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**If you have sold or transferred** all your shares in Kimou Environmental Holding Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser(s) or transferee(s) or to the bank, stockbroker or licensed securities dealer or other agents through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

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**Kimou Environmental Holding Limited**

**金茂源環保控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 6805)**

**PROPOSALS FOR GENERAL MANDATES TO ISSUE AND  
REPURCHASE SHARES,  
RE-ELECTION OF RETIRING DIRECTORS,  
PROPOSED ADOPTION OF NEW MEMORANDUM AND  
ARTICLES OF ASSOCIATION  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the Annual General Meeting of Kimou Environmental Holding Limited to be held at Conference Room, Longhua Road, Longxi Street, Boluo County, Huizhou City, Guangdong Province, the People's Republic of China at 10:00 a.m. on Friday, 27 May 2022 or any adjournment thereof is set out on pages AGM-1 to AGM-7 of this circular.

A form of proxy for use at the Annual General Meeting is also enclosed. Such form of proxy is also published on the website of The Stock Exchange of Hong Kong Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.platingbase.com](http://www.platingbase.com)). Whether or not you are able to attend the meeting, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon to the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time of the Annual General Meeting (i.e. by 10 a.m. on Wednesday, 25 May 2022 (Hong Kong time)) or any adjournment thereof. Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the meeting or any adjournment thereof if they so wish and in such case, the form of proxy previously submitted shall be deemed to be revoked.

27 April 2022

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## DEFINITIONS

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

“Annual General Meeting” or “AGM”	the annual general meeting of the Company to be held at Conference Room, Longhua Road, Longxi Street, Boluo County, Huizhou City, Guangdong Province, the People’s Republic of China at 10:00 a.m. on Friday, 27 May 2022 or any adjournment thereof, the notice of which is set out on pages AGM-1 to AGM-7 of this circular
“Articles of Association” or “Articles”	the articles of association of the Company as amended from time to time
“associate”	has the same meaning as defined under the Listing Rules
“Board”	the board of Directors
“Cayman Companies Act”	the Companies Act of the Cayman Islands
“CG Code”	Corporate Governance Code, Appendix 14 to the Listing Rules
“Company”	Kimou Environmental Holding Limited, a company incorporated in the Cayman Islands with limited liability, whose Shares are listed on the Main Board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Extension Mandate”	a general and unconditional mandate proposed to be granted to the Directors at the AGM to the effect that any Shares repurchased under the Repurchase Mandate will be added to the total number of Shares which may be allotted and issued under the General Mandate
“General Mandate”	general and unconditional mandate proposed to be granted to the Directors to exercise the power to allot, issue or otherwise deal with new Shares up to a maximum of 20% of the total number of issued Shares of the Company as at the date of passing of the relevant resolution at the Annual General Meeting
“Group”	the Company and its subsidiaries
“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

## DEFINITIONS

“Latest Practicable Date”	21 April 2022, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Memorandum of Association” or “Memorandum”	the memorandum of association of the Company currently in force
“New Memorandum and Articles of Association”	the amended and restated memorandum and articles of association of the Company incorporating and consolidating all the Proposed Amendments
“PRC”	the People’s Republic of China
“Proposed Amendments”	the proposed amendments to the Memorandum and Articles as set out in Appendix III to this circular
“Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors at the AGM to enable them to repurchase Shares, the aggregate number of Shares of which shall not exceed 10% of the number of issued shares of the Company as at the date of passing the relevant resolution at the Annual General Meeting
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) of nominal value of HK\$0.1 each in the share capital of the Company
“Shareholder(s)” or “Member(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“%”	per cent.

LETTER FROM THE BOARD



**Kimou Environmental Holding Limited**

**金茂源環保控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 6805)**

*Executive Directors:*

Mr. Zhang Lianghong (*Chairman of the Board*)  
Mr. Zhu Heping (*Chief Executive Officer*)  
Mr. Lee Yuk Kong  
Mr. Huang Shaobo

*Registered office:*

Campbells Corporate Services Limited  
Floor 4, Willow House  
Cricket Square, Grand Cayman  
KY1-9010, Cayman Islands

*Independent Non-Executive Directors:*

Mr. Li Xiaoyan  
Mr. Li Yinquan  
Mr. Kan Chung Nin, Tony *SBS, JP*

*Principal place of business in the PRC:*

Longhua Road, Longxi Street  
Boluo County  
Huizhou City  
Guangdong Province, the PRC

*Principal place of business in Hong Kong:*

Unit E&F, 5/F.  
Hung Cheong Factory Building  
3 Kwong Cheung Street  
Cheung Sha Wan, Kowloon, Hong Kong

27 April 2022

*To the Shareholders*

Dear Sir or Madam

**PROPOSALS FOR GENERAL MANDATES TO ISSUE AND  
REPURCHASE SHARES,  
RE-ELECTION OF RETIRING DIRECTORS  
AND  
PROPOSED ADOPTION OF NEW MEMORANDUM AND  
ARTICLES OF ASSOCIATION**

**INTRODUCTION**

The purpose of this circular is to provide the Shareholders with the notice of the Annual General Meeting and to provide you with information regarding the resolutions to be put forward at the Annual General Meeting. Resolutions to be put forward at the Annual General Meeting include, inter alia: (i) ordinary resolutions on the proposed grant to the Directors of

## LETTER FROM THE BOARD

each of the General Mandate, the Repurchase Mandate and the Extension Mandate; and (ii) ordinary resolutions relating to the proposed re-election of the Directors; and (iii) special resolution on adoption of the New Memorandum and Articles of Association.

### **GRANT OF GENERAL MANDATE, REPURCHASE MANDATE AND EXTENSION MANDATE**

In order to ensure greater flexibility and give discretion to the Directors in the event that it becomes desirable for the Company to issue new Shares, approval is to be sought from the Shareholders, pursuant to the Listing Rules, for the proposed General Mandate to issue Shares. An ordinary resolution will be proposed at the Annual General Meeting to grant to the Directors a General Mandate to exercise the powers of the Company to allot, issue and otherwise deal with new Shares up to a maximum of 20% of the total number of issued Shares of the Company as at the date of the passing of the resolution in relation to such General Mandate. As at the Latest Practicable Date, the Company had 1,120,000,000 Shares in issue. Subject to the passing of the relevant resolution and on the basis that there is no change to the number of issued Shares during the period between the Latest Practicable Date and the date of the Annual General Meeting, the Company will be allowed to issue a maximum of 224,000,000 Shares. The Directors wish to state that they have no immediate plans to issue any new Shares pursuant to such general mandate, other than Shares which may fall to be allotted and issued upon the exercise of any options granted under the share option scheme of the Company.

In addition, an ordinary resolution will be proposed at the Annual General Meeting to approve the grant to the Directors of the Repurchase Mandate to exercise the powers of the Company to repurchase Shares, representing up to 10% of the total number of Shares in issue as at the date of the passing of the resolution in relation to the Repurchase Mandate.

In addition, an ordinary resolution will be proposed at the Annual General Meeting to approve the grant to the Directors of the Extension Mandate to increase the total number of Shares which may be allotted and issued under the General Mandate by an additional number representing such number of Shares repurchased under the Repurchase Mandate.

Each of the General Mandate, the Repurchase Mandate and the Extension Mandate will expire at the earliest of: (a) the conclusion of the next annual general meeting of the Company following the Annual General Meeting; (b) the date by which the next annual general meeting is required by the Cayman Companies Act or the Articles of Association to be held; or (c) when the authority given to the Directors thereunder is revoked or varied by ordinary resolution(s) of the Shareholders in a general meeting prior to the next annual general meeting of the Company.

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

## **LETTER FROM THE BOARD**

### **RE-ELECTION OF RETIRING DIRECTORS**

In accordance with Article 16.18 of the Articles of Association, Mr. Huang Shaobo, Mr. Li Yinquan and Mr. Kan Chung Nin, Tony shall retire from their offices as Directors at the Annual General Meeting. Mr. Huang Shaobo, Mr. Li Yinquan and Mr. Kan Chung Nin, Tony being eligible, will offer themselves for re-election at the Annual General Meeting. The details of Mr. Huang Shaobo, Mr. Li Yinquan and Mr. Kan Chung Nin, Tony are set out in Appendix I to this circular.

On 25 March 2022, the Board, having reviewed the Board's composition and noted that Mr. Huang Shaobo, being executive director and Mr. Li Yinquan and Mr. Kan Chung Nin, Tony, being independent non-executive directors are eligible for nomination and re-election under the Articles of Association and the Company's policy for nomination of Directors, resolved to make recommendations on the re-election of the above Directors by the Shareholders at the Annual General Meeting.

The recommendations on re-election were made in accordance with the Company's policy for nomination of Directors and took into account the diversity aspects (including, without limitation, the Company's specific business needs, gender, age, nationality, skills, language, cultural and educational background as well as industry and professional experience) under the board diversity policy of the Company.

### **SELECTION CRITERIA AND PROCEDURE FOR NOMINATION OF DIRECTORS**

The Board established the Nomination Committee with written terms of reference in compliance with the CG Code. The Nomination Committee is responsible for reviewing and assessing the structure, size and composition of the Board and the independence of the independent non-executive directors and making recommendations to the Board on appointment and removal of directors.

#### **Selection criteria**

In recommending candidates for appointment to the Board, the Nomination Committee will consider candidates on merits against objective criteria and with due regards to the benefits of diversity on the Board in accordance with the board diversity policy adopted by the Company. Diversity of the Board will be considered from a number of perspectives, including but not limited to gender, age, cultural and educational background, industry experience, technical and professional skills and/or qualifications, knowledge, length of services and time to be devoted as a director. The Company will also take into account factors relating to its own business model and specific needs from time to time. The ultimate decision will be based on merits and contribution that the selected candidates will bring to the Board.

## **LETTER FROM THE BOARD**

### **Nomination procedures**

When considering the appointment or re-appointment of directors, the Nomination Committee will consider various factors including the background, experience and qualification of the proposed candidates to ensure that the proposed candidates possess the requisite experience, characters and integrity to act as a director, and other criteria with regard to the benefits of diversity, including but not limited to gender, age, cultural and educational background, or professional experience and taking into account the Group's business model and specific needs, as set out in the board diversity policy adopted by the Company.

### **RECOMMENDATION OF THE NOMINATION COMMITTEE**

Mr. Li Yinquan and Mr. Kan Chung Nin, Tony, the retiring independent non-executive directors, have met the independence criteria pursuant to Rule 3.13 of the Listing Rules. Moreover, each of Mr. Li Yinquan and Mr. Kan Chung Nin, Tony has given an annual confirmation of independence to the Company. With due consideration of the above factors, the Board believes that Mr. Li Yinquan and Mr. Kan Chung Nin, Tony are independent.

In view of the diversified knowledge, experience and skills of each of Mr. Huang Shaobo, Mr. Li Yinquan and Mr. Kan Chung Nin, Tony in their educational background, finance and banking, legal and accounting professional experience, the Board believes that their expertise will enable them to fulfill their roles as executive and independent non-executive directors effectively, provide useful and constructive opinion and make contribution to the Board and the development of the Company.

