
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

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

If you have sold all your shares in the Company, you should at once hand this circular and accompanying proxy form to the purchaser or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser.



DIRECTEL HOLDINGS LIMITED

直通電訊控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock code: 8337)

**GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES,
AMENDMENTS OF THE MEMORANDUM AND ARTICLES OF
ASSOCIATION,
RE-ELECTION OF DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

This circular will remain on the website of GEM of the Stock Exchange at www.hkgem.com on the “Latest Listed Company Information” page for at least 7 days from the date of its posting. This circular will also be posted on the Company’s website at www.directel.hk.

A notice convening the Annual General Meeting of the Company to be held at Office Nos. 1, 2, 14 and 15, 37th Floor, Hong Kong Plaza, No. 188 Connaught Road West, Hong Kong on Wednesday, 15 June 2022 at 10:00 a.m. is set out on pages 34 to 39 of this circular. Whether or not you intend to attend the Annual General Meeting, you are requested to complete and return the accompanying proxy form to the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong, in accordance with the instructions printed thereon not less than 48 hours (i.e. 10:00 a.m. on Monday, 13 June 2022) before the time appointed for holding the Annual General Meeting or any adjournment thereof. The return of the proxy form will not preclude you from attending and voting in person in the Annual General Meeting if you so wish and in such event, the form of proxy previously submitted shall be deemed to be revoked.

18 May 2022

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE

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

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

CONTENTS

	<i>Page</i>
1. DEFINITIONS	1
2. LETTER FROM THE BOARD OF DIRECTORS	3
3. APPENDIX I – EXPLANATORY STATEMENT	12
4. APPENDIX II – PROPOSED AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION	16
5. NOTICE OF ANNUAL GENERAL MEETING	34

DEFINITIONS

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

“Annual General Meeting”	the annual general meeting of the Company convened and to be held on Wednesday, 15 June 2022 at 10:00 a.m. at Office Nos. 1, 2, 14 and 15, 37th Floor, Hong Kong Plaza, No. 188 Connaught Road West, Hong Kong or any adjournment thereof, the notice of which is set out on pages 34 to 39 of this circular
“Associate(s)”	has the meaning as ascribed to it/them under the GEM Listing Rules
“Auditor”	the auditors for the time being of the Company
“Board”	the board of Directors of the Company
“Business Day”	a day on which the Stock Exchange is open for the business of dealing in securities
“Company”	Directel Holdings Limited (直通電訊控股有限公司), a company incorporated in the Cayman Islands with limited liability whose securities are listed on GEM
“connected person”	has the meaning as ascribed to it under the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“GEM”	GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong Dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	10 May 2022 being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein

DEFINITIONS

“Memorandum and Articles of Association”	the existing memorandum and articles of association of the Company
“New Memorandum and Articles of Association”	the second amended and restated memorandum and articles of association of the Company proposed to be adopted at the Annual General Meeting
“Nomination Committee”	the nomination committee of the Board
“Proposed Amendments”	the proposed amendments to the Memorandum and Articles of Association as set out in Appendix II to this circular
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.20 each in the share capital of the Company
“Shareholder(s)”	holders of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers and Share Buy-backs issued by the Hong Kong Securities and Future Commission, as amended from time to time
“%”	per cent.

LETTER FROM THE BOARD OF DIRECTORS



DIRECTEL HOLDINGS LIMITED

直通電訊控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock code: 8337)

Non-executive directors:

Mr. Li Kin Shing (*Chairman*)

Mr. Wong Kin Wa

Mr. Hu Tiejun

Executive directors:

Mr. Pang Kwok Chau (*Chief Executive Officer*)

Mr. Li Wang

Independent non-executive directors:

Mr. Chen Xue Dao

Ms. Lee Man Yee, Maggie

Mr. Liu Kejun

Registered office:

Windward 3

Regatta Office Park

PO Box 1350

Grand Cayman KY1-1108

Cayman Islands

***Head office and principal
place of business:***

Office Nos. 1, 2, 14 and 15

37th Floor

Hong Kong Plaza

No. 188 Connaught Road West

Hong Kong

18 May 2022

To the shareholders

Dear Sir or Madam,

**GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES,
AMENDMENTS OF THE MEMORANDUM AND
ARTICLES OF ASSOCIATION,
RE-ELECTION OF DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

At the Annual General Meeting, resolutions will be proposed to (i) grant to the Directors general mandates to allot, issue and deal with new shares of the Company and to repurchase shares of the Company; (ii) amend the Memorandum and Articles of Association and adopt the New Memorandum and Articles of Association; and (iii) re-elect the Directors in accordance with the articles of association of the Company. This circular contains the explanatory statement in compliance with the GEM Listing Rules and to give all the information reasonably necessary to enable shareholders of the Company to make an informed decision on whether to vote for or against the resolutions.

LETTER FROM THE BOARD OF DIRECTORS

GENERAL MANDATES

At the Annual General Meeting, separate ordinary resolutions will be proposed to renew the general mandates to authorise the Directors (i) to allot, issue and otherwise deal with Shares not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company at the date of passing of the resolution (the “**Issue Mandate**”); (ii) to exercise all powers (the “**Repurchase Mandate**”) of the Company to repurchase issued and fully paid Shares on GEM up to a maximum of 10% of the aggregate nominal amount of the issued share capital of the Company at the date of the passing of the resolution; (iii) to extend the general mandate granted to the Directors to allot, issue and deal with additional Shares as mentioned in paragraph (i) above by the amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company under the Repurchase Mandate.

As at the Latest Practicable Date, there were in issue an aggregate of 184,875,000 Shares. Subject to the passing of the proposed resolution for the grant of the Issue Mandate and on the basis that no Share is issued or repurchased by the Company prior to the Annual General Meeting, the Directors will be authorised to allot and issue under the Issue Mandate up to 36,975,000 Shares, and to the extent the Repurchase Mandate is exercised, plus the amount of Shares representing the aggregate nominal amount of the share capital of the Company repurchased by the Company under the Repurchase Mandate.

The Issue Mandate and the Repurchase Mandate shall continue in force during the period ending on the earliest of (i) the date of the next annual general meeting; (ii) the date by which the next annual general meeting of the Company is required to be held by law or by its articles of association; or (iii) the date upon which such authority is revoked or varied by an ordinary resolution of the shareholders in a general meeting of the Company. The existing general mandates to issue and repurchase Shares granted to the Directors pursuant to the resolutions passed by the Shareholders of the Company on 13 May 2021 will expire at the Annual General Meeting.

EXPLANATORY STATEMENT

An explanatory statement containing all relevant information relating to the proposed Repurchase Mandate is set out in Appendix I to this circular. The information in the explanatory statement is to provide you with information reasonably necessary to enable you to make an informed decision on whether to vote for or against the resolution to grant to the Directors the Repurchase Mandate.

LETTER FROM THE BOARD OF DIRECTORS

PROPOSED AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION

Reference is made to the announcement of the Company dated 10 May 2022 in relation to the Proposed Amendments. As disclosed therein, the Directors propose to make certain amendments to the Memorandum and Articles of Association in order to make it in line with the latest legal and regulatory requirements, including the amendments made to Appendix 3 to the GEM 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 Memorandum and Articles of Association. The purpose and principal effect of the Proposed Amendments are as follows:

1. to bring the relevant provisions of the Memorandum and Articles of Association in line with the latest legal and regulatory requirements, including the relevant requirements under new Appendix 3 to the GEM Listing Rules;
2. to update the registered office of the Company;
3. to reflect the changes to the authorised share capital of the Company and the total number of shares of the Company as a result of the completion of the share consolidation on 20 January 2021;
4. to update the definition of “Companies Law” to bring it in line with the latest Companies Act (as revised) of the Cayman Islands;
5. to provide that the financial year end of the Company shall be 31 of December in each year, unless otherwise determined by the Directors; and
6. to make other house-keeping amendments to the Memorandum and Articles of Association.

