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

If you have sold or transferred all your shares in BeijingWest Industries International Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

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京西重工國際有限公司

BEIJINGWEST INDUSTRIES INTERNATIONAL LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2339)

(1) CONTINUING CONNECTED TRANSACTIONS
(2) RE-ELECTION OF RETIRING DIRECTOR
(3) PROPOSED AMENDMENTS TO THE EXISTING MEMORANDUM AND ARTICLES OF ASSOCIATION AND ADOPTION OF THE NEW MEMORANDUM AND ARTICLES OF ASSOCIATION AND
(4) NOTICE OF EXTRAORDINARY GENERAL MEETING

**Independent Financial Adviser to
the Independent Board Committee and the Independent Shareholders**



RAINBOW CAPITAL (HK) LIMITED
溢博資本有限公司

A letter from the Independent Board Committee including its recommendations to the Independent Shareholders is set out on pages 20 to 21 of this circular, and a letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders on the terms of the Mutual Technical Services Agreement and the Parts and Components Supply Agreement as well as the annual caps of the transactions contemplated thereunder is set out on pages 22 to 37 of this circular.

A notice convening the EGM of BeijingWest Industries International Limited to be held at 2:00 p.m. on Tuesday, 13 December 2022 at Boardroom 3-5, M/F., Renaissance Harbour View Hotel Hong Kong, 1 Harbour Road, Wan Chai, Hong Kong is set out on pages EGM-1 to EGM-4 of this circular. A form of proxy for use at the EGM is enclosed. Whether or not you intend to attend the EGM in person, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the share registrar of BeijingWest Industries International Limited, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, as soon as practicable but in any event not less than 48 hours before the time appointed for holding of the EGM or any adjournment thereof (as the case may be). Completion and return of the proxy form shall not preclude you from attending and voting in person at the EGM or any adjournment thereof (as the case may be) should you so desire.

PRECAUTIONARY MEASURES FOR THE EXTRAORDINARY GENERAL MEETING

In view of the ongoing COVID-19 pandemic, the Company will take certain precautionary measures at the venue of the Extraordinary General Meeting to ensure the safety of attendees, including (but not limited to):

- (i) compulsory body temperature check;
- (ii) compulsory wearing of face mask;
- (iii) limiting the number of attendees to avoid overcrowding;
- (iv) no refreshments will be served and no corporate gift will be distributed at the meeting; and
- (v) any COVID-19 related restrictions as required by the laws of Hong Kong from time to time.

To the extent as permitted by law, the Company reserves the right in its absolute discretion to deny admission to the meeting venue if any person does not comply with the precautionary measures to be taken at the meeting or such person is subject to any HKSAR Government prescribed quarantine.

The Company also encourage the Shareholder(s) to consider appointing the chairman of the meeting as its/his/her proxy to vote on the relevant resolutions at the Extraordinary General Meeting as an alternative to attending the meeting in person.

Subject to the development of the pandemic, the Company may implement further procedures and precautionary measures at short notice and may issue further announcement as appropriate. Shareholders should check the Company's website for updates on the latest arrangement of the Extraordinary General Meeting.

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DEFINITIONS

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

“Articles”	the articles of association of the Company as adopted by a special resolution passed on 19 December 2014, amended by ordinary resolutions passed on 16 November 2016 and become effective from 17 November 2016 and in effect as at the Latest Practicable Date
“associate(s)”	has the same meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“BWI”	BeijingWest Industries Co., Ltd.* (北京京西重工有限公司), a company incorporated in the PRC, a controlling shareholder of the Company
“BWI Group”	BWI and its subsidiaries (other than the Group) from time to time
“Company”	BeijingWest Industries International Limited (京西重工國際有限公司), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the main board of the Stock Exchange
“connected person”	has the same meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the same meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held at 2:00 p.m. on Tuesday, 13 December 2022 at Boardroom 3-5, M/F., Renaissance Harbour View Hotel Hong Kong, 1 Harbour Road, Wan Chai, Hong Kong or any adjournment thereof (as the case may be)
“Existing Mutual Technical Services Agreement”	the mutual technical services agreement entered into between the Company and BWI on 7 November 2019
“Existing Parts and Components Supply Agreement”	the parts and components supply agreement entered into between the Company and BWI on 7 November 2019
“Existing Parts and Components Supply Supplemental Agreement”	the parts and components supply supplemental agreement entered into between the Company and BWI on 5 November 2021 to revise the annual cap for the financial year ending 31 December 2021