Based on the diversified background of Mr. Huang Shaobo, Mr. Li Yinquan and Mr. Kan Chung Nin, Tony, including but not limited to cultural and educational background, ethnicity, professional experience, skills and knowledge, it is believed that Mr. Huang Shaobo, Mr. Li Yinquan and Mr. Kan Chung Nin, Tony can contribute to diversity of the Board.

Having considered the above aspects and in view of the contribution that Mr. Huang Shaobo, Mr. Li Yinquan and Mr. Kan Chung Nin, Tony have made and will make to the Board, their re-election will be in the best interests of the Company and its shareholders as a whole.



## LETTER FROM THE BOARD

### PROPOSED AMENDMENTS OF THE MEMORANDUM AND ARTICLES OF ASSOCIATION

Reference is made to the announcement of the Company dated 21 April 2022 in respect of, among others, the Proposed Amendments.

The Board proposes to make the Proposed Amendments to the Memorandum and Articles of Association to be in line with the latest legal and regulatory requirements, including the amendments made to Appendix 3 to the Listing Rules which took effect on 1 January 2022. In view of the proposed changes, the Board proposes to adopt the New Memorandum and Articles of Association in substitution for, and to the exclusion of, the existing Memorandum and Articles of Association. A summary of the major areas of the Proposed Amendments are set out below:

- (1) to update the definition of “Law” to bring it in line with the Companies Act, Cap. 22 (Act 3 of 1961, as consolidated and revised) of the Cayman Islands (“Act”);
- (2) to add the definition of “close associate”, and making corresponding changes to the relevant provisions (including the provision providing that a Director shall not vote (nor be counted in the quorum) on any Board resolution approving any contract or arrangement or any other proposal in which he or any of his close associates is materially interest);
- (3) to delete the provision in relation to the Company’s purchases of redeemable shares not made through the market or by tender;
- (4) to provide that the respective period of (i) the closure of the register(s) of members for inspection and (ii) the suspension for the registration of transfers of shares in any year may be extended with the approval of the Shareholders by ordinary resolution in that year provided that such period shall not be extended beyond sixty days (or such other period as may be prescribed under applicable law) in any year;
- (5) to provide that the Company must hold an annual general meeting in each financial year and such annual general meeting must be held within six months after the end of the Company’s financial year;
- (6) to provide that an annual general meeting of the Company must be called by notice of not less than twenty-one days, while all other general meetings (including an extraordinary general meeting) may be called by notice of not less than fourteen days but if permitted by the Listing Rules, a general meeting may be called by shorter notice, subject to the Act if it is so agreed under the circumstances set out in the new articles of association;

## LETTER FROM THE BOARD

- (7) to provide that the Board shall have the power to provide in every notice calling a general meeting the circumstances in which a postponement or change of the relevant general meeting may occur automatically without further notice including, without limitation, where a tropical cyclone warning signal number 8 or above, black rainstorm warning or other similar event is in force at any time prior to or at the time of the general meeting on the day of the general meeting;
- (8) to provide that all Shareholders shall have the right to (i) speak at a general meeting of the Company; and (ii) vote at a general meeting of the Company, except where a Shareholder is required, by the Listing Rules or the rules, codes or regulations of any competent regulatory authority, to abstain from voting to approve the matter under consideration;
- (9) to allow instruments of proxy to be returned to the Company by electronic means;
- (10) to extend the right of a clearing house (or its nominee(s)) in authorising representative(s) to act at any meeting of creditors if the clearing house is a creditor of the Company;
- (11) to provide that any Director appointed by the Board to fill a casual vacancy on the Board or as an addition to the existing Board shall hold office until the first annual general meeting of the Company after his appointment and shall then be eligible for re-election;
- (12) to provide that Directors may participate in any meeting of the Shareholders or any class thereof by means of a conference telephone, electronic or other communications equipment and such participation shall constitute presence at a meeting as if those participating were present in person;
- (13) to update the provision providing the circumstances under which a Director is not prohibited from voting (or being 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 is materially interested, in accordance with the requirements under Rule 13.44 of the Listing Rules, following the repeal of the relevant requirements in Appendix 3 to the Listing Rules;
- (14) to update the provision governing any loan, guarantee or security to be provided by the Company to a Director or his close associates in accordance with the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), following the modification of the definition of “associate” to “close associate”;
- (15) to clarify that (i) the appointment of the auditor of the Company shall be by way of an ordinary resolution and (ii) the remuneration of the auditor of the Company shall be fixed by ordinary resolution;
- (16) to provide that the Shareholders may approve the removal of the auditor of the Company at any time before the expiration of his term of office by way of an ordinary resolution;

## LETTER FROM THE BOARD

- (17) to update the provision regarding the appointment of the auditor of the Company to fill any casual vacancy in the office of the auditor of the Company to include in the event that Shareholders have failed to appoint or re-appoint the auditor, and that any such auditor appointed shall hold office until the next following annual general meeting of the Company and shall then be subject to appointment by the Shareholders;
- (18) to clarify that the Board's power to present a petition to the court for the Company to be wound up is subject to the approval of the Shareholders by way of a special resolution;
- (19) to add the definition of "financial year" and provide that the financial year end of the Company shall be 31 of December in each year, unless otherwise determined by the Directors from time to time; and
- (20) to update and tidy up definitions and other references, and to make consequential amendments in line with the above amendments and other house-keeping amendments.

Details of the Proposed Amendments are set out in Appendix III to this circular.

The proposed adoption of the New Memorandum and Articles of Association is subject to the approval of the Shareholders by way of a special resolution at the Annual General Meeting, and will become effective upon the approval by the Shareholders at the AGM.

The legal advisers to the Company as to Hong Kong laws have confirmed that the Proposed Amendments conform with the requirements of the Listing Rules and the legal advisers to the Company as to the laws of the Cayman Islands have confirmed that the Proposed Amendments do not violate the applicable laws of the Cayman Islands. The Company confirms that there is nothing unusual about the Proposed Amendments for a company listed on the Stock Exchange.

The Proposed Amendments and the New Memorandum and Articles of Association are prepared in the English language. The Chinese translation thereof is for reference only and in case there are any inconsistencies between the English version and the Chinese version, the English version shall prevail.

### **CLOSURE OF REGISTER OF MEMBERS**

For determining the entitlement to attend and vote at the Annual General Meeting, the register of members of the Company will be closed from Tuesday, 24 May 2022 to Friday, 27 May 2022, both days inclusive, during which period no share transfers can be registered.

In order to be eligible for attending and voting at the Annual General Meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Monday, 23 May 2022.

## **LETTER FROM THE BOARD**

### **NOTICE OF ANNUAL GENERAL MEETING**

Set out on pages AGM-1 to AGM-7 of this circular is the Notice of the Annual General Meeting at which ordinary resolutions will be proposed to the Shareholders to consider and approve, inter alia, (i) the grant to the Directors of the General Mandate, Repurchase Mandate and Extension Mandate; and (ii) the re-election of the retiring Directors; and a special resolution on (iii) the proposed adoption of the New Memorandum and Articles of Association.

### **FORM OF PROXY**

A form of proxy is enclosed for use at the Annual General Meeting. Such form of proxy is also published on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.platingbase.com](http://www.platingbase.com)). Whether or not you intend to be present at the Annual General Meeting, you are requested to complete the form of proxy and return it to the Company's Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time fixed for the holding of the Annual General Meeting (i.e. by 10 a.m. on Wednesday, 25 May 2022 (Hong Kong time)) or any adjournment thereof. Completion and delivery of the form of proxy will not preclude Shareholders from attending and voting at the Annual General Meeting or any adjournment if they so wish, and in such case, the form of proxy previously submitted shall be deemed to be revoked.

### **VOTING BY POLL**

Pursuant to Rule 13.39(4) of the Listing Rules and Article 13.5 of the Articles of Association, any vote of shareholders at a general meeting must be taken by poll except where the chairman of the meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter as prescribed under the Listing Rules to be voted on by a show of hands.

On a poll, every Shareholder present in person or by proxy or (being a corporation) by its duly authorised representative shall have one vote for each share registered in his/her/its name in the register. A Shareholder entitled to more than one vote needs not use all his/her/its votes or cast all the votes he/she/it uses in the same way. As at the Latest Practicable Date, to the extent the Company is aware, having made all reasonable enquires, no Shareholder has to abstain from voting on any of the proposed resolutions. The results of the poll will be published on the websites of the Company and the Stock Exchange on the date of the Annual General Meeting.

## LETTER FROM THE BOARD

### RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. 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.

### RECOMMENDATION

The Directors consider that the proposed resolutions for the granting to the Directors of the General Mandate, Repurchase Mandate and Extension Mandate, the re-election of the Directors and the proposed adoption of the New Memorandum and Articles of Association to be proposed at the Annual General Meeting are in the interests of the Group and the Shareholders as a whole. The Directors therefore recommend the Shareholders to vote in favour of all the resolutions to be proposed at the Annual General Meeting.

Yours faithfully  
By order of the Board  
**Kimou Environmental Holding Limited**  
**Zhang Lianghong**  
*Chairman*

*The following are the biographical details of the Directors (as required by the Listing Rules) proposed to be re-elected at the Annual General Meeting.*

#### **Executive Director**

**Mr. Huang Shaobo (黃少波)**, aged 57, is an executive Director and financial controller of the Group. Mr. Huang is responsible for financial planning and corporate development of the Group. Mr. Huang has over 28 years of experience in accounting, asset appraisal as well as mergers and acquisitions advisory. Prior to joining the Group, Mr. Huang held executive positions of several audit and asset appraisal firms in the PRC and as corporate advisors of the PRC or Hong Kong branch of several multinational companies from June 1993 to October 2015, responsible for managerial and corporate advisory. Since January 2001, Mr. Huang has been serving as independent certified asset appraiser of Dexin Asset Appraisal Firm\* (惠州德信資產評估事務所), responsible for independent audit work and asset appraisals.

Mr. Huang received his diploma in management from Shanxi Fashion Institute of Technology\* (陝西紡織服裝職業技術學院) (formerly known as Shanxi Textile Industry University\* (陝西省紡織工業公司職工大學) in July 1986. In December 2001 and May 1997, Mr. Huang was accredited as a certified public accountant by the Chinese Institute of Certified Public Accountants and as certified appraiser by the Chinese Appraisal Society, respectively.

Mr. Huang has not at any time during the three years preceding the Latest Practicable Date served nor is currently serving as a director of any other listed companies in Hong Kong or overseas.

Mr. Huang has entered into a service contract with the Company for a term of three years commencing from 1 July 2019, subject to termination by either party giving not less than three months' written notice. Mr. Huang shall hold office until this Annual General Meeting and is subject to retirement from office and re-election at this Annual General Meeting and thereafter shall be subject to retirement by rotation and re-election at the Company's Annual General Meetings in accordance with the Articles of Associations. Mr. Huang is entitled to an annual remuneration of HK\$500,000. The remuneration is determined by the remuneration committee of the Company with reference to the remuneration policy, his duties and the prevailing market level of remuneration for executives of similar position.