The Company’s legal advisers as to Hong Kong law and as to Cayman Islands law have respectively confirmed that the Proposed Amendments are in compliance with the requirements of the GEM Listing Rules and do not violate the Cayman Islands laws. The Company has also confirmed that there is nothing unusual about the Proposed Amendments for a company listed in Hong Kong.

LETTER FROM THE BOARD OF DIRECTORS

The Proposed Amendments and the proposed adoption of the New Memorandum and Articles of Association will be 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 Annual General Meeting. The Proposed Amendments is set out in Appendix II to this circular.

RE-ELECTION OF DIRECTORS

As at the Latest Practicable Date, the non-executive Directors are Mr. Li Kin Shing, Mr. Wong Kin Wa and Mr. Hu Tiejun; the executive Directors are Mr. Pang Kwok Chau and Mr. Li Wang; and the independent non-executive Directors are Mr. Chen Xue Dao, Ms. Lee Man Yee, Maggie and Mr. Liu Kejun. Pursuant to the articles of association of the Company, at each annual general meeting, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years.

The Nomination Committee had assessed and reviewed the annual written confirmation of independence of each of the independent non-executive directors based on the independence criteria as set out in Rule 5.09 of the GEM Listing Rules and confirmed that all of them remain independent.

Accordingly, Mr. Li Kin Shing, Mr. Li Wang and Mr. Chen Xue Dao, being Directors to retire in rotation in accordance with the articles of association of the Company, will retire and being eligible, offer themselves for re-election at the Annual General Meeting.

Brief biographical and other details of Mr. Li Kin Shing, Mr. Li Wang and Mr. Chen Xue Dao, who are proposed to be re-elected at the Annual General Meeting are set out as follows:

Mr. Li Kin Shing (李健誠), aged 64, is the chairman and a non-executive Director. Mr. Li has over 32 years of experience in the telecommunications industry. He has been an executive director and the chairman of Global Link Communications Holdings Limited (“**Global Link**”), a company listed on GEM, since 26 May 2016. Mr. Li was the chairman, an executive director and chief executive officer of International Elite Ltd. (“**IEL**”) till 27 December 2018, a company listed on the Main Board, and controlled by Mr. Li and his spouse, Ms. Kwok King Wa till 28 November 2018. Mr. Li was the chief executive officer and president of ChinaCast Education Corporation, a limited liability company incorporated in the State of Delaware, US, whose shares are displayed on the Over the Counter Bulletin Board when he resigned from these positions on 2 February 2007 following the acquisition of ChinaCast Education Corporation by an independent third party, in December 2006. Mr. Li has confirmed that there were no disagreements between Mr. Li and ChinaCast Education Corporation on any matter relating to the ChinaCast Education Corporation’s operations, policies or practices that resulted in his resignation. ChinaCast Education Corporation is a for-profit, post-secondary education and e-learning services provider in China. Mr. Li is the brother of Mr. Li Wang, the executive

LETTER FROM THE BOARD OF DIRECTORS

Director of the Company. He was appointed as the chairman and non-executive Director on 31 August 2009. Mr. Li is a director of New Everich Holdings Limited, which is interested in 104,437,500 shares of the Company representing 56.49% of the issued share capital of the Company. Mr. Li is also interested in 5,062,500 Shares of the Company representing 2.74% of the issued share capital of the Company.

Mr. Li entered into a renewal service agreement with the Company to serve as a non-executive Director for a term of three years commencing from 1 May 2019, which may be terminated by either party thereto giving to the other not less than three months' prior notice in writing or less than three months' prior notice in writing agreed by both parties. Pursuant to the service agreement, Mr. Li is entitled to an annual remuneration of HK\$80,000. He is also entitled to a bonus payment on such amount as shall be determined by the Board in its absolute discretion. The determination of his emoluments is based on salaries paid by comparable companies, time commitment, his duties and responsibilities in the Company, the Company's performance and its remuneration policy.

Mr. Li Wang (李宏), aged 51, is the executive Director. He is responsible for the overall management, corporate planning and business development of the Group. Mr. Li has over 18 years of experience in telecommunications industry. Mr. Li worked as a manager of a PRC telecommunications company namely, 廣州天龍信息工程公司 (Guangzhou Talent Information Engineering Company Limited) from 1993 to 1997 and was responsible for the management and promotion of pager and mobile telecommunications services business. Mr. Li then worked as a vice-general manager of 廣東直通電訊股份有限公司 (Guangdong Zhitong Telecommunications Limited) from 1997 to 1999, and gained experience in marketing of telecommunication service business. He also worked as a director of Directel Communications Limited from 1995 to 2000, a director of Target Link Enterprises Limited, a private company engaged in investment of software, from 1997 to 2004 and a director and a legal representative of 廣東直通投資有限公司 (Guangdong Zhitong Investment Ltd.) from 1992 to 2009. He is the brother of Mr. Li Kin Shing, the chairman and non-executive Director of the Company. He was appointed as an executive Director on 31 August 2009.

Mr. Li has entered into a renewal service agreement with the Company to serve as an executive Director for a term of three years commencing from 1 May 2019, which may be terminated by either party thereto giving to the other not less than three months' prior notice in writing or less than three months' prior notice in writing agreed by both parties. Pursuant to the service agreement, Mr. Li is entitled to an annual remuneration of HK\$340,000. He is also entitled to a bonus payment on such amount as shall be determined by the Board in its absolute discretion. The determination of his emoluments is based on salaries paid by comparable companies, time commitment, his duties and responsibilities in the Company, the Company's performance and its remuneration policy.

LETTER FROM THE BOARD OF DIRECTORS

Mr. Chen Xue Dao (陳學道), aged 79, was appointed as an independent non-executive Director on 20 May 2010. Mr. Chen is currently an honorary member of the China Institute of Communications (中國通信學會). He was the honorary chairman of the Guangdong Institute of Communications (廣東省通信學會) and honorary chairman of Guangdong Communication Industry Association (廣東省通信行業協會) till 2017. Mr. Chen holds the qualification of a senior engineer at Professor grade and he has been granted the special subsidy by the State Council of the PRC for his prominent contributions to engineering science since 1992. From August 2010 to August 2014, Mr. Chen was an independent director of Eastone Century Technology Holding Co., Ltd. (Guangdong)(廣東宜通世紀科技股份有限公司)(stock code: 300310), a company listed in the Shenzhen Stock Exchange. Mr. Chen has been an independent director of GCI Science & Technology Co., Ltd. (廣州傑賽科技股份有限公司), a company listed in the Shenzhen Stock Exchange with stock code 002544 till May 2018 and has been an independent non-executive Director of IEL till 1 December 2019.

Mr. Chen has served the Company as an independent non-executive Director for more than 9 years, however the nomination committee and the Board consider that Mr. Chen continues to be independent and is able to satisfy the GEM Listing Rules' requirements for independence as an independent non-executive Director for the following reasons:

- (a) Mr. Chen has confirmed his independence to the Stock Exchange in respect of each of the factors set out in Rule 5.09 of the GEM Listing Rules;
- (b) Mr. Chen has demonstrated continued independent judgement which contributes positively to the development of the Company's strategy and policies;
- (c) since the listing of the Company in 2010, neither Mr. Chen nor any of his immediate family members, has had and have any executive or management role or functions in the Company and its subsidiaries, nor has he or any of his immediate family members been employed by any member of the Group;
- (d) neither Mr. Chen nor any of his immediate family members, has received any remuneration from the Company apart from Director's fees and does not participate in the Group's staff incentive plan or pension scheme;
- (e) neither Mr. Chen nor any of his immediate family members, has received any remuneration from a third party in relation to his directorship;
- (f) neither Mr. Chen nor any of his immediate family members, has any financial, business, family or other material relationships with the Group, its management, advisers and business;
- (g) neither Mr. Chen nor any of his immediate family members, holds any cross directorships or other significant links with other directors through involvement with other companies;

LETTER FROM THE BOARD OF DIRECTORS

- (h) neither Mr. Chen nor any of his immediate family members, holds any issued Share capital of the Company;
- (i) neither Mr. Chen nor any of his immediate family members, serves as a director or employee of a significant competitor of the Group; and
- (j) after due and careful consideration, the Nomination Committee of the Board considers Mr. Chen suitably independent to carry out his duties as an independent non-executive Director.

