by his office from contracting with the Company, either with regard to his tenure of any office or place of profit or as vendor, purchaser or in any other manner whatsoever, nor shall any such contract or any other contract or arrangement in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company or the members of the Company for any remuneration, profit or other benefits realised by any such contract or arrangement by reason of such Director holding that office or the fiduciary relationship thereby established provided that such Director shall disclose the nature of his interest in any contract or arrangement in which he is interested in accordance with the New Bye-laws. A Director who to his knowledge is in any way, whether directly or indirectly, interested in a contract or arrangement or proposed contract or arrangement with the Company shall declare the nature of his interest at the meeting of the Board at which the question of entering into the contract or arrangement is first considered, if he knows his interest then exists, or in any other case at the first meeting of the Board after he knows that he is or has become so interested.

A Director shall not vote (nor be counted in the quorum) on any resolution of the Board approving any contract or arrangement or any other proposal in which he or any of his close associates (as defined in the New Bye-laws) is materially interested but this prohibition shall not apply to any of the following matters, namely:

- a. any contract or arrangement for the giving to such Director or his close associate(s) (as defined in the New Bye-laws) any security or indemnity in respect of money lent by him or any of his close associate(s) (as defined in the New Bye-laws) or obligations incurred or undertaken by him or any of his close associate(s) (as defined in the New Bye-laws) at the request of or for the benefit of the Company or any of its subsidiaries;

- b. any contract or arrangement for the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his close associate(s) (as defined in the New Bye-laws) has himself/themselves assumed responsibility in whole or in part whether alone or jointly under a guarantee or indemnity or by the giving of security;
- c. any contract or arrangement concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase, where the Director or his close associate(s) (as defined in the New Bye-laws) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;
- d. any contract or arrangement in which the Director or his close associate(s) (as defined in the New Bye-laws) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company; or
- e. any proposal or arrangement concerning the adoption, modification or operation of a share option scheme, a pension fund or retirement, death, or disability benefits scheme or other arrangement which relates both to Directors, their close associate(s) (as defined in the New Bye-laws) and employees of the Company or of any of its subsidiaries and does not provide in respect of any Director, or his close associate(s) (as defined in the New Bye-laws), as such any privilege or advantage not accorded generally to the class of persons to which such scheme or fund relates.

Material differences

The Articles contain similar provisions save and except that

- a. instead of the interest of “close associates” (as defined in the New Bye-laws as, in relation to any Director, shall have the same meaning as defined in the rules of the Designated Stock Exchange (“**Listing Rules**”) as modified from time to time, except that for purposes of Bye-law 100 of the New Bye-laws where the transaction or arrangement to be approved by the board of directors of the Company is a connected transaction referred to in the Listing Rules, it shall have the same meaning as that ascribed to “associate” in the Listing Rules), the exceptions to the Director’s right to vote and be counted in quorum concern the interest of “Associates” (as defined in the Articles as, in relation to any Director: (i) his spouse; (ii) any child or step-child, natural or adopted, under the age of 18 years of such individual or of his spouse (together with (i), the “**family interests**”); (iii) the trustees, acting in their capacity as such trust of which he or any of his family interests is a beneficiary or, in the case of a discretionary trust, is (to his knowledge) a discretionary object and any company (“**trustee-controlled company**”) in the equity capital of which the trustees, acting in their capacity as such trustees, are directly or indirectly interested so as to exercise or control the exercise of 30% (or such other amount as may from time to time be specified in the HK Code on Takeovers and Mergers (as defined in the Articles) as being the level for triggering a mandatory general offer) or more of the voting power at general meetings, or to control the composition of a majority of the board of directors and any other company which is its subsidiary (together, the “**trustee interests**”); (iv) a holding company of a trustee controlled company or a subsidiary of any such holding company; (v) any company in the equity capital of which he, his family interests, any of the trustees referred to in (iii), acting in their capacity as such trustees, and/or any trustee interests taken together are directly or indirectly interested so as to exercise or control the exercise of 30% (or such other amount as may from time to time be specified in the HK Code on Takeovers and Mergers (as defined in the Articles) as being the level for triggering a mandatory general offer) or more of the voting power at general meetings, or to control the composition of a majority of the board of directors and any other company which is its subsidiary or holding company or a fellow subsidiary of any such holding company; and (vi) any other person who would be deemed to be an “Associate” of the Director under the Listing Rules (as defined in the Articles)); and

- b. there is an extra exception to a Director's right to vote and be counted in quorum (i.e., any proposal concerning any other company in which the Director or any of his Associates is/are interested only, whether directly or indirectly, as an officer or executive or a shareholder or in which the Director or any of his Associates is/are beneficially interested in the shares of that company, provided that, the Director and any of his Associates is/are not, in aggregate, beneficially interested in 5 per cent. or more of the issued shares of any class of shares of such company (or of any third company through which his interest or that of any of his Associates (as defined in the Articles) is derived) or of the voting rights.

(vii) *Remuneration*

Summary

The ordinary remuneration of the Directors shall from time to time be determined by the Company in general meeting, and such remuneration (unless otherwise directed by the resolution by which it is voted) shall be divided amongst the Board in such proportions and in such manner as the Board may agree or, failing agreement, equally, except that any Director who shall hold office for part only of the period in respect of which such remuneration is payable shall be entitled only to rank in such division for a proportion of remuneration related to the period during which he has held office. The Directors shall also be entitled to be prepaid or repaid all travelling, hotel and incidental expenses reasonably incurred or expected to be incurred by them in attending any Board meetings, meetings of committees of the Board or general meetings or separate meetings of any class of shares or debentures of the Company or otherwise in connection with the discharge of their duties as Directors.

Any Director who, by request, goes or resides abroad for any purpose of the Company or who performs services which in the opinion of the Board go beyond the ordinary duties of a Director may be paid such extra remuneration (whether by way of salary, commission, participation in profits or otherwise) as the Board may determine and such extra remuneration shall be in addition to or in substitution for any ordinary remuneration provided for by or pursuant to any other New Bye-laws.