As at the Latest Practicable Date, Mr. Huang was interested in 27,530,000 Shares which are registered in the name of Dakson Assets Management Limited, the entire issued share capital of which was owned by Mr. Huang. Save as disclosed herein, Mr. Huang did not have any interests in the Shares of the Company within the meaning of Part XV of the SFO, nor was he related to any other Directors, senior management or substantial or controlling shareholders (as defined in the Listing Rules) of the Company as at the Latest Practicable Date.

Save as disclosed above, there is no other information related to Mr. Huang that need to be disclosed pursuant to the requirements of Rules 13.51(2) of the Listing Rules nor other matters that need to be brought to the attention of the Shareholders and the Stock Exchange.

**Independent Non-executive Directors**

**Mr. Li Yinquan** (李引泉), aged 66, is an independent non-executive Director and chairman of the audit committee of the Board. Mr. Li was appointed as independent non-executive director of the Company on 18 June 2019. He is responsible for providing independent advice to our Board.

Mr. Li has extensive experience in the finance and banking industry. Mr. Li has been serving as a director of China Merchants Group and China Merchants Capital Investment Co., Ltd. since June 2014, a director of China Merchants Port Holdings Company Limited (formerly known as China Merchants Holdings (International) Company Limited) (a company listed on the Main Board of the Stock Exchange (stock code: 144)) from June 2001 to March 2015 and as a non-executive director of China Merchants Bank Co., Ltd. (a company listed on the Main Board of the Stock Exchange (stock code: 3968) and the Shanghai Stock Exchange (stock code: 600036)) from April 2001 to June 2016, Mr. Li was an executive director of China Merchants China Direct Investments Limited (a company listed on the Main Board of the Stock Exchange (stock code: 133)) from July 2008 to April 2017, he has also been serving as an independent non-executive director of Genertec Universal Medical Group Company Limited (formerly known as Universal Medical Financial and Technical Advisory Services Company Limited) (a company listed on the Main Board of the Stock Exchange (stock code: 2666)) since June 2015, and has also been serving as an independent non-executive director of Million Cities Holdings Limited (a company listed on the Main Board of the Stock Exchange (stock code: 2892)) and Hong Kong Shanghai Alliance Holdings Limited (a company listed on the Main Board of the Stock Exchange (stock code: 1001)) since June 2018 and July 2018 respectively, and was appointed as an independent non-executive director of China Everbright Bank Company Limited (a company listed on the Main Board of the Stock Exchange (stock code: 6818) and the Shanghai Stock Exchange (stock code: 601818)) since June 2020. Mr. Li served as an independent Director of Lizhi Inc. (a company listed on the Global Market of the NASDAQ (stock code: LIZI)) from January 2020 to June 2021.

Prior to serving as a director of various listed companies, Mr. Li worked for China Merchants Group from January 2000 to March 2015. During that period, Mr. Li served as general manager of the Financial Department, Chief Financial Officer and vice president of China Merchants Group, respectively. He was in charge of the Group's finance, financial services, information technology and human resources. Mr. Li has also worked with the Agricultural Bank of China from December 1985 to December 1999, where he held senior positions in various divisions at the Beijing headquarter as well as New York and Hong Kong offices of the bank.

During his tenure of serving Hong Kong listed companies, Mr. Li performed duties including supervising the listed companies' financial management and reviewing and analysing audited financial statements of listed companies, and was involved in various types of transactions governed by the Listing Rules. Mr. Li has gained relevant experience in, including but not limited to, (i) review and preparation of comparable and/or audited financial statements of Hong Kong listed companies; (ii) review of internal control systems; and (iii) analysis of

financial statements and information of Hong Kong listed companies. Moreover, Mr. Li is well experienced in collaborating and dealing with internal and external auditors regarding the supervision of internal financial controls and the auditing of financial statements.

Mr. Li received his bachelor's degree in economics from Shanxi Institute of Finance and Economics (陝西財經學院) in July 1983. He subsequently obtained his master's degree in economics from the PBC School of Finance, Tsinghua University (清華大學五道口金融學院) (formerly known as Graduate School of the People's Bank of China (中國人民銀行研究生部)) in July 1986. In October 1988, Mr. Li obtained his master's degree in banking and finance for development from Finafrica Institute in Milan, Italy. In August 1989, he was accredited as senior economist by the Appraisal and Approval Committee for Professional & Technical Qualification of the Agricultural Bank of China.

Save as disclosed above, Mr. Li does not hold any job position in the Company or its subsidiaries.

Save as disclosed above, Mr. Li did not hold any directorships in other listed public companies in Hong Kong or overseas in the last three years.

Mr. Li does not have any relationship with other Directors, senior management, or substantial or controlling Shareholders of the Company.

Mr. Li has entered into a letter of appointment with the Company for a term of three years commencing from 16 July 2019 to 15 July 2022, subject to termination by either party by giving not less than three months' written notice and the retirement by rotation requirement in accordance with the Articles of Association and the Listing Rules. Mr. Li is entitled to an annual remuneration of HK\$300,000. The director's fee of Mr. Li has been determined by the Board with reference to his duties and responsibilities.

As at the Latest Practicable Date, Mr. Li did not have any interest in Shares or underlying Shares of the Company or its associated corporations within the meaning of Part XV of the SFO.

Save as disclosed above, there is no other information related to Mr. Li that need to be disclosed pursuant to the requirements of Rules 13.51(2) of the Listing Rules nor other matters that need to be brought to the attention of the Shareholders and the Stock Exchange.

**Mr. Kan Chung Nin, Tony (簡松年)**, *SBS, JP*, aged 71, is an independent non-executive Director, chairman of the remuneration committee, member of the audit committee and nomination committee of the Board. Mr. Kan was appointed as an independent non-executive director on 18 June 2019. He is responsible for providing independent advice to the Board.

Mr. Kan has extensive experience in legal practice. Prior to joining the Group, Mr. Kan founded Tony Kan & Co., Solicitors & Notaries in March 1984 and became the senior consultant in April 2014. Mr. Kan has been practising as a solicitor in Hong Kong since March 1982.



Mr. Kan has been serving as independent non-executive directors of Man Wah Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code: 1999) since May 2013 and Shenzhen Investment Holdings Bay Area Development Company Limited (formerly known as Hopewell Highway Infrastructure Limited), a company listed on the Main Board of the Stock Exchange (stock code: 0737) since April 2018, respectively. Mr. Kan served as non-executive director as well as chairman of the board of Midland IC&I Limited, a company listed on the Main Board of the Stock Exchange (stock code: 459) since October 2016 to October 2019. Mr. Kan has served as independent non-executive director of Nameson Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code: 1982) since January 2016. Mr. Kan has also served as vice chairman of the board of directors of DBG Technology Co., Ltd. (惠州光弘科技股份有限公司), a company listed on the ChiNext Market of the Shenzhen Stock Exchange (stock code: 300735) since December 2017.

Mr. Kan received his bachelor in law degree from University of London in 1979 and Postgraduate Certificate in Laws from The University of Hong Kong in 1980.

Mr. Kan is currently a committee member of the National Committee of the Chinese People's Political Consultative Conference (中國人民政治協商會議全國委員會). Mr. Kan served as director of China Overseas Friendship Association (中華海外聯誼會) and vice president of Guangdong Overseas Friendship Association (廣東海外聯誼會).

Mr. Kan served as member of the election committee of the chief executive of Hong Kong from December 2011 to 2021, and is an ex-officio member of the election committee of Hong Kong Special Region since 2021, the Justice of the Peace since July 2003 and council member of Hong Kong Sha Tin District Council from 1985 to 2011. Mr. Kan has also been serving as the founding chairman and later simultaneously as chief president of the Association of Hong Kong Professionals from 2015 and currently as standing vice chairman of the Federation of Hong Kong Guangdong Community Organisations.

Mr. Kan has been awarded the Silver Bauhinia Star by the government of Hong Kong.

Save as disclosed above, Mr. Kan does not hold any job position in the Company or its subsidiaries.

Save as disclosed above, Mr. Kan did not hold any directorships in other listed public companies in Hong Kong or overseas, in the last three years.

Mr. Kan does not have any relationship with other Directors, senior management, or substantial or controlling Shareholders of the Company.

Mr. Kan has entered into a letter of appointment with the Company for a term of three years commencing from 16 July 2019 to 15 July 2022, subject to termination by either party by giving not less than three months' written notice and the retirement by rotation requirement in accordance with the Articles of Association and the Listing Rules. Mr. Kan is entitled to an annual remuneration of HK\$300,000. The director's fee of Mr. Kan has been determined by the Board with reference to his duties and responsibilities.

As at the Latest Practicable Date, Mr. Kan did not have any interest in Shares or underlying Shares of the Company or its associated corporations within the meaning of Part XV of the SFO.

Save as disclosed above, there is no other information related to Mr. Kan that need to be disclosed pursuant to the requirements of Rules 13.51(2) of the Listing Rules nor other matters that need to be brought to the attention of the Shareholders and the Stock Exchange.

*The following is an explanatory statement required to be sent to the Shareholders under the Listing Rules, to provide the Shareholders with all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the ordinary resolution to approve the grant of the Repurchase Mandate to the Directors.*

**LISTING RULES RELATING TO THE REPURCHASE OF SHARES**

The Listing Rules permit companies whose primary listings are on the Stock Exchange to repurchase their securities on the Stock Exchange and any other stock exchange on which securities of the company are listed and such exchange is recognised by the Securities and Futures Commission of Hong Kong subject to certain restrictions. Among such restrictions, the Listing Rules provide that the shares of such company must be fully paid up and all repurchases of shares by such company must be approved in advance by an ordinary resolution of shareholders, either by way of a general mandate or by specific approval of a particular transaction.

**SHARE CAPITAL**

As at the Latest Practicable Date, the Company had 1,120,000,000 Shares in issue. Subject to the passing of the resolution granting the Repurchase Mandate and on the basis that there is no change to the number of issued Shares before the Annual General Meeting, the Company will be allowed to repurchase a maximum of 112,000,000 Shares which represent 10% of the total number of Shares in issue as at the date of the passing of the resolution.

**REASONS OF THE REPURCHASE**

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

**FUNDING OF THE REPURCHASE**

The Company is empowered by its memorandum and articles of association to repurchase its Shares. In buying back Shares, the Company may only apply funds legally available for such purpose in accordance with its memorandum and articles of association and laws of the Cayman Islands and the Listing Rules. A listed company may not repurchase its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange. The laws of the Cayman Islands and the Articles of Association provide that payment for a share repurchase may only be made out of profits or the proceeds of a new issue of Shares made for such purpose or subject to the Cayman Companies Act, out of capital of the Company. The amount of premium payable on the repurchase of Shares may only be paid out of either the profits or out of the share premium of the Company or subject to the Cayman Companies Act, out of capital of the Company. In addition, under the laws of the Cayman Islands, payment out of capital by a company for the

purchase by a company of its own shares is unlawful unless immediately following the date on which the payment is proposed to be made, the Company shall be able to pay its debts as they fall due in the ordinary course of business.