The Board would consider to enhance its diversity with different expertise when appointing or re-electing an independent non-executive Director. Mr. Chen possess extensive experience and knowledge in telecommunications technology, information industry and engineering science. As such, the nomination committee and the Board consider Mr. Chen is independent and can bring further contributions to the Board and its diversity with his experience and expertise.

Mr. Chen has entered into a renewal service agreement with the Company to serve as an independent non-executive Director for a term of three years commencing from 1 June 2019, which may be terminated by either party thereto giving to the other not less than three months' prior notice in writing or less than three months' prior notice in writing agreed by both parties. Pursuant to the service agreement, Mr. Chen is entitled to an annual remuneration of HK\$80,000. He is also entitled to a bonus payment on such amount as shall be determined by the Board in its absolute discretion. The determination of his emoluments is based on salaries paid by comparable companies, time commitment, his duties and responsibilities in the Company, the Company's performance and its remuneration policy.

Save as disclosed hereof, as at the Latest Practicable Date, and to the best knowledge and belief of the Board, the Directors confirmed that:

- (a) each of Mr. Li Kin Shing, Mr. Li Wang and Mr. Chen Xue Dao is not connected with any Director, senior management, management shareholders, substantial shareholder or controlling shareholder of the Company;
- (b) each of Mr. Li Kin Shing, Mr. Li Wang and Mr. Chen Xue Dao has no other interests in the Shares which are required to be disclosed under Part XV of the SFO;
- (c) each of Mr. Li Kin Shing, Mr. Li Wang and Mr. Chen Xue Dao does not hold any directorships in listed public companies in the last three years;
- (d) there is no other information that needs to be disclosed pursuant to any of the requirements as set out in Rule 17.50(2) of the GEM Listing Rules; and
- (e) the Company is not aware of any other matter that needs to be brought to the attention of the Shareholders and the Stock Exchange in relation to the re-election of Directors.

LETTER FROM THE BOARD OF DIRECTORS

GENERAL INFORMATION

The notice for the Annual General Meeting has been set out on pages 34 to 39 of this circular.

Whether or not you intend to attend the Annual General Meeting in person, you are requested to complete and return the accompanying proxy form to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, in accordance with the instructions printed thereon not less than 48 hours (i.e. 10:00 a.m. on Monday, 13 June 2022) before the time appointed for holding the Annual General Meeting or any adjournment thereof. The return of the proxy form will not preclude you from attending and voting in person if you so wish and in such event, the form of proxy previously submitted shall be deemed to be revoked.

VOTING BY POLL

Pursuant to Rule 17.47(4) of the GEM Listing Rules, all votes of Shareholders at the Annual General Meeting must be taken by way of poll and the Company will announce the results of the poll in the manner as prescribed under Rule 17.47(5) of the GEM Listing Rules.

PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

The health of our shareholders, staff and stakeholders is of paramount importance to us. In view of the ongoing Novel Coronavirus (COVID-19) pandemic, the Company will implement the following precautionary measures at the Annual General Meeting to protect attending shareholders, staff and stakeholders from the risk of infection:–

- (a) Compulsory body temperature checks will be conducted for every shareholder, proxy or other attendee at each entrance of the meeting venue. Any person with a body temperature of over 37.4 degrees Celsius may be denied entry into the meeting venue or be required to leave the meeting venue.
- (b) The Company requires each attendee to wear a surgical face mask throughout the meeting and inside the meeting venue, and to maintain a safe distance between seats.
- (c) No refreshment will be served, and there will be no corporate gift.

In addition, the Company reminds all shareholders that physical attendance in person at the meeting is not necessary for the purpose of exercising voting rights. Shareholders may appoint the chairman of the meeting as their proxy to vote on the relevant resolution(s) at the meeting instead of attending the meeting in person, by completing and return the proxy form attached to this document.

LETTER FROM THE BOARD OF DIRECTORS

If any shareholder chooses not to attend the meeting in person but has any question about any resolution or about the Company, or has any matter for communication with the board of directors of the Company, he/she is welcome to send such question or matter in writing to our registered office or to our email at info@directel.hk. If any shareholder has any question relating to the meeting, please contact Tricor Investor Services Limited, the Company's branch share registrar and transfer office in Hong Kong as follows:–

Tricor Investor Services Limited
Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong
Email : is-enquiries@hk.tricorglobal.com
Tel : (852) 2980 1333
Fax : (852) 2810 8185

RECOMMENDATION

The Directors consider that the general mandates to issue and repurchase Shares, the amendments to the Memorandum and Articles of Association and the re-election of Directors proposed are in the interest of the Company and so recommend you to vote in favour of the relevant resolutions at the forthcoming Annual General Meeting.

Yours faithfully,
By order of the Board
Directel Holdings Limited
Li Kin Shing
Chairman

This is an explanatory statement given to all shareholders of the Company, as required by the GEM Listing Rules, to provide requisite information of the Repurchase Mandate.

1. GEM LISTING RULES FOR REPURCHASES OF SHARES

The GEM Listing Rules permit companies whose primary listing is on the Stock Exchange to repurchase their fully-paid shares on GEM subject to certain restrictions, the more important of which are summarised below:

(a) Shareholders' approval

All proposed repurchase of securities on the Stock Exchange by a company with primary listing on the Stock Exchange must be approved in advance by an ordinary resolution, either by way of general mandate or by special approval of a particular transaction.

(b) Share capital

Under the Repurchase Mandate, the number of Shares that the Company may repurchase shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company at the date of the passing of the relevant resolutions. The Company's authority is restricted to purchases made on GEM in accordance with the GEM Listing Rules. As at the Latest Practicable Date, there were in issue an aggregate of 184,875,000 Shares. Exercise in full of the Repurchase Mandate, on the basis that no further Shares would be issued or repurchased prior to the date of the Annual General Meeting, would accordingly result in up to 18,487,500 Shares being repurchased by the Company.

(c) Reasons for repurchase

The Directors have no present intention to repurchase any Shares but consider that the Repurchase Mandate will provide the Company with the flexibility to make such repurchase as and when appropriate and is beneficial to the Company. Such repurchases may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and its assets and/or its earnings per Share. As compared with the position of the Company in its financial statements for the year ended 31 December 2021 (being the most recent published audited accounts), the Directors consider that there would not be any material adverse impact on the working capital and on the gearing position of the Company in the event that the proposed repurchases were to be made in full during the proposed repurchase period. However, the Directors will not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or on its gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

(d) Funding of repurchases

Repurchase of the Shares will be funded out of funds legally available for such purpose in accordance with the memorandum and articles of association of the Company and the applicable laws of the Cayman Islands. The Company is empowered by its memorandum and articles of association to repurchase its Shares. The Cayman Islands law provides that the amount of capital repaid in connection with a share repurchase may only be paid out of either the capital paid up on the relevant shares, or the profits that would otherwise be available for distribution by way of dividend or the proceeds of a new issue of shares made for such purpose. The amount of premium payable on repurchase may only be paid out of either the profits that would otherwise be available for distribution by way of dividend or out of the share premium of the Company. Under the Cayman Islands law, the repurchased Shares will remain part of the authorised but unissued share capital.