A Director appointed to be a managing director, joint managing director, deputy managing director or to hold any other employment or other executive office of the Company shall receive such remuneration (whether by way of salary, commission or participation in profits or otherwise or by all or any of those modes) and such other benefits (including pension and/or gratuity and/or other benefits on retirement) and allowances as the Board may from time to time decide. Such remuneration may be either in addition to or in lieu of his remuneration as a Director.

The Board may establish or concur or join with other companies (being subsidiary companies of the Company or companies with which it is associated in business) in establishing and making contributions out of the Company's monies to any schemes or funds for providing pensions, sickness or compassionate allowances, life assurance or other benefits for employees (which expression as used in this and the following paragraph shall include any Director or ex-Director who may hold or have held any executive office or any office of profit with the Company or any of its subsidiaries) and ex-employees of the Company and their dependants or any class or classes of such persons.

The Board may pay, enter into agreements to pay or make grants of revocable or irrevocable, and either subject or not subject to any terms or conditions, pensions or other benefits to employees and ex-employees and their dependants, or to any of such persons, including pensions or benefits additional to those, if any, to which such employees or ex-employees or their dependants are or may become entitled under any such scheme or fund as is mentioned in the previous paragraph. Any such pension or benefit may, as the Board considers desirable, be granted to an employee either before and in anticipation of, or upon, or at any time after, his actual retirement.

Material differences

The Articles contain similar provisions. However, the sanction of an ordinary resolution is required in order for the Board to establish and maintain or procure the establishment and maintenance of any contributory or non-contributory pension or provident or superannuation funds or employee or executive share option schemes for the benefit of, or give or procure the giving of donations, gratuities, pensions, allowances or emoluments to any persons who are or were at any time in the employment or service of the Company, or of any company which is a subsidiary of the Company, or is allied or associated with the Company or with any such subsidiary company, or who are or were at any time directors or officers of the Company or of any such other company as aforesaid, and holding or who have held any salaried employment or office in the Company or such other company, and the wives, widows, families and dependents of any such person.

(viii) Retirement, appointment and removal

Summary

At each annual general meeting, one-third of the Directors for the time being (or if their number is not a multiple of three (3), then the number nearest to but not less than one-third) will retire from office by rotation provided that every Director shall be subject to retirement at least once every three (3) years. The Directors to retire by rotation shall include (so far as necessary to ascertain the number of directors to retire by rotation) any Director who wishes to retire and not to offer himself for re-election. Any further Directors so to retire shall be those who have been longest in office since their last re-election or appointment but as between persons who became or were last re-elected Directors on the same day those to retire will (unless they otherwise agree among themselves) be determined by lot.

Note: There are no provisions relating to retirement of Directors upon reaching any age limit.

The Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or, subject to authorisation by the members of the Company in general meeting, as an addition to the existing Board but so that the number of Directors so appointed shall not exceed any maximum number determined from time to time by the members of the Company in general meeting. Any Director appointed by the Board to fill a casual vacancy shall hold office only until the first general meeting of members of the Company after his appointment and be subject to re-election at such meeting and any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election. Neither a Director nor an alternate Director is required to hold any shares in the Company by way of qualification.

A Director may be removed by an ordinary resolution of the Company before the expiration of his period of office (but without prejudice to any claim which such Director may have for damages under any agreement between him and the Company) provided that the notice of any such meeting convened for the purpose of removing a Director shall contain a statement of the intention to do so and be served on such Director fourteen (14) days before the meeting and, at such meeting, such Director shall be entitled to be heard on the motion for his removal. Unless otherwise determined by the Company in general meeting, the number of Directors shall not be less than two (2). There is no maximum number of Directors unless otherwise determined from time to time by members of the Company in general meeting.

The Board may from time to time appoint one or more of its body to be managing director, joint managing director, or deputy managing director or to hold any other employment or executive office with the Company for such period (subject to their continuance as Directors) and upon such terms as the Board may determine and the Board may revoke or terminate any of such appointments (but without prejudice to any claim for damages that such Director may have against the Company or vice versa). The Board may delegate any of its powers, authorities and discretions to committees consisting of such Director or Directors and other persons as the Board thinks fit, and it may from time to time revoke such delegation or revoke the appointment of and discharge any such committees either wholly or in part, and either as to persons or purposes. Any committee so formed shall, in the exercise of the powers, authorities and discretions so delegated, conform to any regulations that may from time to time be imposed upon it by the Board.

Material differences

The Articles contain similar provision relating to the rotation of Directors at least once every three years, but there is no detailed description of the selecting criteria to select which Directors to retire. Any person appointed by the Shareholders at general meeting as a Director (whether to fill a casual vacancy or as an addition to the Board) shall hold office until the next following annual general meeting. There is no requirement to serve any notice on the Director who will be removed nor is there any provision allowing such Director to be heard on the motion for his removal as these are requirements under the Companies Act only. There is also no provision requiring Shareholders' approval in case of appointment of a person as an addition to the existing Board.

(ix) Disqualification

Summary

The office of a Director shall be vacated if the Director: (i) resigns his office by notice in writing delivered to the Company at the registered office of the Company or tendered at a meeting of the Board; (ii) becomes of unsound mind or dies; (iii) without special leave of absence from the Board, is absent from meetings of the Board for six (6) consecutive months, and his alternate Director, if any, shall not during such period have attended in his stead and the Board resolves that his office be vacated; (iv) becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors; (v) is prohibited by law from being a Director; or (vi) ceases to be a Director by virtue of any provision of the Statutes (as defined in the New Bye-laws) or is removed from office pursuant to the New Bye-laws.

Material differences

The Articles contain similar provisions relating to disqualification of Directors. However, the Articles provide one more situation under which a Director's office shall be vacated. A Director shall be removed from office by notice in writing served upon him signed by not less than three-fourths in number (or, if that is not a round number, the nearest lower round number) of the Directors (including himself) then in office.

Furthermore, under the Articles, a Director's office will also be vacated if, without leave, he is absent from meetings of the Board (unless an alternate Director appointed by him attends in his place) for a continuous period of twelve (12) months and the Board resolves that his office be vacated, which is more lenient than the period of six (6) months as provided for in the New Bye-laws.