DEFINITIONS

“Group”	the Company and its subsidiaries
“HKD” or “HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent committee of the Board, comprising all the independent non-executive Directors, formed for the purpose of advising the Independent Shareholders in respect of, among other things, the terms of the Mutual Technical Services Agreement and the Parts and Components Supply Agreement as well as the annual caps of the transactions contemplated thereunder
“Independent Financial Adviser”	Rainbow Capital (HK) Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, and the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders on the terms of the Mutual Technical Services Agreement and the Parts and Components Supply Agreement as well as the annual caps of the transactions contemplated thereunder
“Independent Shareholders”	the Shareholders other than BWI and its associates
“Latest Practicable Date”	11 November 2022, being the latest practicable date for the purpose of ascertaining certain information contained herein prior to the printing of this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Memorandum”	the memorandum of association of the Company as adopted by a special resolution passed on 19 December 2014, amended by ordinary resolutions passed on 16 November 2016 and become effective from 17 November 2016 and in effect as at the Latest Practicable Date
“Mutual Technical Services Agreement”	the master agreement dated 19 October 2022 entered into between the Company and BWI in relation to the mutual provision of technical services
“New Memorandum and Articles”	the amended and restated memorandum and articles of association of the Company which incorporates the Proposed Amendments proposed to be adopted by the Shareholders at the EGM

DEFINITIONS

“Parts and Components Supply Agreement”	the agreement dated 19 October 2022 entered into between the Company and BWI in relation to the supply of auto parts and components by the Group to BWI and/or its associates
“PRC”	the People’s Republic of China which, for the purpose of this circular, excludes Hong Kong, the Macao Special Administrative Region and Taiwan
“Proposed Amendments”	the proposed amendments to the Memorandum and Articles, details of which are set out in Appendix II to this circular
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholders”	holders of the Shares
“Shares”	ordinary shares of HK\$0.10 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

* *For identification purpose only*

LETTER FROM THE BOARD



京西重工國際有限公司
BEIJINGWEST INDUSTRIES INTERNATIONAL LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2339)

Directors:

Mr. Dong Xiaojie (*Chairman*)
Mr. Chen Zhouping (*Managing Director*)
Mr. Li Zhi (*Non-executive Director*)
Mr. Tam King Ching, Kenny
(Independent Non-executive Director)
Mr. Yip Kin Man, Raymond
(Independent Non-executive Director)
Mr. Chan Pat Lam
(Independent Non-executive Director)

Registered Office:

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

*Principal Place of Business
in Hong Kong:*

Rooms 1005-06, 10th Floor
Harcourt House
39 Gloucester Road
Wanchai
Hong Kong

17 November 2022

To the Shareholders

Dear Sir or Madam,

**(1) CONTINUING CONNECTED TRANSACTIONS
(2) RE-ELECTION OF RETIRING DIRECTOR
(3) PROPOSED AMENDMENTS TO THE EXISTING MEMORANDUM AND
ARTICLES OF ASSOCIATION AND
ADOPTION OF THE NEW MEMORANDUM AND
ARTICLES OF ASSOCIATION
AND
(4) NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide the Shareholders with details regarding the proposals for (I) continuing connected transactions; (II) re-election of retiring Director; and (III) proposed amendments to the existing Memorandum and Articles of Association, and to give the Shareholders notice of the EGM. Such proposals will be dealt with at the EGM.

LETTER FROM THE BOARD

(I) CONTINUING CONNECTED TRANSACTIONS

The Board announced that on 19 October 2022, the Company entered into, among others, the Mutual Technical Services Agreement and the Parts and Components Supply Agreement with BWI. As BWI is interested in approximately 52.55% of the issued share capital of the Company, it is the controlling shareholder and a connected person of the Company. Accordingly, the transactions contemplated under the Mutual Technical Services Agreement and the Parts and Components Supply Agreement constitute continuing connected transactions for the Company under the Listing Rules.