(e) Connected persons

None of the Directors nor, to the best of the knowledge and belief of the Directors having made all reasonable enquiries, any of the close associates (as defined in the GEM Listing Rules) of any of the Directors has any present intention, in the event that the proposed Repurchase Mandate is approved by the Company's shareholders, to sell Shares to the Company. As at the Latest Practicable Date, no core connected person (as defined in the GEM Listing Rules) of the Company has notified the Company that he/she has a present intention to sell Shares to the Company nor has he/she undertaken not to sell any of the Shares held by him/her to the Company in the event that the Company is authorised to make repurchases of Shares.

(f) Undertaking of the Directors

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

(g) Effect of Takeovers Code and minimum public float

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 purpose of Rule 32 of the Takeovers Code. As a result, a shareholder, or a group of shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of increase in the shareholder's interests, could obtain or consolidate control of the Company and become(s) obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, the register of the shareholders maintained by the Company pursuant to Section 336 under Part XV of the SFO showed that the Company has been notified of the following interests, being 5% or more of the Company's issued share capital:

Name of Shareholders	Number of shares held	Approximate percentage of existing shareholding	Approximate percentage of shareholding if the Repurchase Mandate is exercised in full
Mr. Li Kin Shing ^(Note 1)	109,500,000	59.23%	65.81%
Ms. Kwok King Wa ^(Note 2)	109,500,000	59.23%	65.81%
New Everich Holdings Limited ^(Note 3)	104,437,500	56.49%	62.77%
Golden Brand Holdings Limited ^(Note 4)	16,500,000	8.92%	9.92%
Mr. Bai Zhifeng ^(Note 5)	16,500,000	8.92%	9.92%

Notes:

- Among the 109,500,000 Shares, 104,437,500 Shares are owned by New Everich Holdings Limited which is owned as to 54% and 46% by Mr. Li Kin Shing and Ms. Kwok King Wa respectively. Mr. Li Kin Shing is the spouse of Ms. Kwok King Wa. Accordingly, Mr. Li Kin Shing is deemed to be interested in the 104,437,500 Shares under the SFO.
- Among the 109,500,000 Shares, 5,062,500 Shares are owned by Mr. Li Kin Shing and 104,437,500 Shares are owned by New Everich Holdings Limited which is owned as to 54% and 46% by Mr. Li Kin Shing and Ms. Kwok King Wa respectively. Ms. Kwok King Wa is the spouse of Mr. Li Kin Shing. Accordingly, Ms. Kwok King Wa is deemed to be interested in the 5,062,500 Shares and 104,437,500 Shares held by Mr. Li Kin Shing and New Everich Holdings Limited respectively under the SFO.
- These Shares are beneficially owned by New Everich Holdings Limited.
- These Shares are beneficially owned by Golden Brand Holdings Limited.
- The 16,500,000 Shares are owned by Golden Brand Holdings Limited which is wholly owned by Mr. Bai Zhifeng.

In the event that the Directors shall exercise in full the Repurchase Mandate, the total interests of the above shareholders would be increased to approximately the respective percentages shown in the last column above and such increase will not give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code.

Assuming that there is no issue of Shares in the Company between the Latest Practicable Date and the date of a repurchase, an exercise of the Repurchase Mandate in whole will result in less than the relevant prescribed minimum percentage of the Shares of the Company being held by the public as required by the Stock Exchange. The Directors confirm that the Repurchase Mandate will not be exercised to the extent as may result in a public shareholding of less than such prescribed minimum percentage.

2. SHARE PURCHASE MADE BY THE COMPANY

The Company had not repurchased any of the Shares (whether on GEM or otherwise) during the previous six months immediately preceding the Latest Practicable Date.

3. SHARE PRICES

During each of the 12 months immediately preceding the Latest Practicable Date, the highest and lowest traded prices for Shares on GEM were as follows:

	Price Per Share	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
Month		
2021		
May	0.260	0.180
June	0.180	0.180
July	0.180	0.140
August	0.160	0.072
September	0.750	0.140
October	0.380	0.200
November	0.255	0.255
December	0.255	0.230
2022		
January	0.230	0.230
February	0.230	0.230
March	0.231	0.230
April	0.231	0.231
May (up to the Latest Practicable Date)	0.231	0.231

**APPENDIX II PROPOSED AMENDMENTS TO THE MEMORANDUM
AND ARTICLES OF ASSOCIATION**

Details of the Proposed Amendments are set out as follows:

THE MEMORANDUM OF ASSOCIATION

General amendments

Replacing all references to the words “the Companies Law” with “the Companies Act” wherever they appear in the Memorandum.

Specific amendments

Currently in force

No. Amended and Restated Memorandum of Association

2. The registered office will be situate at the offices of Appleby Trust (Cayman) Ltd., Clifton House, 75 Fort Street, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands or at such other place in the Cayman Islands as the Directors may from time to time decide.

Proposed to be amended

No. Second Amended and Restated Memorandum of Association

2. The registered office will be situate at the offices of **Ocorian Trust (Cayman) Limited, Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands** ~~Appleby Trust (Cayman) Ltd., Clifton House, 75 Fort Street, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands~~ or at such other place in the Cayman Islands as the Directors may from time to time decide.

**APPENDIX II PROPOSED AMENDMENTS TO THE MEMORANDUM
AND ARTICLES OF ASSOCIATION**

Currently in force	Proposed to be amended
No. Amended and Restated Memorandum of Association	No. Second Amended and Restated Memorandum of Association
<p>7. The authorised share capital of the Company is HK\$40,000,000 consisting of 4,000,000,000 shares of HK\$0.10 each with the power for the Company to increase or reduce the said capital and to issue any part of its capital, original or increased, with or without any preference, priority or special privilege or subject to any postponement of rights or to any conditions or restrictions; and so that, unless the condition of issue shall otherwise expressly declare, every issue of shares, whether declared to be preference or otherwise, shall be subject to the power hereinbefore contained.</p>	<p>7. The authorised share capital of the Company is HK\$100,000,000 HK\$40,000,000 consisting of 500,000,000 4,000,000,000 shares of HK\$0.20 HK\$0.01 each with the power for the Company to increase or reduce the said capital and to issue any part of its capital, original or increased, with or without any preference, priority or special privilege or subject to any postponement of rights or to any conditions or restrictions; and so that, unless the condition of issue shall otherwise expressly declare, every issue of shares, whether declared to be preference or otherwise, shall be subject to the power hereinbefore contained.</p>

THE ARTICLES OF ASSOCIATION

General amendments

Replacing all references to the words “the Companies Law” with “the Companies Act” wherever they appear in the Articles of Association.