(x) *Borrowing powers*

Summary

The Board may from time to time at its discretion exercise all the powers of the Company to raise or borrow money, to mortgage or charge all or any part of the undertaking, property and assets (present and future) and uncalled capital of the Company and, subject to the Companies Act, to issue debentures, bonds and other securities of the Company, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

Note: These provisions, in common with the New Bye-laws in general, can be varied with the sanction of a special resolution of the Company.

Material differences

The Articles contain substantially similar provisions.

(xi) *Quorum of meetings*

Summary

The quorum necessary for the transaction of the business of the Board may be fixed by the Board and, unless so fixed at any other number, shall be two (2). An alternate Director shall be counted in a quorum in the case of the absence of a Director for whom he is the alternate provided that he shall not be counted more than once for the purpose of determining whether or not a quorum is present.

Material differences

The Articles contain similar provisions except that an alternate Director who is an alternate for more than one (1) Director shall for quorum purposes be counted separately in respect of himself (if he is a Director) and in respect of each Director for whom he is an alternate (but so that nothing in such provision shall be construed as authorising a meeting to be constituted when only one person is physically present).

(b) Alterations to constitutional documents*Summary*

The New Bye-laws may be rescinded, altered or amended by the Directors subject to the approval by a resolution of the Directors and the confirmation by a special resolution of the members of the Company. The New Bye-laws state that a special resolution shall be required to alter the provisions of the Memorandum of Continuance or to change the name of the Company.

Material differences

Under the Articles, any alteration to the Memorandum and the Articles requires the sanction of a special resolution of the Company.

(c) Alteration of capital*Summary*

The Company may from time to time by ordinary resolution in accordance with the relevant provisions of the Companies Act:

- (i) increase its capital by such sum, to be divided into shares of such amounts as the resolution shall prescribe;
- (ii) consolidate and divide all or any of its capital into shares of larger amount than its existing shares;
- (iii) divide its shares into several classes and without prejudice to any special rights previously conferred on the holders of existing shares attach thereto any preferential, deferred, qualified or special rights, privileges, conditions or restrictions which, in the absence of any such determination by the Company in general meeting, as the Directors may determine;
- (iv) sub-divide its shares or any of them into shares of smaller amount than is fixed by the Memorandum of Continuance (subject, nevertheless, to the Companies Act), and may by such resolution determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may have any such preferred rights or be subject to any such restrictions as compared with the other or others as the Company has power to attach to unissued or new shares;

- (v) change the currency denomination of its share capital;
- (vi) make provision for the issue and allotment of shares which do not carry any voting rights; and
- (vii) cancel any shares which, at the date of passing of the resolution, have not been taken, or agreed to be taken, by any person, and diminish the amount of its capital by the amount of the shares so cancelled.

The Company may, by special resolution, subject to any confirmation or consent required by law, reduce its authorised or issued share capital or, save for the use of share premium as expressly permitted by the Companies Act, any share premium account or other undistributable reserve.

Material differences

The Articles contain similar provisions save and except that there is no express provision in the Articles authorising the Company to do (iii), (v) and (vi) by way of ordinary resolution. However, it does not necessarily mean that the Company may not do any of (iii), (v) and (vi) as the Directors have general power under the Articles to do all such acts and things that are not by the Articles or by the Companies Law required to be exercised or done in general meeting. The Articles also similarly provide that the Company may also by special resolution reduce its share capital or, any capital redemption reserve subject to any conditions prescribed by Law (as defined in the Articles).

(d) Variation of rights of existing shares or classes of shares

Summary

Subject to the Companies Act, all or any of the special rights attached to the shares or any class of shares may (unless otherwise provided for by the terms of issue of that class) be varied, modified or abrogated either with the consent in writing of the holders of not less than three-fourths of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting the provisions of the New Bye-laws relating to general meetings will *mutatis mutandis* apply, but so that (i) the necessary quorum (other than at an adjourned meeting) shall be two (2) persons (or in the case of a member of the Company being a corporation, its duly authorised representative) holding or representing by proxy not less than one-third in nominal value of the issued shares of that class and at any adjourned meeting two (2) holders present in person (or in the case of a member of the Company

being a corporation, its duly authorised representative) or by proxy (whatever the number of shares held by them) shall be a quorum; and (ii) every holder of shares of the class shall be entitled to one (1) vote for every such share held by him.

Material differences

The Articles contain substantially similar provisions save and except that the necessary quorum for both of any such separate meeting and any adjournment thereof shall be a person or persons together holding (or representing by proxy) not less than one-third in nominal value of the issued shares of that class.

(e) Special resolution – majority required

Summary

A special resolution of the Company must be passed by a majority of not less than three-fourths of the votes cast by such members of the Company as, being entitled so to do, vote in person or, in the case of such members of the Company as are corporations, by their respective duly authorised representatives or, where proxies are allowed, by proxy at a general meeting of which notice of not less than fourteen (14) clear days and not less than ten (10) clear business days has been duly given. Provided that if permitted by the Designated Stock Exchange (as defined in the New Bye-laws), except in the case of an annual general meeting, if it is so agreed by a majority in number of the members of the Company having the right to attend and vote at such meeting, being a majority together representing not less than ninety-five per cent. (95%) of the total voting rights at the meeting of all members of the Company and, in the case of an annual general meeting, if so agreed by all members of the Company entitled to attend and vote thereat, a resolution may be proposed and passed as a special resolution at a meeting of which notice of less than fourteen (14) clear days and less than ten (10) clear business days has been given.

Material differences

The definition of special resolution under the Articles is substantially the same. In the case of a meeting convened for the purpose of passing a special resolution, twenty-one (21) days' notice in writing at the least must be given to all the members of the Company for the time being of the Company specifying the intention to propose the relevant resolution as a special resolution.