Further information was set out in this circular in respect of the continuing connected transactions include (i) details of the Mutual Technical Services Agreement and the Parts and Components Supply Agreement; (ii) the recommendations of the Independent Board Committee to the Independent Shareholders on the terms and annual caps of the Mutual Technical Services Agreement and the Parts and Components Supply Agreement; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders on the terms and annual caps of the Mutual Technical Services Agreement and the Parts and Components Supply Agreement.

(A) MUTUAL TECHNICAL SERVICES AGREEMENT

Date: 19 October 2022

Parties: The Company
BWI

BWI is a controlling shareholder and a connected person of the Company.

Subject: BWI and/or its associates will provide technical services to the Group (the “**BWI Services**”) and the Group will provide technical services to BWI and/or its associates (the “**Company Services**”). The technical services comprise engineering services and manufacturing services. The engineering services include advanced development engineering services and applications engineering services. Advanced development engineering services refer to the engineering services that demonstrate the feasibility of technologies to be applied to future products or manufacturing process, prove the ability to reliably design the process and product features needed for potential customer programs, and include technologies that are not embedded in any existing products. Applications engineering services refer to the services provided to the manufacturing plant to make the automotive parts produced in the manufacturing plant usable and applicable to end customers in local market by calibrating the standard part products according to specific customers’ requirements and local market requirements. Manufacturing services refer primarily to quality control and manufacturing administration services.

LETTER FROM THE BOARD

Cap Amounts: The cap amounts of the BWI Services and the Company Services for each of the three financial years ending 31 December 2025 will be as follows:

	For the financial year ending 31 December		
	2023	2024	2025
	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>
Cap amount for the BWI Services	137.9	165.5	198.6
Cap amount for the Company Services	165.1	198.1	237.7

In determining the annual caps, the Company has taken into consideration the historical transaction amounts and the projected volume of technical services to be provided and a buffer to cater for any unexpected increases in demand during the term of the Mutual Technical Services Agreement.

Term: The Mutual Technical Services Agreement has a fixed term of three financial years ending on 31 December 2025.

Price: The technical services fee payable under the Mutual Technical Services Agreement will be calculated on the basis of cost plus 5% for engineering services and cost plus 1.5% for manufacturing services which were determined by the parties after arm's length negotiations with reference to a latest study conducted by an independent third party consultant commissioned by the Company in November 2019 based on the Organisation for Economic Co-operation and Development ("OECD") Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations (the "OECD Guidelines"). The OECD is a unique international organization with 38 member countries spanning the globe, from North and South America to Europe and Asia-Pacific. Together with the governments from the member countries, the OECD works on establishing international standards to a range of social, economic and environmental challenges including tax evasion. The OECD Guidelines set out the principles and methods for establishing arm's length transfer prices for goods, services, technical assistance, trademarks, or other assets that are transferred or licensed between related or controlled parties. The OECD Guidelines are the most complete set of guidance governing transfer pricing and the member countries of OECD (which include France, Germany, Italy, Luxembourg, Poland, the Czech Republic and the United Kingdom) and the tax authorities of the United States have endorsed the validity of the OECD Guidelines. The technical service fees are based on cost plus method which is one of the transfer pricing methods specified in the OECD Guidelines and fall within the inter-quartile range of cost plus mark-up of comparable companies and are consistent with the arm's length principle of the OECD Guidelines.

LETTER FROM THE BOARD

The consultant was selected by the parties from one of the big four international accounting firms based on a competitive bid and their experience on advising on tax and transfer pricing related issues for multinational companies. The consultant has evaluated a series of methodologies that could be used for the case and determined that the transactional net margin method is best suited to these particular transactions. The transactional net margin method is used to examine the profit level indicators that the Company realizes from the transactions with BWI. Under this method, the profit level indicators of the Company from such controlled transactions should ideally be established by reference to the profit level indicators that the Company earns in comparable uncontrolled transactions. The profit level indicators include, among others, return on assets, operating margin and net cost plus mark-up. The comparability analysis would examine the differences between the connected transactions and unrelated party transactions on functions, risks, economic environment, and other factors that impact operating profit, including functions performed, risks assumed, assets used, business scale, product life cycle, as well as allocation of costs and expenses. The transactional net margin method was determined to be an appropriate method under the circumstances of the Mutual Technical Services Agreement and the tax legislations of the PRC and the United States, where the principal technical development center of BWI is based, and is consistent with the arm's length principle of the OECD Guidelines.