### **IMPACT OF REPURCHASES**

The Directors propose that any of such repurchase of Shares would be appropriately financed by the Company's internal resources and/or available banking facilities. The Directors consider that if the Repurchase Mandate is to be exercised in full at the current prevailing market value, it may have a material adverse impact on the working capital and the gearing position of the Company, as compared with the positions disclosed in the audited consolidated financial statements of the Company as at 31 December 2021, being the date to which the latest published audited consolidated financial statements of the Company were made up. However, the Directors do not intend to exercise the Repurchase Mandate to repurchase Shares to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

### **DIRECTORS, THEIR CLOSE ASSOCIATES AND CORE CONNECTED PERSONS**

None of the Directors nor, to the best of their knowledge, having made all reasonable enquiries, any of their respective close associates, as defined in the Listing Rules, currently intend to sell any Shares to the Company or its subsidiaries under the Repurchase Mandate, if the same is approved by the Shareholders.

No connected person, as defined in the Listing Rules, of the Company has notified the Company that he/she/it has a present intention to sell any Shares to the Company, or has any such connected person undertaken not to do so, in the event that the grant of Repurchase Mandate to the Directors is approved by the Shareholders.

### **UNDERTAKING**

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the power of the Company to make repurchases under the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of Cayman Islands and in accordance with the regulations set out in the memorandum of association of the Company and the Articles of Association.

### **EFFECT OF THE TAKEOVERS CODE**

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

As of the Latest Practicable Date, the largest Shareholder, Flourish Investment International Limited directly held 493,270,000 Shares, representing approximately 44.04% of the total number of Shares in issue. To the best knowledge of our Company, Flourish Investment International Limited is a company incorporated in the British Virgin Islands with limited liability. The issued share capital of Flourish Investment International Limited is wholly-owned by Mr. Zhang Lianghong. For the purpose of the SFO, Mr. Zhang Lianghong is deemed to have an interest in the Shares held by Flourish Investment International Limited. In the event that the Directors exercise in full the power of the Company to repurchase Shares pursuant to the Repurchase Mandate, the shareholding interests of Mr. Zhang Lianghong and Flourish Investment International Limited would increase from approximately 44.04% to approximately 48.94%. Flourish Investment International Limited and Mr. Zhang Lianghong may be obliged to make a mandatory offer under Rule 26 of the Takeovers Code. The Directors have no present intention to exercise the Repurchase Mandate to such an extent so as to give rise to such obligation. Save as aforesaid, the Directors are not aware of any consequences which would arise under the Takeovers Code as a result of any repurchase of Shares pursuant to the Repurchase Mandate.

In addition, the Directors do not have any intention to exercise the Repurchase Mandate to the effect that it will result in the public float to fall below the percentage as required under the Listing Rules or such other minimum percentage agreed by the Stock Exchange from time to time.

#### SHARE REPURCHASE MADE BY THE COMPANY

The Company repurchased and cancelled a total of 200,000 Shares at an aggregate consideration of approximately HK\$185,700,000 during the six months preceding the Latest Practicable Date. The details of Share repurchase are as follows:

<b>Date</b>	<b>Number of shares repurchased</b>	<b>Highest price per share (HK\$)</b>	<b>Lowest price per share (HK\$)</b>	<b>Total paid (HK\$)</b>
13 December 2021	70,000	0.90	0.88	62,000.00
20 December 2021	62,000	0.93	0.92	57,240.00
30 December 2021	8,000	0.88	0.93	7,240.00
20 January 2022	50,000	1.04	1.00	50,720.00
12 April 2022	10,000	0.90	0.84	8,500.00

Saved as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the six months immediately preceding the Latest Practicable Date.

**SHARE PRICES**

The highest and lowest traded prices for Shares recorded on the Stock Exchange during each of the previous 12 months up to the Latest Practicable Date were as follows:

<b>Month</b>	<b>Highest traded price <i>HK\$</i></b>	<b>Lowest traded price <i>HK\$</i></b>
<b>2021</b>		
April	0.91	0.77
May	0.88	0.81
June	0.93	0.87
July	0.97	0.82
August	1.02	0.93
September	1.18	0.85
October	1.03	0.80
November	0.87	0.67
December	0.93	0.81
<b>2022</b>		
January	1.05	0.93
February	1.06	0.80
March	0.98	0.79
April (up to the Latest Practicable Date)	0.92	0.74

*The following are the Proposed Amendments to the existing Memorandum and Articles of Association brought about by the adoption of the New Memorandum and Articles of Association.*

Unless otherwise specified, clauses, paragraphs and article numbers referred to herein are clauses, paragraphs and article numbers of the existing Memorandum and Articles of Association.

## THE MEMORANDUM OF ASSOCIATION

### General amendments

- (i) Replacing all references to the words “the Companies Law (2018 Revision)” with “the Companies Act (As Revised)” wherever they appear in the Memorandum.

## THE ARTICLES OF ASSOCIATION

### General amendments

- (i) Replacing all references to the defined term “Law” with “Act” wherever they appear in the Articles.

### Specific amendments

#### Article

#### No. Proposed amendments showing changes to the existing Articles

1. The regulations in Table A in the First Schedule to the Companies ~~Act~~Law shall not apply to the Company.
- 2.2 In these Articles, unless there be something in the subject or context inconsistent therewith:

“adjourned meeting(s)” shall mean a general meeting adjourned in accordance with Article 13.4.

“close associate” ~~shall have the meaning given to it in the Listing Rules. In relation to any Director, shall have the same meaning as defined in the Listing Rules, except that for the purposes of Article 16.22 where the transaction or arrangement to be approved by the Board is a connected transaction or arrangement to be approved by the Board 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.~~

**Article****No. Proposed amendments showing changes to the existing Articles**

<u>“Communication Facilities”</u>	<u>shall mean technology by which natural persons are capable of hearing and being heard by each other, and if the Directors so determine in respect of any general meeting of the members, the functional equivalent for those with no or impaired hearing</u>
“Companies <del>Law</del> Act”	shall mean the Companies Act <del>Law</del> (20182021 Revision), Cap. 22 of the Cayman Islands and any amendments thereto or re-enactments thereof for the time being in force and includes every other law incorporated therewith or substituted therefor.
“dividend”	shall include bonus dividend and distributions permitted by the Companies Act <del>Law</del> to be categorized as dividends.
“electronic”	shall have the meaning given to it in the Electronic Transactions Act <del>Law</del> .
“Electronic Transactions Act <del>Law</del> ”	shall mean the Electronic Transactions Act <del>Law</del> (2003 Revision) of the Cayman Islands and any amendment thereto or re-enactments thereof for the time being in force and includes every other law incorporated therewith or substituted therefor.
<u>“financial year”</u>	<u>shall have the meaning ascribed to it under Article 34.</u>
<u>“postponed meeting(s)”</u>	<u>shall mean a general meeting postponed in accordance with Article 12.4A.</u>



**Article****No. Proposed amendments showing changes to the existing Articles**“Present”

means, in respect of any person, such person’s presence at a general meeting of members, which may be satisfied by means of such person or, in the case of a member being a corporation, its duly authorized representative (or, in the case of any member, a proxy which has been validly appointed by such member in accordance with these Articles), being: (a) physically present at the venue specified in the notice convening the meeting; or (b) in the case of any meeting at which Communications Facilities are permitted in accordance with these Articles, including any Virtual Meeting, connected by Communication Facilities in accordance with procedures specified in the notice convening such general meeting; and “Presence” shall be construed accordingly.

...

“special resolution”

shall have the same meaning as ascribed thereto in the Companies Act~~Law~~ and shall include a unanimous written resolution of all members: for this purpose, the requisite majority shall be not less than three-fourths of the votes of such members as, being entitled to do so, vote in person or, where proxies are allowed, by proxy or, in the case of corporations, by their duly authorised representatives, at a general meeting of which notice specifying the intention to propose the resolution as a special resolution has been duly given, and includes a special resolution passed pursuant to Article 13.10.

“Virtual Meeting”

means any general meeting of the members at which the members (and any other permitted participants of such meeting, including without limitation the Chairman and any Directors) are permitted to be Present solely by means of Communications Facilities.

**Article****No. Proposed amendments showing changes to the existing Articles**

- 2.3 Subject as aforesaid, any words defined in the Companies Act~~Law~~ shall, if not inconsistent with the subject and/or context, bear the same meanings in these Articles.
- 2.6 Sections 8 and 19(3) of the Electronic Transactions Act~~Law~~ shall not apply.
- 3.2 Subject to the provisions of these Articles and to any direction that may be given by the Company in general meeting and without prejudice to any special rights conferred on the holders of any existing shares or attaching to any class of shares, any share may be issued with or have attached thereto such preferred, deferred, qualified or other special rights or restrictions, whether in regard to dividend, voting, return of capital or otherwise, and to such persons at such times and for such consideration as the Board may determine. Subject to the Companies Act~~Law~~ and to any special rights conferred on any members or attaching to any class of shares, any share may, with the sanction of a special resolution, be issued on terms that it is, or at the option of the Company or the holder thereof is, liable to be redeemed. No shares shall be issued to bearer.
- 3.4 If at any time the share capital of the Company is divided into different classes of shares, all or any of the rights attached to any class of shares for the time being issued (unless otherwise provided for in the terms of issue of the shares of that class) may, subject to the provisions of the Companies Act~~Law~~, be varied or abrogated with the consent in writing of the holders of not less than three-fourths in nominal value of the issued shares of that class or with the sanction of a special resolution passed at a separate meeting of the holders of shares of that class. To every such separate meeting all the provisions of these Articles relating to general meetings shall mutatis mutandis apply, but so that the quorum for the purposes of any such separate meeting and of any adjournment thereof shall be a person or persons together holding (or representing by proxy or duly authorised representative) at the date of the relevant meeting not less than one-third in nominal value of the issued shares of that class.