(f) Voting rights*Summary*

Subject to any special rights or restrictions as to voting for the time being attached to any shares by or in accordance with the New Bye-laws, at any general meeting on a poll every member of the Company present in person or by proxy or (being a corporation) by its duly authorised representative shall have one (1) vote for every fully paid share of which he is the holder but so that no amount paid up or credited as paid up on a share in advance of calls or installments is treated for the foregoing purposes as paid up on the share.

At any general meeting, a resolution put to the vote of the meeting is to be decided by way of a poll save that the chairman of the meeting may in good faith, allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands.

If a recognised clearing house (or its nominee(s)) is a member of the Company it may authorise such persons as it thinks fit to act as its representative(s) at any meeting of the Company or at any meeting of any class of members of the Company provided that the authorisation shall specify the number and class of shares in respect of which each such representative is so authorised. Each person authorised pursuant to this provision shall be deemed to have been duly authorised without further evidence of the facts and be entitled to exercise the same rights and powers on behalf of the recognised clearing house (or its nominee(s)) as if such person was the registered holder of the shares held by that clearing house (or its nominee(s)) in respect of the number and class of shares specified in the relevant authorisation including, where a show of hands is allowed, the right to vote individually on a show of hands.

Where the Company has any knowledge that any Shareholder is, under the rules of the Designated Stock Exchange (as defined in the New Bye-laws), required to abstain from voting on any particular resolution of the Company or restricted to voting only for or only against any particular resolution of the Company, any votes cast by or on behalf of such Shareholder in contravention of such requirement or restriction shall not be counted.

Material differences

The Articles contain similar provisions save and except that (i) there is no provision in the Articles to disregard payment on shares in advance of calls or instalments, and (ii) a resolution put to the vote of a meeting shall be decided on a show of hands unless voting by way of poll is required by the Listing Rules (as defined in the Articles).

(g) Requirements for annual general meetings*Summary*

An annual general meeting of the Company must be held in each year other than the year in which its statutory meeting is convened at such time (within a period of not more than fifteen (15) months after the holding of the last preceding annual general meeting unless a longer period would not infringe the rules of any Designated Stock Exchange (as defined in the New Bye-laws), if any) and place as may be determined by the Board.

Material differences

Similarly, the Company must hold a general meeting as its annual general meeting in each year and not more than fifteen (15) months (or such longer period as the Exchange (as defined in the Articles) may authorise) shall elapse between the date of one annual general meeting and the next.

(h) Accounts and audit*Summary*

The Board shall cause true accounts to be kept of the sums of money received and expended by the Company, and the matters in respect of which such receipt and expenditure take place, and of the property, assets, credits and liabilities of the Company and of all other matters required by the provisions of the Companies Act or necessary to give a true and fair view of the Company's affairs and to explain its transactions.

The accounting records shall be kept at the registered office of the Company or, subject to the Companies Act, at such other place or places as the Board decides and shall always be open to inspection by any Director. No member of the Company (other than a Director) shall have any right of inspecting any accounting record or book or document of the Company except as conferred by law or authorised by the Board or the Company in general meeting.

Subject to the Companies Act and the New Bye-laws, a printed copy of the Directors' report, accompanied by the balance sheet and profit and loss account, including every document required by law to be annexed thereto, made up to the end of the applicable financial year and containing a summary of the assets and liabilities of the Company under convenient heads and a statement of income and expenditure, together with a copy of the auditors' report, shall be sent to each person entitled thereto at least twenty-one (21) days before the date of the general meeting and at the same time as the notice of annual general meeting and laid before the members of the Company at the annual general meeting in accordance with the requirements of the Companies Act provided that this provision shall not require a copy of those documents to be sent to any person whose address the Company is not aware of or to more than one of the joint holders of any shares or debentures; however, to the extent permitted by and subject to due compliance with all applicable laws, including, without limitation, the rules of the Designated Stock Exchange (as defined in the New Bye-laws), the Company may send to such persons summarised financial statements derived from the Company's annual accounts and the Directors' report instead provided that any such person may by notice in writing served on the Company, demand that the Company sends to him, in addition to summarised financial statements, a complete printed copy of the Company's annual financial statement and the Directors' report thereon.

Subject to the Companies Act, at the annual general meeting or at a subsequent special general meeting in each year, the members of the Company shall appoint an auditor to audit the accounts of the Company and such auditor shall hold office until the members of the Company appoint another auditor. Such auditor may be a member of the Company but no Director or officer or employee of the Company shall, during his continuance in office, be eligible to act as an auditor of the Company. The remuneration of the auditor shall be fixed by the Company in general meeting or in such manner as the members of the Company may determine. The members of the Company may, at any general meeting, by special resolution remove the auditor at any time before the expiration of his term of office and shall by ordinary resolution at that meeting appoint another auditor in his stead for the remainder of his term in accordance with the requirements under the New Bye-laws.

The financial statements of the Company shall be audited by the auditor in accordance with generally accepted auditing standards. The auditor shall make a written report thereon in accordance with generally accepted auditing standards and the report of the auditor shall be submitted to the members of the Company in general meeting. The generally accepted auditing standards referred to herein may be those of a country or jurisdiction other than Bermuda. If the auditing standards of a country or jurisdiction other than Bermuda are used, the financial statements and the report of the auditor should disclose this fact and name such country and jurisdiction.

Material differences

The Articles contain similar provisions. However, except that (i) the books of account shall be kept at the Company's principal place of business in Hong Kong or, subject to the provisions of the Companies Law, at such other place or places as the Board thinks fit, (ii) the auditors of the Company shall hold office until the next annual general meeting but there is no provision governing the removal of auditors generally save and except for removal of auditor appointed by the Board before the first annual general meeting, (iii) the Articles provide that no person may be appointed as the auditor unless he is independent of the Company, and (iv) there is no provision in the Articles governing the auditing standard of the Company.

(i) Convening of general meetings*Summary*

The Board may whenever it thinks fit call special general meetings, and member or members of the Company holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the secretary of the Company, to require a special general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition.

Material differences

The Articles contain similar provisions save and except that (i) such requisition must be made by any two (2) or more members holding not less than one-tenth of the paid up capital of the Company which carries the right of voting at general meetings, or any one (1) member of the Company which is a recognised clearing house holding not less than one-tenth of the paid up capital of the Company which carries the right of voting at general meetings and (ii) the meeting shall not be held after the expiration of three (3) months from the date of deposit of the requisition.