In applying the transactional net margin method, the consultant identifies comparable companies which have similar functions, bear similar risks and operate similar business. Under these criteria and sourced from a well-known empirical analysis tool widely used in the fields of securities investment analysis, strategic operating analysis for enterprises, multinational enterprise transfer pricing, and corporate finance analysis, a number of public companies in the Europe, United States and Asia Pacific Region are selected as comparable companies.

LETTER FROM THE BOARD

The profit levels of these comparable companies are benchmarked as a reasonable range of profit levels. The consultant compares the net cost plus a mark-up with selected comparable companies. The services fee of 5% and 1.5% for engineering services and manufacturing services are considered as being conducted under the arm's length principle should the profit level of the Company falls within the range of profit levels of the comparable companies. According to the study performed by the consultant, the profit levels of the comparable companies were within 3.74% to 8.69% for engineering services and 0.40% to 5.14% for manufacturing services. Accordingly, the profit levels of the service fee of 5% and 1.5% for engineering services and manufacturing services under the Mutual Technical Services Agreement fall within the range of profit levels of comparable companies. The parties will engage the consultant to review the transfer pricing policy from time to time to ensure that the adopted net cost plus mark-up method is reasonable under the arm's length principle. The consultant confirmed that the profit levels of the service fee of 5% and 1.5% for engineering services and manufacturing services under the Mutual Technical Services Agreement still fall within the reasonable range and are acceptable to date.

Given that the transactional net margin method is one of the methods approved by OECD for determining arm's length transfer prices for goods or services, and that the routine profit level of the Company will be determined through a comparable analysis drawn from a range of comparable companies, the Board is of the view that the procedures used to establish the services fee under the Mutual Technical Services Agreement are fair and reasonable so far as the Company and the Shareholders are concerned.

To ensure that the actual services fee charged will be in accordance with the transactional net margin method, the Company will conduct its own comparability analysis and review the analysis prepared by BWI. The finance department of the Company will also review and monitor the continuing connected transactions between the Group and BWI on a regular basis to ensure that the pricing mechanism and the annual caps under the Mutual Technical Services Agreement are in compliance with the terms stipulated therein.

As such, the Directors are of the view that the services fee to be paid to BWI under the Mutual Technical Services Agreement, the methodology of which for determining the services fee was recommended by the independent third party consultant and endorsed by the relevant tax authorities, are fair and reasonable.

In addition, the Company will engage the auditor of the Company to conduct an annual review of the continuing connected transactions of the Group pursuant to the Listing Rules.

LETTER FROM THE BOARD

Payment Terms: Terms of payments for the continuing connected transactions under the Mutual Technical Services Agreement will be on the second day of the second month following the provision of the services, which is based on normal commercial terms that are no less favourable to the Company than those available to/from independent third parties.

Condition: The Mutual Technical Services Agreement is subject to approval by the Independent Shareholders.

If the condition cannot be satisfied on or before 31 March 2023 or such other date the parties may agree in writing, the Mutual Technical Services Agreement shall forthwith terminate and no person shall be entitled to any rights or benefits or be under any obligations under the Mutual Technical Services Agreement.