**Article****No. Proposed amendments showing changes to the existing Articles**

- 3.7 Subject to the Companies Act~~Law~~, or any other law or so far as not prohibited by any law or the Listing Rules and subject to any rights conferred on the holders of any class of shares, the Company shall have the power to purchase or otherwise acquire any of its own shares (which expression as used in this Article includes redeemable shares) provided that the manner of purchase has first been authorised by a resolution of the members, and to purchase or otherwise acquire warrants for the subscription or purchase of its own shares, and shares and warrants for the subscription or purchase of any shares in any company which is its holding company and may make payment therefor in any manner authorised or not prohibited by law, including out of capital, or to give, directly or indirectly, by means of a loan, a guarantee, a gift, an indemnity, the provision of security or otherwise howsoever, financial assistance for the purpose of or in connection with a purchase or other acquisition made or to be made by any person of any shares or warrants in the Company or any company which is a holding company of the Company and should the Company purchase or otherwise acquire its own shares or warrants neither the Company nor the Board shall be required to select the shares or warrants to be purchased or otherwise acquired rateably or in any other manner as between the holders of shares or warrants of the same class or as between them and the holders of shares or warrants of any other class or in accordance with the rights as to dividends or capital conferred by any class of shares provided always that any such purchase or other acquisition or financial assistance shall only be made in accordance with any relevant code, rules or regulations issued by the Exchange or the Securities and Futures Commission of Hong Kong from time to time in force.
- 3.10 Subject to the provisions of the Companies ~~Act~~Law and the Memorandum, and to any special rights conferred on the holders of any shares or attaching to any class of shares, shares may be issued on the terms that they may be, or at the option of the Company or the holders are, liable to be redeemed on such terms and in such manner, including out of capital, as determined by a special resolution.
- 3.11 ~~Where the Company purchases or redeems any of its shares, purchases or redemption not made through the market or by tender shall be limited to a maximum price, and if purchases are by tender, tenders shall be available to all members alike. [Reserved]~~
- 3.14 Subject to the provisions of the Companies Act~~Law~~, the Memorandum and these Articles relating to new shares, the unissued shares in the Company (whether forming part of its 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 and for such consideration, and upon such terms, as the Board shall determine.

**Article****No. Proposed amendments showing changes to the existing Articles**

- 3.15 The Company may, unless prohibited by law, at any time pay a commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares in the Company or procuring or agreeing to procure subscriptions (whether absolute or conditional) for any shares in the Company, but so that the conditions and requirements of the Companies Act~~Law~~ shall be observed and complied with, and in each case the commission shall not exceed 10% of the price at which the shares are issued.
- 4.1 The Board shall cause to be kept at such place within or outside the Cayman Islands as it deems fit a principal register of the members and there shall be entered therein the particulars of the members and the shares issued to each of them and other particulars required under the Companies Act~~Law~~.
- 4.4 Notwithstanding anything contained in this Article 4, the Company shall as soon as practicable and on a regular basis record in the principal register all transfers of shares effected on any branch register and shall at all times maintain the principal register in such manner as to show at all times the members for the time being and the shares respectively held by them, in all respects in accordance with the Companies Act~~Law~~.
- 4.5 For so long as any shares are listed on the Exchange, title to such listed shares may be evidenced and transferred in accordance with the Listing Rules that are or shall be applicable to such listed shares. The register of members maintained by the Company in respect of such listed shares (whether the principal register or a branch register) may be kept by recording the particulars required by Section 40 of the Companies Act~~Law~~ in a form otherwise than legible (provided it is capable of being reproduced in a legible form) if such recording otherwise complies with the Listing Rules that are or shall be applicable to such listed shares.

**Article****No. Proposed amendments showing changes to the existing Articles**

- 4.8 The register may, ~~on 10 business days' after notice (or on 6 business days' notice in the case of a rights issue) being given by advertisement published on the Exchange's website, or, subject to~~ in accordance with the requirements of the Listing Rules and the applicable law, ~~by electronic communication in the manner in which notices may be served by the Company by electronic means as herein provided or by advertisement published in the newspapers,~~ be closed at such times and for such periods as the Board may from time to time determine, either generally or in respect of any class of shares, provided that the register shall not be closed for more than 30 days in any year (or such longer period as the members may by ordinary resolution in that year determine provided that such period shall not be extended beyond 60 days in any year). The Company shall, on demand, furnish any person seeking to inspect the register or part thereof which is closed by virtue of these Articles with a certificate under the hand of the Secretary stating the period for which, and by whose authority, it is closed. In the event that there is an alteration of book closure dates, the Company shall give at least 5 business days' notice in accordance with the procedures set out in this Article.
- 4.10 In lieu of, or apart from, closing the register pursuant to other provisions in these Articles, the Board may fix in advance a date as the record date for any such determination of members entitled to receive notice of, or to vote at any general meeting of the members, ~~or any adjournment thereof~~ or any postponed meeting, or for the purpose of determining the members entitled to receive payment of any dividend or distribution, or in order to make a determination of members for any other purpose.
- 4.11 Every person whose name is entered as a member in the register shall be entitled to receive, within any relevant time limit as prescribed in the Companies Act ~~Law~~ or as the Exchange may from time to time determine, whichever is shorter, and subject to payment of any fees which may be payable pursuant to Article 7.8, after allotment or lodgement of transfer, or within such other period as the conditions of issue shall provide, one certificate for all his shares of each class or, if he shall so request, in a case where the allotment or transfer is of a number of shares in excess of the number for the time being forming an Exchange board lot, such numbers of certificates for shares in Exchange board lots or multiples thereof as he shall request and one for the balance (if any) of the shares in question, provided that, in respect of a share or shares held jointly by several persons, the Company shall not be bound to issue a certificate or certificates to each such person, and the issue and delivery of a certificate or certificates to one of several joint holders shall be sufficient delivery to all such holders. All certificates for shares shall be delivered personally or sent through the post addressed to the member entitled thereto at his registered address as appearing in the register.

**Article****No. Proposed amendments showing changes to the existing Articles**

- 10.1 The Company may from time to time by ordinary resolution:
- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares. On any consolidation of fully paid shares and division into shares of larger amount, the Board may settle any difficulty which may arise as it thinks expedient and in particular (but without prejudice to the generality of the foregoing) may as between the holders of shares to be consolidated determine which particular shares are to be consolidated into each consolidated share, and if it shall happen that any person shall become entitled to fractions of a consolidated share or shares, such fractions may be sold by some person appointed by the Board for that purpose and the person so appointed may transfer the shares so sold to the purchaser thereof and the validity of such transfer shall not be questioned, and so that the net proceeds of such sale (after deduction of the expenses of such sale) may either be distributed among the persons who would otherwise be entitled to a fraction or fractions of a consolidated share or shares rateably in accordance with their rights and interests or may be paid to the Company for the Company's benefit;
  - (b) cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled subject to the provisions of the Companies Act~~Law~~; and
  - (c) sub-divide its shares or any of them into shares of smaller amount than is fixed by the Memorandum of Association of the Company, subject nevertheless to the provisions of the Companies Act~~Law~~, and so that the resolution whereby any share is sub-divided may 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 or other special rights, over, or may have such deferred rights or be subject to any such restrictions as compared with the others as the Company has power to attach to unissued or new shares.
- 10.2 The Company may by special resolution reduce its share capital or any capital redemption reserve in any manner authorised and subject to any conditions prescribed by the Companies Act~~Law~~.
- 11.5 The Board shall cause a proper register to be kept, in accordance with the provisions of the Companies Act~~Law~~, of all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of the Companies Act~~Law~~ in regard to the registration of mortgages and charges therein specified and otherwise.

**Article****No. Proposed amendments showing changes to the existing Articles**

- 12.1 The Company ~~must~~ shall hold a general meeting as its annual general meeting in each ~~financial year other than the year of the Company's adoption of these Articles, within a period of not more than 15 months after the holding of the last preceding annual general meeting or not more than 18 months after the date of adoption of these Articles (or such longer period as the Exchange may authorise).~~ Such meeting must be held within six months after the end of the Company's financial year. The annual general meeting shall be specified as such in the notices calling it and shall be held at such time and place as the Board shall appoint.
- 12.2 All general meetings other than annual general meetings shall be called extraordinary general meetings. All general meetings (including an annual general meeting, any adjourned meeting or postponed meeting) may be held in any part of the world as may be determined by the Board.
- 12.3 The Board may, whenever it thinks fit, convene an extraordinary general meeting. General meetings shall also be convened on the written requisition of any ~~one~~ two or more members deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office specifying the objects of the meeting and signed by the requisitionists, provided that such requisitionists held as at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company which carries the right of voting at general meetings of the Company. General meetings may also be convened on the written requisition of any one member which is a recognised clearing house (or its nominee(s)) deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office specifying the objects of the meeting and signed by the requisitionist, provided that such requisitionist held as at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company which carries the right of voting at general meetings of the Company. If the Board does not within 21 days from the date of deposit of the requisition proceed duly to convene the meeting to be held within a further 21 days, the requisitionist(s) themselves or any of them representing more than one-half of the total voting rights of all of them, may convene the general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Board provided that any meeting so convened shall not be held after the expiration of three months from the date of deposit of the requisition, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to them by the Company.

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12.4 An annual general meeting shall be called by not less than 21 days' notice in writing and any extraordinary general meeting shall be called by not less than 14 days' notice in writing. Subject to the requirement under the Listing Rules, the notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the time, place (except in the case of a Virtual Meeting), and agenda of the meeting, particulars of the resolutions and the general nature of the business to be considered at the meeting. The notice convening an annual general meeting shall specify the meeting as such, and the notice convening a meeting to pass a special resolution shall specify the intention to propose the resolution as a special resolution. Notice of every general meeting shall be given to the Auditors and to all members other than such as, under the provisions hereof or the terms of issue of the shares they hold, are not entitled to receive such notice from the Company.

If the Directors so determine in respect of a specific general meeting or all general meetings of the Company, Presence at the relevant general meeting may be by means of Communication Facilities. In addition, the Directors may determine that any general meeting may be held as a Virtual Meeting and this shall be specified in the notice of meeting. The notice of any general meeting at which Communication Facilities may be utilized (including any Virtual Meeting) must set forth the Communications Facilities that will be used, including the procedures to be followed by any member or other participant of the general meeting utilizing such Communication Facilities.

12.4A The Board shall have the power to provide in every notice calling a general meeting the circumstances in which a postponement or change of the relevant general meeting may occur automatically without further notice including, without limitation, where a tropical cyclone warning signal number 8 or above, black rainstorm warning or other similar event is in force at any time prior to or at the time of the general meeting on the day of the general meeting. This Article shall be subject to the following:

(a) when a meeting is so postponed, the Company shall endeavour to post a notice of such postponement on the Company's website as soon as practicable (provided that failure to post such a notice shall not affect the automatic postponement of a meeting):



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- (b) when a meeting is postponed or changed in accordance with this Article, subject to and without prejudice to Article 13.4, unless already specified in the original notice of the meeting, the Board shall fix the date, time, place (if applicable) and electronic facilities (if applicable) for the postponed or changed meeting and shall notify the members of such details in such manner as the Board may determine; further all proxy forms shall be valid (unless revoked or replaced by a new proxy) if they are received as required by these Articles not less than 48 hours before the time of the postponed meeting; and
- (c) Notice of the business to be transacted at the postponed or changed meeting shall not be required, nor shall any accompanying documents be required to be recirculated, provided that the business to be transacted at the postponed or changed meeting is the same as that set out in the original notice of general meeting circulated to the members.