(j) Notices of meetings and business to be conducted thereat*Summary*

An annual general meeting shall be called by notice of not less than twenty-one (21) clear days and not less than twenty (20) clear business days. All other general meeting (including a special general meeting) shall be called by notice of not less than fourteen (14) clear days and not less than ten (10) clear business days (in each case exclusive of the day on which the notice is given or deemed to be given and of the day for which it is given or on which it is to take effect). The notice must specify the time and place of the meeting and, in the case of special business, the general nature of that business. The notice convening an annual general meeting shall specify the meeting as such.

Material differences

The Articles contain similar provisions save and except that an annual general meeting and any extraordinary general meeting called for the passing of a special resolution shall be called by not less twenty-one (21) days' notice; any other extraordinary general meeting shall be called by not less than fourteen (14) days' notice.

(k) Transfer of shares*Summary*

All transfers of shares may be effected in any manner permitted by and in accordance with the rules of the Designated Stock Exchange (as defined in the New Bye-laws) by an instrument of transfer in the usual or common form or in a form prescribed by the Designated Stock Exchange (as defined in the New Bye-laws) or in any other form as the Board may approve and which may be under hand or, if the transferor or transferee is a clearing house or its nominee(s), by hand or by machine imprinted signature or by such other manner of execution as the Board may approve from time to time. The instrument of transfer shall be executed by or on behalf of the transferor and the transferee provided that the Board may dispense with the execution of the instrument of transfer by the transferee in any case which it thinks fit, in its discretion, to do so and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register of members in respect thereof. The Board may also resolve, either generally or in any particular case, upon request by either the transferor or the transferee, to accept mechanically executed transfers.

The Board in so far as permitted by any applicable law may, in its absolute discretion, at any time and from time to time transfer any share upon the principal register to any branch register or any share on any branch register to the principal register or any other branch register.

Unless the Board otherwise agrees, no shares on the principal register shall be transferred to any branch register nor shall shares on any branch register be transferred to the principal register or any other branch register. All transfers and other documents of title shall be lodged for registration and registered, in the case of shares on a branch register, at the relevant Registration Office (as defined in the New Bye-laws) and, in the case of shares on the principal register, at the registered office of the Company in Bermuda or such other place in Bermuda at which the principal register is kept in accordance with the Companies Act.

The Board may, in its absolute discretion, and without giving any reason therefor, refuse to register a transfer of any share (not being a fully paid up share) to a person of whom it does not approve, or any share issued under any share incentive scheme for employees upon which a restriction on transfer imposed thereby still subsists, and it may also refuse to register any transfer of any share to more than four (4) joint holders or any transfer of any share (not being a fully paid up share) on which the Company has a lien.

The Board may decline to recognise any instrument of transfer unless a fee of such maximum sum as any Designated Stock Exchange (as defined in the New Bye-laws) may determine to be payable or such lesser sum as the Directors may from time to time require is paid to the Company in respect thereof, the instrument of transfer, if applicable, is duly and properly stamped, is in respect of only one (1) class of share and is lodged at the relevant Registration Office (as defined in the New Bye-laws) or registered office or such other place in Bermuda at which the principal register is kept in accordance with the Companies Act accompanied by the relevant share certificate(s) and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer (and if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do).

The registration of transfers may be suspended after notice has been given by advertisement in any newspapers in accordance with the requirements of any Designated Stock Exchange (as defined in the New Bye-laws) or by any means in such manner as may be accepted by the Designated Stock Exchange (as defined in the New Bye-laws) to that effect, at such times and for such periods as the Board may determine and either generally or in respect of any class of shares. The registration of transfers of shares shall not be suspended for periods exceeding in the whole thirty (30) days in any year.

Material differences

The Articles contain similar provisions save and except that: (i) there is no provision in the Articles permitting the Board to refuse to register a transfer of share on the grounds that restriction on transfer is imposed under share incentive scheme; (ii) the notice to be given for suspension of registration of transfers is fourteen (14) days; and (iii) the members of the Company may by ordinary resolution extend the suspension period to not more than sixty (60) days in any year.

(I) Power for the Company to purchase its own shares*Summary*

The New Bye-laws supplement the Company's Memorandum of Continuance (which gives the Company the power to purchase its own shares) by providing that the power is exercisable by the Board upon such terms and conditions as it thinks fit, subject to the Companies Act, the Memorandum of Continuance and, where applicable, the rules of any Designated Stock Exchange (as defined in the New Bye-laws) and/or any competent regulatory authority.

Material differences

The Articles provide that subject to the provisions of the Companies Law, and subject to any rights conferred on the holders of any class of shares, the Company shall have power to purchase or otherwise acquire all or any of its own shares provided that the manner of purchase has first been authorised by a resolution of the members of the Company.

(m) Power for any subsidiary of the Company to own shares in the Company*Summary*

There are no provisions in the New Bye-laws relating to ownership of shares in the Company by a subsidiary.

Material differences

Similarly, the Articles do not contain any such provision.

(n) Power for the Company to pay commission in relation to issue of shares*Summary*

The Company may in connection with the issue of any shares exercise all powers of paying commission and brokerage conferred or permitted by the Companies Act. Subject to the Companies Act, the commission may be satisfied by the payment of cash or by the allotment of fully or partly paid shares or partly in one and partly in the other.

Material differences

The Articles contain similar provision but it is additionally provided that the commission shall not exceed 10% of the price at which the shares are issued.

(o) Dividends and other methods of distribution*Summary*

Subject to the Companies Act, the Company in general meeting may declare dividends in any currency to be paid to the members of the Company but no dividend shall be declared in excess of the amount recommended by the Board. The Company in general meeting may also make a distribution to its members out of any contributed surplus (as ascertained in accordance with the Companies Act). No dividend shall be paid or distribution made out of contributed surplus if to do so would render the Company unable to pay its liabilities as they become due or the realisable value of its assets would thereby become less than its liabilities.