Specific amendments

Currently in force	Proposed to be amended
No. Amended and Restated Articles of Association	No. Second Amended and Restated Articles of Association
<p>1.(a) Table “A” of the Companies Law (2009 Revision) shall not apply to the Company.</p>	<p>1.(a) Table “A” of the Companies Act Law (2022 2009 Revision) shall not apply to the Company.</p>

**APPENDIX II PROPOSED AMENDMENTS TO THE MEMORANDUM
AND ARTICLES OF ASSOCIATION**

Currently in force

Amended and Restated Articles of Association

No. 1.(b) Any marginal notes, titles or lead in references to Articles and the index of the Memorandum and Articles of Association shall not form part of the Memorandum or Articles of Association and shall not affect their interpretation. In interpreting these Articles of Association, unless there be something in the subject or context inconsistent therewith:

WORD	MEANING
Nil	
“Associates”	shall have the meaning as defined in the Listing Rules;
“Companies Law”	means the Companies Law (2009 Revision) of the Cayman Islands as amended from time to time and every other act, order regulation or other instrument having statutory effect (as amended from time to time) for the time being in force in the Cayman Islands applying to or affecting the Company, the Memorandum of Association and/or the Articles of Association;

Proposed to be amended

Second Amended and Restated Articles of Association

No. 1.(b) Any marginal notes, titles or lead in references to Articles and the index of the Memorandum and Articles of Association shall not form part of the Memorandum or Articles of Association and shall not affect their interpretation. In interpreting these Articles of Association, unless there be something in the subject or context inconsistent therewith:

WORD	MEANING
“Act”	the Companies Act, Cap. 22 (Act 3 of 1961, as consolidated and revised) of the Cayman Islands;

Removed

Removed

APPENDIX II

**PROPOSED AMENDMENTS TO THE MEMORANDUM
AND ARTICLES OF ASSOCIATION**

Currently in force

No.	Amended and Restated Articles of Association	
	WORD	MEANING
	Nil	
	“Companies Ordinance”	means the Companies Ordinance, Cap. 32 of the Laws of Hong Kong as amended from time to time;
	“Listing Rules”	shall mean, subject to such stock exchange(s) where the securities of the Company are listed, the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (as amended from time to time) or the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time) or the rules of such other stock exchanges;

Proposed to be amended

No.	Second Amended and Restated Articles of Association	
	WORD	MEANING
	“close associate”	in relation to any Director, shall have the same meaning as defined in the Listing Rules as modified from time to time, except that for purposes of Article 107(c) where the 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;
	“Companies Ordinance”	means the Companies Ordinance, Cap. 622 32 of the Laws of Hong Kong as amended from time to time;
	“Listing Rules”	shall mean, subject to such stock exchange(s) where the securities of the Company are listed, the Rules Governing the Listing of Securities on GEM the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (as amended from time to time) or the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time) or the rules of such other stock exchanges;

**APPENDIX II PROPOSED AMENDMENTS TO THE MEMORANDUM
AND ARTICLES OF ASSOCIATION**

Currently in force

No. Amended and Restated Articles of Association

1.(c) At all times during the Relevant Period a resolution shall be a Special Resolution when it has been passed by a majority of not less than $\frac{3}{4}$ of the votes cast by such Shareholders as, being entitled so to do, vote in person or by proxy or, in the cases of Shareholders which are corporations, by their respective duly authorised representatives at a general meeting of which not less than 21 days' notice, specifying (without prejudice to the power contained in the Articles to amend the same) the intention to propose the resolution as a Special Resolution, has been duly given. Provided that, except in the case of an annual general meeting if it is so agreed by a majority in number of the Shareholders having a right to attend and vote at any such meeting, being a majority together holding not less than 95% in nominal value of the Shares giving that right (or, in the case of an annual general meeting, by all Shareholders of the Company having that right), a resolution may be proposed and passed as a Special Resolution at a meeting of which less than 21 days' notice has been given.

Proposed to be amended

No. Second Amended and Restated Articles of Association

1.(c) At all times during the Relevant Period a resolution shall be a Special Resolution when it has been passed by a majority of not less than $\frac{3}{4}$ of the votes cast by such Shareholders as, being entitled so to do, vote in person or by proxy or, in the cases of Shareholders which are corporations, by their respective duly authorised representatives at a general meeting of which ~~not less than 21 days~~² notice, specifying (without prejudice to the power contained in the Articles to amend the same) the intention to propose the resolution as a Special Resolution, has been duly given: **Provided that, except in the case of an annual general meeting if it is so agreed by a majority in number of the Shareholders having a right to attend and vote at any such meeting, being a majority together holding not less than 95% in nominal value of the Shares giving that right (or, in the case of an annual general meeting, by all Shareholders of the Company having that right), a resolution may be proposed and passed as a Special Resolution at a meeting of which less than 21 days' notice has been given in accordance with Article 65.**

**APPENDIX II PROPOSED AMENDMENTS TO THE MEMORANDUM
AND ARTICLES OF ASSOCIATION**

Currently in force	Proposed to be amended
No. Amended and Restated Articles of Association	No. Second Amended and Restated Articles of Association
<p>1.(d) A resolution shall be an Ordinary Resolution when it has been passed by a simple majority of such Shareholders as, being entitled so to do, vote in person or, where proxies are allowed, by proxy or, in the case of any Shareholder being a corporation, by its duly authorised representative at a general meeting held in accordance with these Articles and of which not less than 14 days' notice has been duly given.</p>	<p>1.(d) A resolution shall be an Ordinary Resolution when it has been passed by a simple majority of such Shareholders as, being entitled so to do, vote in person or, where proxies are allowed, by proxy or, in the case of any Shareholder being a corporation, by its duly authorised representative at a general meeting held in accordance with these Articles and of which not less than 14 days² notice has been duly given in accordance with Article 65.</p>
<p>6. The authorised share capital of the Company on the date of the adoption of these Articles is HK\$40,000,000 divided into 4,000,000,000 Shares of HK\$0.01 each.</p>	<p>6. The authorised share capital of the Company on the date of the adoption of these Articles is HK\$100,000,000 HK\$40,000,000 divided into 500,000,000 4,000,000,000 Shares of HK\$0.20 HK\$0.01 each.</p>
<p>15.(b)(ii) Where the Company purchases for redemption a redeemable Share, purchases 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 Shareholders alike.</p>	<p>15.(b)(ii) [Reserved] Where the Company purchases for redemption a redeemable Share, purchases 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 Shareholders alike.</p>

**APPENDIX II PROPOSED AMENDMENTS TO THE MEMORANDUM
AND ARTICLES OF ASSOCIATION**

Currently in force

Amended and Restated Articles of Association

No.

17.(d) The Register may, after notice has been given by advertisement in a newspaper circulating generally in Hong Kong or where applicable, subject to the Listing Rules, be closed at such time or for such period not exceeding in the whole 30 days in each year as the Board may determine.

Proposed to be amended

Second Amended and Restated Articles of Association

No.

17.(d) The Register may, after notice has been given by advertisement in a newspaper circulating generally in Hong Kong or where applicable, subject to the Listing Rules, be closed at such time or for such period not exceeding in the whole 30 days in each year as the Board may determine. **The period of thirty (30) days may be extended in respect of any year if approved by the Shareholders by Ordinary Resolution provided that such period shall not be extended beyond sixty (60) days (or such other period as may be prescribed under any applicable law) in any year.**

Currently in force

No. Amended and Restated Articles of Association

62. At all times during the Relevant Period other than the year of the Company's adoption of these Articles, the Company shall in each year hold a general meeting as its annual general meeting in addition to any other meeting in that year and shall specify the meeting as such in the notice calling it; and not more than 15 Months (or such longer period as may be authorised by the HK Stock Exchange) shall elapse between the date of one annual general meeting of the Company and that of the next. The annual general meeting shall be held in the Relevant Territory or elsewhere as may be determined by the Board and at such time and place as the Board shall appoint. A meeting of the Shareholders or any class thereof may be held by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence at such meetings.