- 13.1 For all purposes the quorum for a general meeting shall be two members ~~present in person (or in the case of a corporation, by its duly authorised representative) or by proxy~~ provided always that if the Company has only one member of record the quorum shall be that one member ~~present in person or by proxy~~. No business (except the appointment of a Chairman) shall be transacted at any general meeting unless the requisite quorum shall be ~~present~~ at the commencement of the business.
- 13.2 If within 15 minutes from the time appointed for the meeting a quorum is not ~~present~~, the meeting, if convened upon the requisition of members, shall be dissolved, but in any other case it shall stand adjourned to the same day in the next week and at such time and place as shall be decided by the Board, and if at such adjourned meeting a quorum is not ~~present~~ within 15 minutes from the time appointed for holding the meeting, the member or members ~~present in person (or in the case of a corporation, by its duly authorised representative) or by proxy~~ shall be a quorum and may transact the business for which the meeting was called.
- 13.3 The chairman of the board of Directors shall take the chair at every general meeting, or, if there be no such chairman or, if at any general meeting such chairman shall not be ~~present~~ within 15 minutes after the time appointed for holding such meeting or is unwilling to act, the Directors ~~present~~ shall choose another Director as Chairman. The Chairman of any general meeting shall be entitled to participate at any such general meeting by Communication Facilities, in which event the following provisions shall apply:

- (a) he shall be deemed to be Present at the general meeting; and

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(b) if the Communication Facilities fail to enable the Chairman of the general meeting to hear and be heard by other persons participating in that meeting constituting at least a quorum as provided for in these Articles, in the reasonable opinion of that Chairman, then any Director or person nominated by the Directors shall preside as Chairman, failing which the members Present shall chose any person Present to be Chairman of that meeting;

If at any general meeting no Director is willing to act as Chairman or if no Director is Present within fifteen minutes after the time appointed for holding the meeting, the members Present shall choose one of their number to be Chairman of the meeting.

13.4 The Chairman may, with the consent of any general meeting at which a quorum is Present, and shall, if so directed by the meeting, adjourn any meeting from time to time and from place to place as the meeting shall determine. In the case of a Virtual Meeting when a failure or impairment in the Communication Facilities has occurred, the Chairman is entitled at any point, but is not obliged, to adjourn the Virtual Meeting without having such adjournment approved by any procedural motion or other consent of those Present at the Virtual Meeting, and to reconvene it on such terms as he considers appropriate in his discretion. Whenever a meeting is adjourned for 14 days or more, at least seven clear days' notice, specifying the place, the day and the hour of the adjourned meeting shall be given in the same manner as in the case of an original meeting but it shall not be necessary to specify in such notice the nature of the business to be transacted at the adjourned meeting. Save as aforesaid, no member shall be entitled to any notice of an adjournment or of the business to be transacted at any adjourned meeting. No business shall be transacted at any adjourned meeting other than the business which might have been transacted at the meeting from which the adjournment took place.

In the event there is a technical failure or impairment in the Communication Facilities, this shall not, in the absence of bad faith of the Company, invalidate the proceedings at the relevant Virtual Meeting, provided that, in the reasonable opinion of the Chairman of the general meeting, at least persons constituting a quorum as provided for in these Articles was capable of hearing and being heard by each other. In the event that the Chairman of the general meeting becomes aware of such failure or impairment at the commencement of the Virtual Meeting or during the Virtual Meeting, he may, but is not obliged, to pause (but without adjourning) the proceeding, for such period as he considers reasonable, to allow for the Company and/or its agents to endeavor to rectify such failure or impairment. At the expiry of such period, the Chairman may (but subject to the proviso regarding quorum in this Article) continue with the Virtual Meeting, even if such failure or impairment has not been rectified.

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- 13.11 All members for the time being entitled to receive notice of and to attend and vote at general meetings (or, in the case of a member being a corporation, its duly authorised representative), shall have the right to speak at any general meetings of the Company.
- 14.1 Subject to any special rights, privileges or restrictions as to voting for the time being attached to any class or classes of shares, at any general meeting where a show of hands is allowed, every member ~~Present in person (or, in the case of a member being a corporation, by its duly authorised representative)~~ Present in person shall have one vote, and on a poll every member ~~Present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy~~ shall have one vote for each share registered in his name in the register. On a poll a member entitled to more than one vote is under no obligation to cast all his votes in the same way. For the avoidance of doubt, where more than one proxy is appointed by a recognised clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands and is under no obligation to cast all his votes in the same way on a poll.
- 14.3 Any person entitled under Article 8.2 to be registered as a member may vote at any general meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that at least 48 hours before the time of the holding of the meeting or adjourned meeting or postponed meeting (as the case may be) at which he proposed to vote, he shall satisfy the Board of his right to be registered as the holder of such shares or the Board shall have previously admitted his right to vote at such meeting in respect thereof.
- 14.4 Where there are joint registered holders of any share, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be ~~Present~~ at any meeting ~~personally or by proxy~~, that one of the said persons so ~~Present~~ being the most or, as the case may be, the more senior shall alone be entitled to vote in respect of the relevant joint holding and, for this purpose, seniority shall be determined by reference to the order in which the names of the joint holders stand on the register in respect of the relevant joint holding. Several executors or administrators of a deceased member in whose name any share stands shall for the purposes of this Article be deemed joint holders thereof.

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- 14.6 Save as expressly provided in these Articles or as otherwise determined by the Board, no person other than a member duly registered and who shall have paid all sums for the time being due from him payable to the Company in respect of his shares shall be entitled to be ~~p~~Present or to vote (save as proxy for another member), or to be reckoned in a quorum, either personally or by proxy at any general meeting.
- 14.7 No objection shall be raised as to the qualification of any person exercising or purporting to exercise any vote or to the admissibility of any vote except at the meeting or adjourned meeting or postponed meeting at which the person exercising or purporting to exercise his vote or the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. In the case of any dispute as to the admission or rejection of any vote, the Chairman of the meeting shall determine the same and such determination shall be final and conclusive.
- 14.10 The instrument appointing a proxy and (if required by the Board) the power of attorney or other authority, (if any) under which it is signed, or a notarially certified copy of such power or authority, shall be delivered at the registered office of the Company (or at such other place as may be specified in the notice convening the meeting or in any notice of any adjournment or, in either case, in any document sent therewith) not less than 48 hours before the time appointed for holding the meeting or adjourned meeting or postponed meeting at which the person named in the instrument proposes to vote, or, in the case of a poll taken subsequently to the date of a meeting or adjourned meeting or postponed meeting, not less than 48 hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid provided always that the Chairman of the meeting may at his discretion direct that an instrument of proxy shall be deemed to have been duly deposited upon receipt of telex or cable or facsimile confirmation from the appointor that the instrument of proxy duly signed is in the course of transmission to the Company. No instrument appointing a proxy shall be valid after the expiration of 12 months from the date named in it as the date of its execution. Delivery of any instrument appointing a proxy shall not preclude a member from attending and voting in person at the meeting or poll concerned and, in such event, the instrument appointing a proxy shall be deemed to be revoked.

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- 14.13 A vote given in accordance with the terms of an instrument of proxy or resolution of a member shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or power of attorney or other authority under which the proxy or resolution of a member was executed or revocation of the relevant resolution or the transfer of the share in respect of which the proxy was given, provided that no intimation in writing of such death, insanity, revocation or transfer as aforesaid shall have been received by the Company at its registered office, or at such other place as is referred to in Article 14.10, at least two hours before the commencement of the meeting or adjourned meeting or postponed meeting at which the proxy is used.
- 14.15 If a recognised clearing house (or its nominee(s)) is a member it may authorise such person or persons as it thinks fit to act as its representative(s) at any ~~general~~ meeting of the Company (including general meetings and creditors meeting of the Company), or at any general meeting of any class of members provided that, if more than one person is so authorised, the authorisation shall specify the number and class of shares in respect of which each such person is so authorised. The person so authorised will be deemed to have been duly authorised without the need of producing any documents of title, notarised authorisation and/or further evidence to substantiate that it is so authorised. A person so authorised pursuant to this provision shall be entitled to exercise the same rights and powers on behalf of the recognised clearing house (or its nominee(s)) which he represents as that recognised clearing house (or its nominee(s)) could exercise as if such person were an individual member holding the number and class of shares specified in such authorisation, including, where a show of hands is allowed, the right to vote individually on a show of hands, notwithstanding any contrary provision contained in these Articles.
- 16.2 The Board shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an addition to the Board. Any Director so appointed shall hold office only until the ~~next following first~~ annual general meeting of the Company after his appointment and shall then be eligible for re-election at that meeting.
- 16.3 The Company may from time to time in general meeting by ordinary resolution increase or reduce the number of Directors but so that the number of Directors shall not be less than two. Subject to the provisions of these Articles and the Companies Act~~Law~~, the Company may by ordinary resolution elect any person to be a Director either to fill a casual vacancy or as an addition to the existing Directors. Any Director so appointed shall hold office only until the first annual ~~next following~~ general meeting of the Company after his appointment and shall then be eligible for re-election.

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- 16.5 The Company shall keep at its registered office a register of directors and officers containing their names and addresses and any other particulars required by the Companies Act~~Law~~ and shall send to the Registrar of Companies of the Cayman Islands a copy of such register and shall from time to time notify to the Registrar of Companies of the Cayman Islands any change that takes place in relation to such Directors as required by the Companies Act~~Law~~.
- 16.22 A Director shall not be entitled to vote on (nor shall be counted in the quorum in relation to) any resolution of the Board in respect of any contract or arrangement or any other proposal whatsoever in which he or any of his close associates ~~(or, if required by the Listing Rules, his other associates)~~ has any material interest, and if he shall do so his vote shall not be counted (nor is he to be counted in the quorum for the resolution), but this prohibition shall not apply to any of the following matters, namely:
- (a) the giving of any security or indemnity either:
    - (i) to the Director or any of his close associates in respect of money lent or obligations incurred or undertaken by him or any of them at the request of or for the benefit of the Company or any of its subsidiaries; or
    - (ii) to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or any of his close associates has himself/themselves assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;
  - (b) any proposal 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 any of his close associates is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;
  - (c) any proposal or arrangement concerning the benefit of employees of the Company or any of its subsidiaries including:
    - (i) the adoption, modification or operation of any employees' share scheme or any share incentive scheme or share option scheme under which the Director or any of his close associates may benefit; or

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- (ii) the adoption, modification or operation of a pension or provident fund or retirement, death or disability benefits scheme which relates both to Directors, their close associates and employees of the Company or any of its subsidiaries and does not provide in respect of any Director or any of his close associates as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates; and
  - (d) any contract or arrangement in which the Director or any of his close associates 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.
- 18.1 Subject to any exercise by the Board of the powers conferred by Articles 19.1 to 19.3, the management of the business of the Company shall be vested in the Board which, in addition to the powers and authorities by these Articles expressly conferred upon it, may exercise all such powers and do all such acts and things as may be exercised or done or approved by the Company and are not hereby or by the Companies Act~~Law~~ expressly directed or required to be exercised or done by the Company in general meeting, but subject nevertheless to the provisions of the Companies Act~~Law~~ and these Articles and to any regulation from time to time made by the Company in general meeting not being inconsistent with such provisions or these Articles, provided that no regulation so made shall invalidate any prior act of the Board which would have been valid if such regulation had not been made.
- 18.3 Except as would be permitted by the Companies Ordinance if the Company were a company incorporated in Hong Kong, and except as permitted under the Companies Act~~Law~~, the Company shall not directly or indirectly:
  - (a) make a loan to a Director or his close associates or a director of any holding company of the Company or a body corporate controlled by such a director or Director;
  - (b) enter into any guarantee or provide any security in connection with a loan made by any person to a Director or such a director or a body corporate controlled by such a director or Director; or
  - (c) if any one or more of the Directors hold (jointly or severally or directly or indirectly) a controlling interest in another company, make a loan to that other company or enter into any guarantee or provide any security in connection with a loan made by any person to that other company.