Except in so far as the rights attaching to, or the terms of issue of, any share may otherwise provide, (i) all dividends shall be declared and paid according to the amounts paid up on the shares in respect of which the dividend is paid but no amount paid up on a share in advance of calls shall for this purpose be treated as paid up on the share; and (ii) all dividends shall be apportioned and paid *pro rata* according to the amount paid up on the shares during any portion or portions of the period in respect of which the dividend is paid. The Directors may deduct from any dividend or other monies payable to a member of the Company by the Company on or in respect of any shares all sums of money (if any) presently payable by him to the Company on account of calls or otherwise.

Whenever the Board or the Company in general meeting has resolved that a dividend be paid or declared on the share capital of the Company, the Board may further resolve either (i) that such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid up, provided that the Shareholders entitled thereto will be entitled to elect to receive such dividend (or part thereof) in cash in lieu of such allotment, or (ii) that Shareholders entitled to such dividend will be entitled to elect to receive an allotment of shares credited as fully paid up in lieu of the whole or such part of the dividend as the Board may think fit. The Company may also upon the recommendation of the Board by an ordinary resolution resolve in respect of any one particular dividend of the Company that it may be satisfied wholly in the form of an allotment of shares credited as fully paid up without offering any right to Shareholders to elect to receive such dividend in cash in lieu of such allotment.

Whenever the Board or the Company in general meeting has resolved that a dividend be paid or declared the Board may further resolve that such dividend be satisfied wholly or in part by the distribution of specific assets of any kind.

All dividends or bonuses unclaimed for one (1) year after having been declared may be invested or otherwise made use of by the Board for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. All dividends or bonuses unclaimed for six (6) years after having been declared may be forfeited by the Board and shall revert to the Company.

Material differences

The Articles contain substantially similar provisions save and except that there is no reference to contributed surplus which is distributable under the laws of Bermuda only and the satisfaction of a dividend wholly or in part by the distribution of specific assets of any kind requires the sanction of members in general meeting.

(p) Proxies*Summary*

Any member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint another person as his proxy to attend and vote instead of him. A member of the Company who is the holder of two (2) or more shares may appoint more than one (1) proxy to represent him and vote on his behalf at a general meeting of the Company or at a class meeting. A proxy need not be a member of the Company. In addition, a proxy or proxies representing either a member who is an individual or a member which is a corporation shall be entitled to exercise the same powers on behalf of the member which he or they represent as such member could exercise.

Material differences

The Articles contain substantially similar provisions.

(q) Call on shares and forfeiture of shares*Summary*

Subject to the New Bye-laws and to the terms of allotment, the Board may from time to time make calls upon the members of the Company in respect of any monies unpaid on the shares held by them respectively (whether on account of the nominal value of the shares or by way of premium). A call may be made payable either in one lump sum or by installments. If the sum payable in respect of any call is not paid on or before the day appointed for payment thereof, the person or persons from whom the sum is due shall pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate not exceeding twenty per cent. (20%) per annum as the Board may determine, but the Board may waive payment of such interest wholly or in part. The Board may, if it thinks fit, receive from any member of the Company willing to advance the same, either in money or money's worth, all or any part of the monies uncalled and unpaid or installments payable upon any shares held by him, and upon all or any of the monies so advanced the Company may pay interest at such rate (if any) as the Board may decide.

If a member of the Company fails to pay any call on the day appointed for payment thereof, the Board may serve not less than fourteen (14) clear days' notice on him requiring payment of so much of the call as is unpaid, together with any interest which may have accrued and which may still accrue up to the date of actual payment and stating that, in the event of non-payment at or before the time appointed, the shares in respect of which the call was made will be liable to be forfeited.

If the requirements of any such notice are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.

Such forfeiture will include all dividends and bonuses declared in respect of the forfeited share and not actually paid before the forfeiture.

A person whose shares have been forfeited shall cease to be a member of the Company in respect of the forfeited shares but shall, notwithstanding, remain liable to pay to the Company all monies which, at the date of forfeiture, were payable by him to the Company in respect of the shares, together with (if the Board shall in its discretion so require) interest thereon from the date of forfeiture until the date of actual payment at such rate not exceeding twenty per cent. (20%) per annum as the Board determines.

Material differences

The Articles contain substantially similar provisions to the New Bye-laws save and except that (i) the interest rate shall not exceed fifteen per cent. (15%) per annum; and (ii) the notice requiring payment should also state to whom the payment required by the notice is to be made.

(r) Inspection of register of members

Summary

The principal register and branch register of members of the Company shall be open to inspection between 10:00 a.m. and 12:00 noon during business hours by members of the public without charge at the registered office or such other place in Bermuda at which the register is kept in accordance with the Companies Act, unless the register is closed in accordance with the New Bye-laws and the Companies Act. The principal register and branch register may be closed for inspection at such times or for such periods not exceeding in the whole thirty (30) days in each year as the Board may determine and either generally or in respect of any class of shares.

Material differences

Under the Articles any register of members held in Hong Kong shall during normal business hours (subject to such reasonable restrictions the Board may impose) be open to inspection by members of the Company without charge and any other person on payment of such fee not exceeding HK\$2.50 (or such higher amount as may from time to time be permitted under the Listing Rules) as the Board may determine for each inspection.

Except when a register is closed, the principal register and any branch register shall during business hours be kept open to the inspection of any member without charge, subject to such reasonable restrictions as the Company in general meeting may impose, but so that not less than two (2) hours in each business day is to be allowed for inspections. Fourteen (14) days' notice shall be given for the closure of the register for inspection. The members of the Company may by ordinary resolution determine that a register is closed for a period longer than thirty (30) days provided that such period shall not be extended beyond sixty (60) days in any year.