Proposed to be amended

No. Second Amended and Restated Articles of Association

62. **At all times during the Relevant Period, an annual general meeting of the Company shall be held in each financial year in addition to any other meeting in that year and shall specify the meeting as such in the notice calling it; such annual general meeting must be held within six (6) months after the end of the Company's financial year (unless a longer period would not infringe the Listing Rules, if any). At all times during the Relevant Period other than the year of the Company's adoption of these Articles, the Company shall in each year hold a general meeting as its annual general meeting in addition to any other meeting in that year and shall specify the meeting as such in the notice calling it; and not more than 15 Months (or such longer period as may be authorised by the HK Stock Exchange) shall elapse between the date of one annual general meeting of the Company and that of the next. The annual general meeting shall be held in the Relevant Territory or elsewhere as may be determined by the Board and at such time and place as the Board shall appoint. A meeting of the Shareholders or any class thereof may be held by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence at such meetings.**

**APPENDIX II PROPOSED AMENDMENTS TO THE MEMORANDUM
AND ARTICLES OF ASSOCIATION**

Currently in force

No. Amended and Restated Articles of Association

64. The Board may, whenever it thinks fit, convene an extraordinary general meeting. Extraordinary general meetings shall also be convened on the requisition of one or more Shareholders holding, at the date of deposit of the requisition, not less than one tenth of the paid up capital of the Company having the right of voting at general meetings. Such requisition shall be made in writing to the Board or the Secretary for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within 2 Months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

Proposed to be amended

No. Second Amended and Restated Articles of Association

64. The Board may, whenever it thinks fit, convene an extraordinary general meeting. Extraordinary general meetings shall also be convened on the requisition of one or more Shareholders holding, at the date of deposit of the requisition, not less than one tenth of the paid up capital of the Company having the right of voting at general meetings. Such requisition shall be made in writing to the Board or the Secretary for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business **or resolution** specified in such requisition. Such meeting shall be held within 2 Months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

**APPENDIX II PROPOSED AMENDMENTS TO THE MEMORANDUM
AND ARTICLES OF ASSOCIATION**

Currently in force

Amended and Restated Articles of Association

No.

65. An annual general meeting and an extraordinary general meeting called for the passing of a Special Resolution shall be called by at least 21 days' notice in writing, and a meeting of the Company other than an annual general meeting or an extraordinary general meeting for the passing of a Special Resolution shall be called by at least 14 days' notice in writing. 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 place, the day, the hour and the agenda of the meeting and particulars of the resolutions to be considered at that meeting and in case of special business (as defined in Article 67), the general nature of that business, and shall be given, in manner hereinafter mentioned or in such other manner, if any, as may be prescribed by the Company in general meeting, to such persons as are, under these Articles, entitled to receive such notices from the Company, provided that a meeting of the Company shall notwithstanding that it is called by shorter notice than that specified in this Article be deemed to have been duly called if it is so agreed:

(a) in the case of a meeting called as the annual general meeting, by all the Shareholders entitled to attend and vote thereat; and

(b) in the case of any other meeting, by a majority in number of the Shareholders having a right to attend and vote at the meeting, being a majority together holding not less than 95% in nominal value of the Shares giving that right.

Proposed to be amended

Second Amended and Restated Articles of Association

No.

65. An annual general meeting ~~and an extraordinary general meeting called for the passing of a Special Resolution~~ shall be called by at least 21 days' notice in writing, and a meeting of the Company other than an annual general meeting ~~(including or an extraordinary general meeting for the passing of a Special Resolution)~~ shall be called by at least 14 days' notice in writing. 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 place, the day, the hour and the agenda of the meeting and particulars of the resolutions to be considered at that meeting and in case of special business (as defined in Article 67), the general nature of that business, and shall be given, in manner hereinafter mentioned or in such other manner, if any, as may be prescribed by the Company in general meeting, to such persons as are, under these Articles, entitled to receive such notices from the Company, provided that a meeting of the Company shall notwithstanding that it is called by shorter notice than that specified in this Article be deemed to have been duly called if it is so agreed:

(a) in the case of a meeting called as the annual general meeting, by all the Shareholders entitled to attend and vote thereat; and

(b) in the case of any other meeting, by a majority in number of the Shareholders having a right to attend and vote at the meeting, being a majority together holding not less than 95% in nominal value of the Shares giving that right.

**APPENDIX II PROPOSED AMENDMENTS TO THE MEMORANDUM
AND ARTICLES OF ASSOCIATION**

Currently in force	Proposed to be amended
No. Amended and Restated Articles of Association	No. Second Amended and Restated Articles of Association
66A. Nil	66A. The Directors shall have the power to provide in every notice in writing calling a general meeting the circumstances in which a postponement of the relevant general meeting may occur automatically without further notice including, without limitation, where a number 8 or higher typhoon signal, gale warning, extreme conditions, black rainstorm warning or other similar event is in force on the day of the general meeting.
83. Save as expressly provided in these Articles or otherwise determined by the Board, no person other than a Shareholder duly registered and who shall have paid everything for the time being due from him payable to the Company in respect of his Shares shall be entitled to be present or to vote (save as proxy or authorised representative for another Shareholder) whether personally, by proxy or by attorney or to be reckoned in the quorum, at any general meeting.	83. Save as expressly provided in these Articles or otherwise determined by the Board, no person other than a Shareholder duly registered and who shall have paid everything for the time being due from him payable to the Company in respect of his Shares shall be entitled to be present or to vote (save as proxy or authorised representative for another Shareholder) whether personally, by proxy or by attorney or to be reckoned in the quorum, at any general meeting. All Shareholders have the right to (a) speak at a general meeting; and (b) vote at a general meeting except where a Shareholder is required, by the Listing Rules, to abstain from voting to approve the matter under consideration.

**APPENDIX II PROPOSED AMENDMENTS TO THE MEMORANDUM
AND ARTICLES OF ASSOCIATION**

Currently in force	Proposed to be amended
<p style="text-align: center;">Amended and Restated Articles of Association</p> <p>No.</p>	<p style="text-align: center;">Second Amended and Restated Articles of Association</p> <p>No.</p>
<p>104.(b) Except as would, if the Company were a company incorporated in Hong Kong, be permitted by Section 157H of the Companies Ordinance as in force at the date of adoption of these Articles, and except as permitted under the Companies Law, the Company shall not directly or indirectly:</p> <p>(i) make a loan to a Director or a director of any Holding Company of the Company or any of their respective Associates;</p> <p>(ii) enter into any guarantee or provide any security in connection with a loan made by any person to a Director or a director of any Holding Company of the Company or any of their respective Associates; or</p> <p>(iii) 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.</p>	<p>104.(b) The Company shall not make any loan, directly or indirectly, to a Director or his close associate(s) if and to the extent it would be prohibited by the Companies Ordinance as if the Company were a company incorporated in Hong Kong. Except as would, if the Company were a company incorporated in Hong Kong, be permitted by Section 157H of the Companies Ordinance as in force at the date of adoption of these Articles, and except as permitted under the Companies Law, the Company shall not directly or indirectly:</p> <p>(i) make a loan to a Director or a director of any Holding Company of the Company or any of their respective Associates;</p> <p>(ii) enter into any guarantee or provide any security in connection with a loan made by any person to a Director or a director of any Holding Company of the Company or any of their respective Associates; or</p> <p>(iii) 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.</p>

**APPENDIX II PROPOSED AMENDMENTS TO THE MEMORANDUM
AND ARTICLES OF ASSOCIATION**

Currently in force

**Amended and Restated Articles of
Association**

No.

107.(c) A Director shall not vote (nor shall he be counted in the quorum) on any resolution of the Board in respect of any contract or arrangement or proposal in which he or any of his Associate(s) has/have a material interest, and if he shall do so his vote shall not be counted (nor shall he be counted in the quorum for that resolution), but this prohibition shall not apply to any of the following matters namely:-

(i) the giving of any security or indemnity either:

(a) to the Director or his Associate(s) 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

(b) to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his Associate(s) 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;

Proposed to be amended

**Second Amended and
Restated Articles of Association**

No.