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- 20.13 Unless required otherwise by the Listing Rules, a resolution in writing signed by each and every one of the Directors (or their respective alternates pursuant to Article 16.9) shall be as valid and effectual as if it had been passed at a meeting of the Board duly convened and held and may consist of several documents in like form each signed by one or more of the Directors or alternate Directors. A notification of consent to such resolution given by a Director in writing to the Board by any means (including by means of electronic communication) shall be deemed to be his/her signature to such resolution in writing for the purpose of these Articles. Notwithstanding the foregoing, a resolution which relates to any matter or business in which a substantial shareholder of the Company (as defined in the Listing Rules from time to time), or a Director, has an interest conflicting with that of the Company which the Board determines, prior to the passing of such resolution, to be material, shall not be passed by a resolution in writing and shall only be passed at a meeting of the Directors held in accordance with these Articles.
- 21.1 The Secretary shall be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit, and any Secretary so appointed may be removed by the Board. Anything by the Companies Act~~Law~~ or these Articles required or authorised to be done by or to the Secretary, if the office is vacant or there is for any other reason no Secretary capable of acting, may be done by or to any assistant or deputy Secretary appointed by the Board, or if there is no assistant or deputy Secretary capable of acting, by or to any officer of the Company authorised generally or specifically in that behalf by the Board.
- 21.2 A provision of the Companies Act~~Law~~ or of these Articles requiring or authorising a thing to be done by or to a Director and the Secretary shall not be satisfied by its being done by or to the same person acting both as Director and as or in place of the Secretary.



**Article****No. Proposed amendments showing changes to the existing Articles**

- 23.1 The Company in general meeting may upon the recommendation of the Board by ordinary resolution resolve that it is desirable to capitalise all or any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or funds or to the credit of the profit and loss account or otherwise available for distribution (and not required for the payment or provision of dividend on any shares with a preferential right to dividend) and accordingly that such sums be set free for distribution amongst the members who would have been entitled thereto if distributed by way of dividend and in the same proportion on condition that the same be not paid in cash but be applied either in or towards paying up any amounts for the time being unpaid on any shares held by such members respectively or paying up in full unissued shares, debentures or other securities of the Company to be allotted and distributed credited as fully paid up to and amongst such members in proportion aforesaid or partly in one way and partly in the other, and the Board shall give effect to such resolution, provided that a share premium account and a capital redemption reserve and any reserve or fund representing unrealised profits may, for the purposes of this Article, only be applied in paying up unissued shares to be issued to members as fully paid up shares or paying up calls or instalments due or payable on partly paid securities of the Company subject always to the provisions of the Companies Act~~Law~~.
- 24.1 Subject to the Companies Act~~Law~~ and these Articles, the Company in general meeting may declare dividends in any currency but no dividends shall exceed the amount recommended by the Board.
- 24.12 The Board shall establish an account to be called the share premium account and shall carry to the credit of such account from time to time a sum equal to the amount or value of the premium paid on the issue of any share in the Company. The Company may apply the share premium account in any manner permitted by the Companies Act~~Law~~. The Company shall at all times comply with the provisions of the Companies Act~~Law~~ in relation to the share premium account.

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- 24.19 Whenever the Directors or the Company in general meeting, have resolved that a dividend be paid or declared, the Directors may further resolve that such dividend be satisfied wholly or in part by the distribution of specific assets of any kind and in particular of paid up shares, debentures or warrants to subscribe securities of any other company, or in any one or more of such ways, and where any difficulty arises in regard to the distribution the Board may settle the same as it thinks expedient, and in particular may disregard fractional entitlements, round the same up or down or provide that the same shall accrue to the benefit of the Company, and may fix the value for distribution of such specific assets, or any part thereof, and may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties, and may vest any such specific assets in trustees as may seem expedient to the Board and may appoint any person to sign any requisite instruments of transfer and other documents on behalf of the persons entitled to the dividend and such appointment shall be effective. Where required, a contract shall be filed in accordance with the provisions of the Companies Act~~Law~~ and the Board may appoint any person to sign such contract on behalf of the persons entitled to the dividend and such appointment shall be effective.
- 27 **Annual Returns and Filings**
- The Board shall make the requisite annual returns and any other requisite filings in accordance with the Companies Act~~Law~~.
- 28.1 The Board shall cause to be kept such books of account as are necessary to give a true and fair view of the state of the Company's affairs to show and explain its transactions and otherwise in accordance with the Companies Act~~Law~~.
- 28.2 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 Act~~Law~~, at such other place or places as the Board thinks fit and shall always be open to inspection by the Directors.
- 28.3 The Board shall from time to time determine whether, to what extent, at what times and places and under what conditions or regulations, the accounts and books of the Company, or any of them, shall be open to inspection by the members (other than officers of the Company) and no member shall have any right of inspecting any accounts or books or documents of the Company except as conferred by the Companies Act~~Law~~ or any other relevant law or regulation or as authorised by the Board or by the Company in general meeting.

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- 28.6 To the extent permitted by and subject to due compliance with these Articles, the Companies Act~~Law~~ and all applicable rules and regulations, including, without limitation, the rules of the Exchange, and to obtaining all necessary consents, if any, required thereunder, the requirements of Article 28.5 shall be deemed satisfied in relation to any member or any holder of debentures of the Company by sending to such person instead of such copies, not less than 21 days before the date of the annual general meeting, in any manner not prohibited by these Articles and the Companies Act~~Law~~, a summary financial statement derived from the Company's annual accounts, together with the Directors' report and the Auditors' report on such accounts, which shall be in the form and containing the information required by these Articles, the Companies Act~~Law~~ and all applicable laws and regulations, provided that any person who is otherwise entitled to the annual accounts of the Company, together with the Director's report and the Auditor's report thereon may, if he so requires, by notice in writing served on the Company, demand that the Company sends to him, in addition to the summary financial statement, a complete printed copy of the Company's annual accounts, together with the Directors' report and the Auditor's report thereon.

**Article****No. Proposed amendments showing changes to the existing Articles**

- 29.2 The appointment, removal and remuneration of an auditor or auditors of the Company shall require the approval of an ordinary resolution of the members in general meeting. The Company shall at every annual general meeting appoint an auditor or auditors of the Company who shall hold office until the next annual general meeting and fix the remuneration of such auditor(s) being appointed. The removal of ~~any~~ Auditor before the expiration of his period of office shall be approved at a ~~require the approval of an ordinary resolution of the members in general meeting and~~ the members shall at that meeting appoint new auditor in its place for the remainder of the term. ~~The remuneration of the Auditors shall be fixed by the Company at the annual general meeting at which they are appointed provided that in respect of any particular year the Company in general meeting may delegate the fixing of such remuneration to the Board.~~ No person may be appointed as the, or an, Auditor, unless he is independent of the Company. ~~The Board may before the first annual general meeting appoint an auditor or auditors of the Company who shall hold office until the first annual general meeting unless previously removed by an ordinary resolution of the members in general meeting in which case the members at that meeting may appoint Auditors.~~ The Board may ~~The Company may, by ordinary resolution of the members at a general meeting of the Company,~~ fill any casual vacancy in the office of Auditor subject to the approval of an ordinary resolution of the members in general meeting, but while any such vacancy continues the surviving or continuing Auditor or Auditors, if any, may act. Any auditors so appointed shall hold office until the next annual general meeting after his appointment unless previously removed pursuant to these Articles ~~The remuneration of any Auditor appointed by the Board under this Article may be fixed by the Board.~~
- 32.1 Subject to the Companies Act, the Company may by special resolution resolve that the Company be wound up voluntarily.

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- 32.~~21~~ If the Company shall be wound up (whether the liquidation is voluntary, under supervision or by the court) the liquidator may, with the authority of a special resolution of the Company and any other sanction required by the Companies Act~~Law~~ divide among the members 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 may for such purpose set such value as he deems fair upon any property to be divided and may determine how such division shall be carried out as between the members or different classes of members. The liquidator may, with the like authority or sanction vest the whole or any part of such assets in trustees upon such trusts for the benefit of the members as the liquidator, with the like authority or sanction and subject to the Companies Act~~Law~~, shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no member shall be compelled to accept any assets, shares or other securities in respect of which there is a liability.
- 32.~~32~~ If the Company shall be wound up, and the assets available for distribution amongst the members as such shall be insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the members in proportion to the capital paid up, or which ought to have been paid up, at the commencement of the winding up on shares by them respectively. If in a winding up the assets available for distribution amongst the members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed amongst the members in proportion to the capital paid up at the commencement of the winding up on the shares held by them respectively. This Article is to be without prejudice to the rights of the holders of shares issued upon special terms and conditions.

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- 32.43 In the event of a winding-up of the Company in Hong Kong, every member who is not for the time being in Hong Kong shall be bound, within 14 days after the passing of an effective resolution to wind up the Company voluntarily, or the making of an order for the winding-up of the Company, to serve notice in writing on the Company appointing some person resident in Hong Kong and stating that person's full name, address and occupation upon whom all summonses, notices, process, orders and judgments in relation to or under the winding-up of the Company may be served, and in default of such nomination the liquidator of the Company shall be at liberty on behalf of such member to appoint some such person, and service upon any such appointee, whether appointed by the member or the liquidator, shall be deemed to be good personal service on such member for all purposes, and, where the liquidator makes any such appointment, he shall with all convenient speed give notice thereof to such member by advertisement as he shall deem appropriate or by a registered letter sent through the post and addressed to such member at his address as appearing in the register, and such notice shall be deemed to be service on the day following that on which the advertisement first appears or the letter is posted.
- 33.2 Subject to the Companies Act~~Law~~, if any Director or other person shall become personally liable for the payment of any sum primarily due from the Company, the Board may execute or cause to be executed any mortgage, charge, or security over or affecting the whole or any of the assets of the Company by way of indemnity to secure the Director or person so becoming liable aforesaid from any loss in respect of such liability.
- 34 **Financial Year**
- The financial year of the Company shall end on the 31st day of December in each year unless the Directors prescribe some other period therefor~~be prescribed by the Board and may, from time to time, be changed by it.~~
- 35 **Amendment of Memorandum and Articles**
- Subject to the Companies Act~~Law~~, the Company may at any time and from time to time by special resolution alter or amend the Memorandum and these Articles in whole or in part.