(s) Quorum for meetings and separate class meetings*Summary*

For all purposes the quorum for a general meeting shall be two (2) members of the Company present in person or (in the case of a member of the Company being a corporation) by its duly authorised representative or by proxy and entitled to vote. In respect of a separate class meeting (other than an adjourned meeting) convened to sanction the modification of class rights the necessary quorum shall be two (2) persons (or in the case of a member of the Company being a corporation, its duly authorised representative) holding or representing by proxy not less than one-third in nominal value of the issued shares of that class and at any adjourned meeting of such holders, two (2) holders present in person or (in the case of a member of the Company being a corporation) its duly authorised representative or by proxy (whatever the number of shares held by them) shall be a quorum.

Material differences

The Articles contain similar provisions save and except that the necessary quorum of any such separate meeting and of any adjournment thereof shall be a person or persons together holding (or representing by proxy) at the date of the relevant meeting not less than one-third in nominal value of the issued shares of that class.

(t) Rights of the minorities in relation to fraud or oppression*Summary*

There are no provisions in the New Bye-laws relating to rights of minority Shareholders in relation to fraud or oppression. However, certain remedies are available to Shareholders under the laws of Bermuda.

Material differences

The Articles contain no provisions specifically dealing with such rights of minority Shareholders.

(u) Procedures on liquidation*Summary*

A resolution that the Company be wound up by the court or be wound up voluntarily shall be a special resolution.

If the Company shall be wound up (whether the liquidation is voluntary or by the court) the liquidator may, with the authority of a special resolution and any other sanction required by the Companies Act, divide among the members of the Company in specie or kind the whole or any part of the assets of the Company whether the assets shall consist of property of one kind or shall consist of properties of different kinds and the liquidator may, for such purpose, set such value as he deems fair upon any one or more class or classes of property to be divided as aforesaid and may determine how such division shall be carried out as between the members of the Company or different classes of members of the Company. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of members of the Company as the liquidator, with the like authority, shall think fit, and the liquidation of the Company shall be closed and the Company dissolved but so that no contributory shall be compelled to accept any shares or other property in respect of which there is a liability.

Material differences

The Articles contain substantially similar provisions to the New Bye-laws.

(v) Untraceable members*Summary*

The Company may sell any of the shares of a member of the Company who is untraceable if (i) all cheques or warrants (being not less than three (3) in total number) for any sum payable in cash to the holder of such shares have remained uncashed for a period of twelve (12) years before the date of publication of the advertisement referred to in (iii) in this paragraph; (ii) upon the expiry of the period of twelve (12) years before the date of publication of the advertisement referred to in (iii) in this paragraph, so far as it is aware at the end of such period, the Company has not during that time received any indication of the existence of the member of the Company by death, bankruptcy or operation of law; and (iii) the Company has caused an advertisement to be published in accordance with the rules of the Designated Stock Exchange (as defined in the New Bye-laws) giving notice of its intention to sell such shares and a period of three (3) months, or such shorter period as may be permitted by the Designated Stock Exchange (as defined in the New Bye-laws), has elapsed since such advertisement and the Designated Stock Exchange (as defined in the New Bye-laws) has been notified of such intention. The net proceeds of any such sale shall belong to the Company and upon receipt by the Company of such net proceeds, it shall become indebted to the former member of the Company for an amount equal to such net proceeds.

Material differences

The Articles contain substantially similar provisions save and except that there is no specification on how to count the period of twelve (12) years. The Articles contain an additional condition under which the Company can sell the shares of an untraceable member, being that during the period of twelve (12) years, at least three (3) dividends in respect of the shares in question have become payable and no dividend during that period has been claimed by the member.

(w) Indemnity*Summary*

The Directors, secretary and other officers and every auditor for the time being of the Company and the liquidator or trustees (if any) for the time being acting in relation to any of the affairs of the Company and every one of them, and every one of their heirs, executors and administrators, shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them, their or any of their heirs, executors or administrators, shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, in their respective offices or trusts.

Material differences

The Articles provide a narrower indemnity in that every Director, auditor or other officer of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities incurred or sustained by him as a director, auditor or other officer of the Company in defending any proceedings, whether civil or criminal, in which judgment is given in his favour, or in which he is acquitted.



China Regenerative Medicine International Limited
中國再生醫學國際有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8158)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (“EGM”) of China Regenerative Medicine International Limited (“**Company**”) will be held at Rooms 3006-10, 30/F, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong on Monday, 12 October 2020 at 2:30 p.m. for the purpose of considering and, if thought fit, passing the following resolutions as special resolutions of the Company with or without amendment(s):

SPECIAL RESOLUTIONS

1. **“THAT:**
 - (i) subject to obtaining all necessary governmental and regulatory consents, the change of the domicile of the Company (the “**Change of Domicile**”) from the Cayman Islands to Bermuda by way of de-registration as a company under the laws of the Cayman Islands and continuation of the Company as an exempted company under the laws of Bermuda be and is hereby approved;
 - (ii) conditional upon the continuance of the Company in Bermuda as an exempted company under the laws of Bermuda, the memorandum of continuance (a copy of which has been produced to the EGM marked “**A**” and signed by the chairman of the EGM for the purpose of identification) be and is hereby adopted in substitution for the memorandum of association of the Company, effective from the date that the memorandum of continuance is approved and registered by the Registrar of Companies in Bermuda;
 - (iii) conditional upon the continuance of the Company in Bermuda as an exempted company under the laws of Bermuda, the bye-laws of the Company (a copy of which has been produced to the EGM marked “**B**” and signed by the chairman of the EGM for the purpose of identification) be and is hereby adopted in substitution for the articles of association of the Company, effective from the date that the memorandum of continuance is approved and registered by the Registrar of Companies in Bermuda;