107.(c) A Director shall not vote (nor shall he be counted in the quorum) on any resolution of the Board in respect of any contract or arrangement or proposal in which he or any of his **close associate(s)** ~~Associate(s)~~ has/have a material interest, and if he shall do so his vote shall not be counted (nor shall he be counted in the quorum for that resolution), but this prohibition shall not apply to any of the following matters namely:-

(i) the giving of any security or indemnity either:

(a) to the Director or his **close associate(s)** ~~Associate(s)~~ 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

(b) to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his **close associate(s)** ~~Associate(s)~~ 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;

**APPENDIX II PROPOSED AMENDMENTS TO THE MEMORANDUM
AND ARTICLES OF ASSOCIATION**

Currently in force

- Amended and Restated Articles of Association**
- No.**
- (ii) 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 his Associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;
 - (iii) any proposal or arrangement concerning the benefit of employees of the Company or its subsidiaries including:
 - (a) the adoption, modification or operation of any employees' share scheme or any share incentive or share option scheme under which the Director or his Associate(s) may benefit; or
 - (b) the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates both to Directors, his Associate(s) and employees of the Company or any of its subsidiaries and does not provide in respect of any Director or his Associate(s), as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates; and

Proposed to be amended

- Second Amended and Restated Articles of Association**
- No.**
- (ii) 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 his **close associate(s)** ~~Associate(s)~~ is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;
 - (iii) any proposal or arrangement concerning the benefit of employees of the Company or its subsidiaries including:
 - (a) the adoption, modification or operation of any employees' share scheme or any share incentive or share option scheme under which the Director or his **close associate(s)** ~~Associate(s)~~ may benefit; or
 - (b) the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates both to Directors, his **close associate(s)** ~~Associate(s)~~ and employees of the Company or any of its subsidiaries and does not provide in respect of any Director or his **close associate(s)** ~~Associate(s)~~, as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates; and

**APPENDIX II PROPOSED AMENDMENTS TO THE MEMORANDUM
AND ARTICLES OF ASSOCIATION**

Currently in force

**Amended and Restated Articles of
No. Association**

(iv) any contract or arrangement in which the Director or his Associate(s) 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.

107.(e) If any question shall arise at any meeting of the Board as to the materiality of the interest of a Director (other than the Chairman) or his Associates or as to the entitlement of any Director (other than such Chairman) to vote or be counted in the quorum and such question is not resolved by his voluntarily agreeing to abstain from voting or not to be counted in the quorum, such question shall be referred to the Chairman and his ruling in relation to such other Director shall be final and conclusive except in a case where the nature or extent of the interest of the Director or his Associates concerned as known to such Director has not been fairly disclosed to the Board. If any question as aforesaid shall arise in respect of the Chairman or his Associates such question shall be decided by a resolution of the Board (for which purpose such Chairman shall not be counted in the quorum and shall not vote thereon) and such resolution shall be final and conclusive except in a case where the nature or extent of the interest of such Chairman or his Associates as known to him has not been fairly disclosed to the Board.

Proposed to be amended

**Second Amended and
No. Restated Articles of Association**

(iv) any contract or arrangement in which the Director or his **close associate(s)** ~~Associate(s)~~ 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.

107.(e) If any question shall arise at any meeting of the Board as to the materiality of the interest of a Director (other than the Chairman) or his **close associates** ~~Associates~~ or as to the entitlement of any Director (other than such Chairman) to vote or be counted in the quorum and such question is not resolved by his voluntarily agreeing to abstain from voting or not to be counted in the quorum, such question shall be referred to the Chairman and his ruling in relation to such other Director shall be final and conclusive except in a case where the nature or extent of the interest of the Director or his **close associates** ~~Associates~~ concerned as known to such Director has not been fairly disclosed to the Board. If any question as aforesaid shall arise in respect of the Chairman or his **close associates** ~~Associates~~ such question shall be decided by a resolution of the Board (for which purpose such Chairman shall not be counted in the quorum and shall not vote thereon) and such resolution shall be final and conclusive except in a case where the nature or extent of the interest of such Chairman or his **close associates** ~~Associates~~ as known to him has not been fairly disclosed to the Board.

**APPENDIX II PROPOSED AMENDMENTS TO THE MEMORANDUM
AND ARTICLES OF ASSOCIATION**

Currently in force

No. Amended and Restated Articles of Association

112. 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 additional Director but so that the number of Directors so appointed shall not exceed the maximum number determined from time to time by the Shareholders in general meeting. Any Director appointed by the Board to fill a casual vacancy shall hold office only until the first general meeting of the Company after his appointment and be subject to re-election at such meeting. Any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

Proposed to be amended

No. Second Amended and Restated Articles of Association

112. 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 additional Director but so that the number of Directors so appointed shall not exceed the maximum number determined from time to time by the Shareholders in general meeting. **Any Director so appointed by the Board shall hold office only until the next following annual general meeting of the Company after his appointment and be subject to re-election at such meeting. ~~Any Director appointed by the Board to fill a casual vacancy shall hold office only until the first general meeting of the Company after his appointment and be subject to re-election at such meeting. Any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.~~**

**APPENDIX II PROPOSED AMENDMENTS TO THE MEMORANDUM
AND ARTICLES OF ASSOCIATION**

Currently in force

- Amended and Restated Articles of Association**
- No.**
176. (a) The Company shall at each annual general meeting appoint one or more firms of auditors to hold office until the conclusion of the next annual general meeting on such terms and with such duties as may be agreed with the Board, but if an appointment is not made, the Auditors in office shall continue in office until a successor is appointed. A Director, officer or employee of any such Director, officer or employee shall not be appointed Auditors of the Company. The Board may fill any casual vacancy in the office of Auditors, but while any such vacancy continues the surviving or continuing Auditors (if any) may act. The remuneration of the Auditors shall be fixed by or on the authority of the Company in the annual general meeting except that in any particular year the Company in general meeting may delegate the fixing of such remuneration to the Board and the remuneration of any Auditors appointed to fill any casual vacancy may be fixed by the Board.
- (b) The Shareholders may, at any general meeting convened and held in accordance with these Articles, remove the Auditors by Special Resolution at any time before the expiration of the term of office and shall, by Ordinary Resolution, at that meeting appoint new auditors in its place for the remainder of the term.

Proposed to be amended

- Second Amended and Restated Articles of Association**
- No.**
176. (a) The Company shall at each annual general meeting **by Ordinary Resolution** appoint one or more firms of auditors to hold office until the conclusion of the next annual general meeting on such terms and with such duties as may be agreed with the Board, but if an appointment is not made, the Auditors in office shall continue in office until a successor is appointed. A Director, officer or employee of any such Director, officer or employee shall not be appointed Auditors of the Company. The Board may fill any casual vacancy in the office of Auditors, but while any such vacancy continues the surviving or continuing Auditors (if any) may act. The remuneration of the Auditors shall, **by Ordinary Resolution**, be fixed by or on the authority of the Company in the annual general meeting except that in any particular year the Company in general meeting may delegate the fixing of such remuneration to the Board and the remuneration of any Auditors appointed to fill any casual vacancy may be fixed by the Board.
- (b) The Shareholders may, at any general meeting convened and held in accordance with these Articles, remove the Auditors by **Ordinary Special** Resolution at any time before the expiration of the term of office and shall, by Ordinary Resolution, at that meeting appoint new auditors in its place for the remainder of the term.

**APPENDIX II PROPOSED AMENDMENTS TO THE MEMORANDUM
AND ARTICLES OF ASSOCIATION**

Currently in force

**Amended and Restated Articles of
No. Association**

195.(a)(iii) (aa) the said amount in cash which the holder of such warrant is required to pay on exercise of the subscription rights represented thereby (or, as the case may be, the relevant portion thereof in the event of a partial exercise of the subscription rights); and

Nil

197. Nil

Proposed to be amended

**Second Amended and
No. Restated Articles of Association**

195.(a)(iii) (aa) the said amount in cash which the holder of such warrant is required to pay on exercise of the subscription rights represented thereby (or, as the case ~~may~~ **my** be, the relevant portion thereof in the event of a partial exercise of the subscription rights); and

FINANCIAL YEAR

197. **Unless otherwise determined by the Directors from time to time, the financial year end of the Company shall be 31 of December in each year.**

Note: In case of discrepancies or inconsistencies between the English version and the Chinese version of the Memorandum and Articles of Association of Directel Holdings Limited, the English version shall prevail.