**Article****No. Proposed amendments showing changes to the existing Articles****36 Transfer by Way of Continuation**

The Company shall, subject to the provisions of the Companies Act~~Law~~ and with the approval of a special resolution, have the power to register by way of continuation as a body corporate under the laws of any jurisdiction outside the Cayman Islands and to be deregistered in the Cayman Islands.

**37 Mergers and Consolidations**

The Company shall, with the approval of a special resolution, have the power to merge or consolidate with one or more constituent companies (as defined in the Companies Act~~Law~~), upon such terms as the Directors may determine.

**NOTICE OF ANNUAL GENERAL MEETING**



**Kimou Environmental Holding Limited**

**金茂源環保控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 6805)**

**NOTICE OF ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN THAT** the Annual General Meeting of Kimou Environmental Holding Limited (the “**Company**”) will be held at Conference Room, Longhua Road, Longxi Street, Boluo County, Huizhou City, Guangdong Province, the People’s Republic of China at 10:00 a.m. on Friday, 27 May 2022 for the following purposes:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the audited consolidated financial statements of the Company and its subsidiaries and the reports of the directors (the “**Directors**”) and auditors for the year ended 31 December 2021.
2. To re-elect the following persons as Directors, each as a separate resolution:
  - (a) To re-elect Mr. Huang Shaobo as executive Director;
  - (b) To re-elect Mr. Li Yinquan as an independent non-executive Director; and
  - (c) To re-elect Mr. Kan Chung Nin, Tony as an independent non-executive Director.
3. To authorise the board of Directors (the “**Board**”) to fix the remuneration of the Directors;
4. To consider the re-appointment of KPMG as auditors of the Company and authorise the Board to fix their remuneration;



## NOTICE OF ANNUAL GENERAL MEETING

### ORDINARY RESOLUTIONS

5. To consider and, if thought fit, pass the following resolutions:

**“That:**

- (i) subject to paragraph (iii) below, pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and all other applicable laws, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue or otherwise deal with the unissued shares (the “**Shares**”) in the capital of the Company or securities convertible into shares, or options, warrants or similar rights to subscribe for shares or such convertible securities of the Company and to make or grant offers, agreements and/or options (including bonds, warrants and debentures convertible into shares of the Company) which may require the exercise of such powers be and is hereby generally and unconditionally approved;
- (ii) the approval in paragraph (i) above shall be in addition to any other authorisation given to the directors of the Company and shall authorise the Directors during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and/or options which may require the exercise of such power after the end of the Relevant Period;
- (iii) the total number of shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) by the Directors during the Relevant Period pursuant to paragraph (i) above, otherwise than pursuant to:
  - (1) a Rights Issue (as hereinafter defined below); or
  - (2) the grant or exercise of any option under the option scheme of the Company or any other option, scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company; or
  - (3) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company in force from time to time; or
  - (4) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any existing convertible notes issued by the Company or any existing securities of the Company which carry rights to subscribe for or are convertible into Shares,

## NOTICE OF ANNUAL GENERAL MEETING

shall not exceed the aggregate of: (a) 20% of the total number of Shares in issue on the date of the passing of this resolution; and (b) (if the Directors are so authorised by a separate ordinary resolution of the shareholders of the Company) the total number of Shares in issue purchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10% of the total number of Shares in issue on the date of the passing of this resolution), and the authority pursuant to paragraph (i) above shall be limited accordingly;

- (iv) if, after the passing of this resolution, the Company conducts a share consolidation or subdivision, the number of Shares subject to the limit set out in paragraph (iii) above shall be adjusted to the effect that the number of Shares subject to the limit set out in paragraph (iii) above as a percentage of the total number of issued Shares at the time immediately before and after such consolidation or subdivision shall be the same; and
- (v) for the purpose of this resolution:
  - (a) “Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:
    - (1) the conclusion of the next annual general meeting of the Company;
    - (2) the expiration of the period within which the next annual general meeting of the Company is required by any applicable law or the articles of association of the Company to be held; and
    - (3) the date on which such mandate granted under this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting; and
  - (b) “Rights Issue” means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the Directors to holders of Shares whose names appear on the register of members on a fixed record date in proportion to their holdings of Shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or, having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the exercise or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction applicable to the Company, any recognised regulatory body or any stock exchange applicable to the Company).”

## NOTICE OF ANNUAL GENERAL MEETING

6. To consider and, if thought fit, pass the following resolution:

“**That:**

- (i) subject to paragraph (ii) below, the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to repurchase Shares on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or on any other stock exchange on which the shares of the Company may be listed and recognised for this purpose by the Securities and Futures Commission of Hong Kong (the “**SFC**”) and the Stock Exchange and, subject to and in accordance with the rules and regulations of the SFC, the Stock Exchange, the Companies Act of the Cayman Islands and all applicable laws and the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time in this regard, be and is hereby generally and unconditionally approved;
- (ii) the total number of Shares, which may be repurchased pursuant to the approval in paragraph (i) above shall not exceed 10% of the total number of Shares in issue at the date of passing of this resolution, and the said approval shall be limited accordingly;
- (iii) subject to the passing of each of the paragraphs (i) and (ii) of this resolution, any prior approvals of the kind referred to in paragraphs (i) and (ii) of this resolution which had been granted to the directors and which are still in effect be and are hereby revoked;
- (iv) if, after the passing of this resolution, the Company conducts a share consolidation or subdivision, the number of Shares subject to the limit set out in paragraph (ii) above shall be adjusted to the effect that the number of Shares subject to the limit set out in paragraph (ii) above as a percentage of the total number of issued Shares at the time immediately before and after such consolidation or subdivision shall be the same; and
- (v) for the purpose of this resolution:

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

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the expiration of the period within which the next annual general meeting of the Company is required by any applicable law or the articles of association of the Company to be held; and
- (c) the date on which such mandate granted under this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.”

## NOTICE OF ANNUAL GENERAL MEETING

7. To consider and, if thought fit, pass the following resolution:

“**That** conditional upon the resolutions numbered 5 and 6 above being passed, the unconditional general mandate granted to the Directors to exercise the powers of the Company to allot, issue and otherwise deal with additional Shares pursuant to resolution numbered 5 above and to make or grant offers, agreements and options which might require the exercise of such powers pursuant to the ordinary resolution numbered 5 above be and is hereby extended by the addition to the total number of Shares of the Company which may be allotted by the Directors pursuant to the number of Shares repurchased by the Company under the authority granted pursuant to ordinary resolution numbered 6 above.”

### SPECIAL RESOLUTION

8. To consider and, if thought fit, pass the following resolution as a special resolution:

“**That** the amended and restated memorandum of association and articles of association of the Company (incorporating the proposed amendments of the existing memorandum of association and articles of association of the Company, the details of which are set out in Appendix III to the circular of the Company dated 27 April 2022) (the “**Amended and Restated Memorandum and Articles of Association**”), a copy of which has been produced to this meeting and marked “A” and initialled by the chairman of the meeting for the purpose of identification, be and is hereby approved and adopted as the memorandum of association and articles of association of the Company respectively in substitution for, and to the exclusion of, the existing memorandum of association and articles of association of the Company with immediate effect after the close of this meeting, and any director or the company secretary of the Company be and is hereby authorised to do all such acts and things and execute all such documents, deeds and make all such arrangements that he shall, in his absolute discretion, deem necessary or expedient to implement the adoption of the Amended and Restated Memorandum and Articles of Association.”

By order of the Board  
**Kimou Environmental Holding Limited**  
**Zhang Lianghong**  
*Chairman*

Hong Kong, 27 April 2022

## NOTICE OF ANNUAL GENERAL MEETING

*Registered office:*  
Campbells Corporate Services Limited  
Floor 4, Willow House  
Cricket Square, Grand Cayman  
KY1-9010, Cayman Islands

*Principal place of business in Hong Kong:*  
Unit E&F, 5/F.,  
Hung Cheong Factory Building,  
3 Kwong Cheung Street,  
Cheung Sha Wan, Kowloon, Hong Kong

*Principal place of business in the PRC:*  
Longhua Road, Longxi Street  
Boluo County  
Huizhou City  
Guangdong Province, the PRC

*Notes:*

- (i) A shareholder entitled to attend and vote at the above meeting is entitled to appoint another person as his/her/its proxy to attend and vote instead of him/her/it; a proxy need not be a shareholder of the Company.
- (ii) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other joint holder(s) and for this purpose seniority shall be determined as that one of the said persons so present whose name stands first on the register in respect of such share shall alone be entitled to vote in respect thereof.
- (iii) In order to be valid, a form of proxy must be deposited the Company's Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, together with the power of attorney or other authority (if any) under which it is signed (or a notarially certified copy thereof) not less than 48 hours before the time appointed for the holding of the above meeting or any adjournment thereof. The completion and return of the form of proxy shall not preclude shareholders of the Company from attending and voting in person at the above meeting (or any adjourned meeting thereof) if they so wish, and in such case, the form of proxy previously submitted shall be deemed to be revoked.
- (iv) For determining the entitlement to attend and vote at the above meeting, the transfer books and register of members will be closed from Tuesday, 24 May 2022 to Friday, 27 May 2022, both days inclusive, during which period no share transfers can be registered. In order to be eligible to attend and vote at the above meeting, unregistered holders of shares of the Company should ensure that all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Monday, 23 May 2022.
- (v) In respect of ordinary resolution numbered 2 above, Mr. Huang Shaobo, being executive Director and Mr. Li Yinquan and Mr. Kan Chung Nin, Tony being independent non-executive Directors shall retire and being eligible, will offer themselves for re-election at the above meeting. The biographical details of the above Directors are set out in Appendix I to the circular dated 27 April 2022.
- (vi) In respect of the ordinary resolution numbered 5 above, the directors wish to state that they have no immediate plans to issue any new Shares. Approval is being sought from the shareholders as a general mandate for the purposes of the Listing Rules.

## NOTICE OF ANNUAL GENERAL MEETING

- (vii) In respect of ordinary resolution numbered 7 above, the Directors wish to state that they will exercise the powers conferred by the general mandate to repurchase Shares in circumstances which they deem appropriate for the benefits of shareholders. The explanatory statement containing the information necessary to enable shareholders to make an informed decision on whether to vote for or against the resolution to approve the repurchase by the Company of its own shares, as required by the Listing Rules, is set out in Appendix II to the circular dated 27 April 2022.

*As at the date of this notice, the Board comprises Mr. Zhang Lianghong (Chairman), Mr. Zhu Heping (Chief Executive Officer), Mr. Lee Yuk Kong and Mr. Huang Shaobo as executive Directors, and Mr. Li Xiaoyan, Mr. Li Yinquan and Mr. Kan Chung Nin, Tony SBS JP as independent non-executive Directors.*