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- (iv) conditional upon the continuance of the Company in Bermuda as an exempted company under the laws of Bermuda, the maximum number of directors of the Company (the “**Directors**”) shall, for the time being, be fixed at twenty (20) and the Directors be and are hereby authorised to fill any vacancies on the board of Directors and to appoint additional Directors up to the maximum number determined herein or such other maximum number as may be determined from time to time by members of the Company in general meeting and to appoint alternate Directors at their discretion; and
 - (v) any one Director be and are hereby authorised to do all such acts and things and execute all such documents on behalf of the Company, including under seal where applicable, as they may consider necessary or expedient to give effect to or in connection with the Change of Domicile.”
2. “**THAT** subject to the passing of the special resolution numbered 1 above, the Change of Domicile (as defined in the special resolution numbered 1 above) becoming effective and compliance with the requirements of Section 46(2) of the Companies Act 1981 of Bermuda:
- (i) the entire amount standing to the credit of the share premium account of the Company as at the day of passing this resolution be reduced to nil and transferred to an account designated as the contributed surplus account of the Company (the “**Reduction of Share Premium Account**”);
 - (ii) the account designated as the contributed surplus account of the Company shall be the contributed surplus account of the Company within the meaning of the Companies Act 1981 of Bermuda (the “**Contributed Surplus Account**”) upon the Change of Domicile (as defined in the special resolution numbered 1 above) becoming effective and the amount standing to the credit of such designated account shall continue to stand to the credit of the Contributed Surplus Account upon the Change of Domicile becoming effective; and
 - (iii) any one Director be and are hereby authorised to do all such acts and things and execute all such documents on behalf of the Company, including under seal where applicable, as they may consider necessary or expedient to give effect to or in connection with the Reduction of Share Premium Account.”

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3. “**THAT** subject to the passing of (i) the special resolution numbered 1 above, the Change of Domicile (as defined in the special resolution numbered 1 above) becoming effective; (ii) The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, the New Shares (as defined below) to be issued upon the Capital Reorganisation (as defined below) becoming effective and the New Shares (as defined below) which may fall to be allotted and issued upon exercise of the share options outstanding and to be granted under the share option scheme of the Company; and (iii) compliance with the requirements of Section 46(2) of the Companies Act 1981 of Bermuda, with effect from the 21st day (if it is not a business day, the immediately following business day) (Hong Kong time) after the effective date of the Change of Domicile:
- (i) the issued share capital of the Company be reduced through a cancellation of the paid-up capital of the Company to the extent of HK\$0.19 on each of the then issued shares (the “**Capital Reduction**”) such that the nominal value of each issued share be and is reduced from HK\$0.20 (each such issued share, a “**Share**”) to HK\$0.01 (each such reduced Share, a “**New Share**”);
 - (ii) subject to and forthwith upon the Capital Reduction taking effect, each of the authorised but unissued Shares of HK\$0.20 each be sub-divided into 20 New Shares of HK\$0.01 each (the “**Share Subdivision**”, together with the Capital Reduction, the “**Capital Reorganisation**”);
 - (iii) the credits arising from the Capital Reduction be transferred to the Contributed Surplus Account (as defined in the special resolution numbered 2 above);
 - (iv) the amount as may from time to time standing to the credit of the Contributed Surplus Account be applied to set off the accumulated losses of the Company from time to time by the amount of such credit or be applied in any other manner as may be permitted under the bye-laws of the Company and all applicable laws of Bermuda (including paying dividend or making any other distribution out of the Contributed Surplus Account) from time to time without further authorisation from the shareholders of the Company and all such actions in relation thereto be approved, ratified and confirmed; and

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- (v) any one Director be and are hereby authorised to do all such acts and things and execute all such documents on behalf of the Company, including under seal where applicable, as they may consider necessary or expedient to give effect to or in connection with the Capital Reorganisation.”

By order of the Board

China Regenerative Medicine International Limited
Wang Chuang

Chairman, Chief Executive Officer and Executive Director

Hong Kong, 18 September 2020

Notes:

1. Any shareholder of the Company entitled to attend and vote at the above meeting may appoint one or, if he is the holder of two or more Shares, more than one proxy to attend and to vote in his stead. A proxy need not be a shareholder of the Company.
2. Where there are joint registered holders of any share, any one such person may vote at the EGM, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at the EGM personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof.
3. In order to be valid, the form of proxy duly completed and signed in accordance with the instructions printed thereon together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof must be delivered to the office of the Company's Hong Kong branch share registrar and transfer office, Union Registrars Limited at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof.
4. The register of members of the Company will be closed from Wednesday, 7 October 2020 to Monday, 12 October 2020 (both days inclusive), during which period no transfer of Shares of the Company will be registered. In order to determine the entitlement of shareholders of the Company to attend and vote at the EGM, all transfers of shares accompanied by the relevant share certificates must be lodged at the Company's Hong Kong branch share registrar and transfer office, Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong for registration not later than 4:00 p.m. on Tuesday, 6 October 2020.
5. Delivery of a form of proxy shall not preclude a member from attending and voting in person at the EGM and in such event, the form of proxy shall be deemed to be revoked.
6. If Typhoon Signal No. 8 or above, or a "black" rainstorm warning or extreme conditions caused by super typhoons is in effect in Hong Kong any time after 11:30 a.m. on the date of the EGM, the EGM will be postponed. The Company will publish an announcement on the website of the Company at www.crimi.hk and on the GEM website of the Stock Exchange at www.hkgem.com.hk to notify shareholders of the date, time and venue of the rescheduled meeting.

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7. In light of the ongoing outbreak of coronavirus (“COVID-19”) and in the best interest of protecting the health of shareholders and other attendees who will attend the EGM, special precautionary measures will be implemented by the Company, the details of which are as follows:
- (i) all attendees are required to wear self-prepared surgical mask at all times during their attendance of the EGM;
 - (ii) all attendees are required to use hand sanitizer gel before entry and compulsory body temperature checks will be conducted before being given access to the EGM venue;
 - (iii) seat arrangement will be given at the EGM venue to maintain an appropriate social distance and the number of attendees at the EGM will be limited according to the latest regulations announced by the government;
 - (iv) there will be no corporate gift or souvenir distributed and no refreshment will be served at the EGM; and
 - (v) should any attendee refuse to comply with any of the abovementioned measures, the Company reserves the right to deny access of such attendee to the EGM venue.

Shareholders are strongly encouraged to appoint the chairman of the EGM as their proxy to vote according to their indicated voting instructions as an alternative to attending the EGM in person.

Subject to the development of COVID-19, the Company may implement further changes and precautionary measures and may issue further announcement(s) on such measures as and when appropriate.