NOTICE OF ANNUAL GENERAL MEETING



DIRECTEL HOLDINGS LIMITED

直通電訊控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock code: 8337)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the annual general meeting of Directel Holdings Limited (the “**Company**”) will be held at Office Nos. 1, 2, 14 and 15, 37th Floor, Hong Kong Plaza, No. 188 Connaught Road West, Hong Kong, on Wednesday, 15 June 2022 at 10:00 a.m. for the following purposes:

ORDINARY RESOLUTIONS

1. To receive and consider the audited consolidated financial statements and the reports of the directors and auditors for the year ended 31 December 2021.
2. To appoint auditors and to authorise the board of directors of the Company (the “**Directors**”) to fix their remuneration.
3. (A) To re-elect Mr. Li Kin Shing as a Director.

(B) To re-elect Mr. Li Wang as a Director.

(C) To re-elect Mr. Chen Xue Dao as a Director.
4. To authorise the board of Directors to fix the remuneration of the Directors.
5. As special business, to consider and if thought fit, pass the following resolutions with or without amendments as ordinary resolutions:
 - (A) “**THAT**
 - (a) subject to paragraph (c) of this Resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) to allot, issue and deal with the new shares in the capital of the Company or securities convertible into shares, 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 would or might require the exercise of such powers, be and is hereby generally and unconditionally approved;

NOTICE OF ANNUAL GENERAL MEETING

- (b) the approval in paragraph (a) of this Resolution shall authorise the Directors during the Relevant Period to make or grant offers, agreements and/or options (including bonds, warrants, and debentures convertible into shares of the Company) which might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate nominal amount of the share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) of this Resolution, otherwise than pursuant to:
 - (i) a Right Issue (as hereinafter defined);
 - (ii) the grant or exercise of any option under the option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and its subsidiaries and/or other eligible persons of shares or rights to acquire shares of the Company; or
 - (iii) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of the cash payment for a dividend on shares of the Company in accordance with the articles of association of the Company,

shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this Resolution and the said approval shall be limited accordingly;

- (d) for the purpose of this Resolution, “Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable law to be held; and
 - (iii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Company in general meeting.

“Right Issue” means an offer of shares or other securities of the Company or an offer or issue of warrants, options or other securities giving rights to subscribe for shares of the Company, open for a period fixed by the

NOTICE OF ANNUAL GENERAL MEETING

Directors to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (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 any recognised regulatory body or any stock exchange in, any territory outside the Hong Kong Special Administrative Region of the People's Republic of China).”

(B) “**THAT**

- (a) subject to paragraph (b) of this Resolution, the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to purchase its own shares on GEM (“**GEM**”) of The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”), subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on GEM of the Stock Exchange or of any other stock exchange, be and is hereby generally and unconditionally approved and authorised;
- (b) the aggregate nominal amount of the shares of the Company to be purchased by the Company pursuant to the approval in paragraph (a) of this Resolution during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this Resolution and the said approval shall be limited accordingly; and
- (c) for the purpose of this Resolution, “Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable law to be held; and
 - (iii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

NOTICE OF ANNUAL GENERAL MEETING

(C) “**THAT**

conditional upon Resolutions 5(A) and 5(B) being passed, the aggregate nominal amount of the number of shares in the capital of the Company which are repurchased by the Company under the authority granted to the Directors as mentioned in Resolution 5(B) shall be added to the aggregate nominal amount of share capital that may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to Resolution 5(A) above.”

SPECIAL RESOLUTION

6. As special business, to consider and if thought fit, pass the following as special resolution:

“**THAT**

- (A) the proposed amendments to the existing memorandum and articles of association of the Company as set out in Appendix II to the circular issued by the Company on 18 May 2022 be and are hereby approved and confirmed;
- (B) the second amended and restated memorandum and articles of association of the Company (a printed copy of which being tabled before the meeting and initialled by the chairman of the meeting for the purposes of identification) be and are hereby adopted in substitution for, and to the exclusion of, the existing memorandum and articles of association of the Company with immediate effect after the close of the meeting; and
- (C) any one Director of the Company be and is hereby authorised to do all such acts and things (including filing the second amended and restated memorandum and articles of association of the Company with the relevant authorities for approval, endorsement and/or registration as appropriate) and execute and deliver all such documents, deeds or instruments (including affixing the common seal of the Company thereon) and take all such steps as the Director in his or her sole opinion and absolute discretion may consider necessary, appropriate or desirable to implement or give effect to the proposed amendments.”

On behalf of the Board
Directel Holdings Limited
Li Kin Shing
Chairman

Hong Kong, 18 May 2022

NOTICE OF ANNUAL GENERAL MEETING

Head office and principal place of business:

Office Nos. 1, 2, 14 and 15
37th Floor
Hong Kong Plaza
No. 188 Connaught Road West
Hong Kong

Notes:

- (1) The instrument appointing a proxy shall be in writing under the hand of appointor or his/her attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of any officer, attorney or other person duly authorised to sign the same.
- (2) A member of the Company entitled to attend and vote at the annual general meeting convened by the above notice is entitled to appoint another person as his proxy to attend and, on a poll, vote on his behalf. A proxy need not be a member of the Company but must attend the annual general meeting to represent the member.
- (3) In order to be valid, the form of proxy must be deposited with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong together with any power of attorney or other authority, under which it is signed, or a notarially certified copy of that power or authority, not less than 48 hours (i.e. 10:00 a.m. on Monday 13 June 2022) before the time for holding the meeting or any adjournment thereof.
- (4) In the case of joint holders of any shares in the Company, any one of such joint holders may vote at the annual general meeting, either in person or by proxy, in respect of such shares as if he was solely entitled thereto, but if more than one of such joint holders are present at the meeting, either personally or by proxy, that one of the said persons so present whose name stands first on the register of members in respect of such shares shall be accepted to the exclusion of the votes of the other joint registered holders.
- (5) Completion and return of the form of proxy will not preclude members from attending and voting in person at the meeting or at any adjourned meeting (as the case may be) should they so wish, and in such event, the form of proxy previously submitted shall be deemed to be revoked.
- (6) For determining the entitlement to attend and vote at the annual general meeting, the company's register of members will be closed from Friday, 10 June 2022 to Wednesday, 15 June 2022, both days inclusive, during which time no transfer of shares will be registered. In order to ensure that the shareholders are entitled to attend and vote at the annual general meeting, the shareholders must deliver their duly stamped instruments of transfer, accompanied by the relevant share certificates, to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong by no later than 4:30 p.m. on Thursday, 9 June 2022 for registration of the relevant transfer.
- (7) References to time and dates in this notice are to Hong Kong time and dates.

NOTICE OF ANNUAL GENERAL MEETING

As at the date of this circular, the non-executive directors of the Company are Mr. Li Kin Shing, Mr. Wong Kin Wa and Mr. Hu Tiejun, the executive directors of the Company are Mr. Pang Kwok Chau and Mr. Li Wang and the independent non-executive directors of the Company are Ms. Lee Man Yee, Maggie, Mr. Chen Xue Dao and Mr. Liu Kejun.

This circular, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The directors, having made all reasonable enquires, 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.

This circular will remain on the GEM website (www.hkgem.com) on the “Latest Listed Company Information” page for at least 7 days from the date of its posting. This circular will also be posted on the Company’s website at www.directel.hk.