Reasons for the Mutual Technical Services Agreement:

On 7 November 2019, the Company and BWI entered into the Existing Mutual Technical Services Agreement in respect of the BWI Services and the Company Services for a fixed term of three financial years ending 31 December 2022. The cap amounts of the transactions contemplated under the Existing Mutual Technical Services Agreement for each of the three financial years ending 31 December 2022 are as follows:

	For the financial year ending 31 December		
	2020	2021	2022
	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>
Cap amount for the BWI Services	204.5	214.7	225.4
Cap amount for the Company Services	181.4	190.5	200.0

The actual amounts of the transactions took place under the Existing Mutual Technical Services Agreement for the two financial years ended 31 December 2021 and for the six months ended 30 June 2022 are as follows:

	For the	For the	For the
	financial	financial	six months
	year ended	year ended	ended
	31 December	31 December	30 June
	2020	2021	2022
	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>
Actual amount for the BWI Services	133.5	107.1	46.8
Actual amount for the Company Services	152.4	126.0	65.4

LETTER FROM THE BOARD

Details of the Existing Mutual Technical Services Agreement were disclosed in the circular of the Company dated 28 November 2019 and the Existing Mutual Technical Services Agreement was approved by the then independent shareholders of the Company at the extraordinary general meeting held on 17 December 2019. As the Existing Mutual Technical Services Agreement is due to expire on 31 December 2022, the Company has entered into the Mutual Technical Services Agreement with BWI for a fixed term of three financial years ending 31 December 2025.

The proposed annual caps under the Mutual Technical Services Agreement are determined with reference to (i) the historical transaction amounts of both the BWI Services and the Company Services (including the highest transaction amount with assumption that the transaction volume would reach the similar historical level); (ii) the projected increase in the demand of the Company Services; and (iii) a buffer which has been built in to cater for any changes in regional economic market conditions, fuel price and end customers' expectations on future economic situation and fluctuations in exchange rates. The buffer is being put in place to mitigate the burden of the Group to bear additional costs to conduct any revision to the relevant annual cap(s) if the cap is exceeded for reasons outside the control of the Company. Accordingly, a 20% overall annual growth rate based on the average actual transaction amounts for the period between 1 January 2020 and 30 June 2022 is used to determine the caps of both the BWI Services and the Company Services for the three financial years ending 31 December 2025.

Based on the above, the Directors are of the view that the annual caps under the Mutual Technical Services Agreement are fair and reasonable under the circumstances.

The Group's products are manufactured according to its customers' specifications. There are similarities amongst customer specifications. However, each application has a unique set of specifications to make the products specifically fit the customers' vehicles. It is important to centralize core engineering in terms of each product family. The product and manufacturing process development for a product family is assigned to only one technical center of the Group or of BWI and/or its associates, depending on which have the best capability for any particular project and are best positioned to coordinate. In this respect, as the engineering team of the technical center ensures that the product design process across multiple customers is consistent in terms of quality, and also ensures that the manufacturing process across multiple manufacturing plants is similarly and consistently of high quality. This helps to make sure that the Group's products meet the customers' specifications in an economical and efficient manner. Thus, the Group and BWI and/or its associates have been providing technical services to each other in the past for the reason that each of the Group and BWI and/or its associates possesses different technologies and expertise for a variety of product families that can be used by the other for providing a workable product solution to customers. Although the mutual technical services under the Mutual Technical Services Agreement will limit the Group's ability to develop its own full scope of technical services, the arrangement for the mutual provision of technical services will continue as it would allow both parties to save and pool their resources in providing a total solution to their customers. The Mutual Technical Services Agreement was entered into to facilitate the continued provision of technical services between BWI and/or its associates and the Group.

LETTER FROM THE BOARD

The Directors believe that the Mutual Technical Services Agreement would be beneficial to the Group for the following reasons:

- (i) the technical services being provided under the Mutual Technical Services Agreement will be in the normal and ordinary course of business of the Group; and
- (ii) the Mutual Technical Services Agreement will be conducted under arm's length basis, on normal commercial terms, and at competitive prices.

Since the applicable ratios under the Listing Rules in respect of the annual caps for the Mutual Technical Services Agreement are more than 5%, the transactions under the Mutual Technical Services Agreement are subject to the reporting, announcement, annual review, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

(B) PARTS AND COMPONENTS SUPPLY AGREEMENT

Date: 19 October 2022

Parties: The Company
BWI

BWI is a controlling shareholder and a connected person of the Company.

Subject: The Group will supply auto parts and components, including automobile controlled and passive suspension products, and prototypes to BWI and/or its associates (the "Sales").

Cap Amounts: The cap amounts of the Sales for each of the three financial years ending 31 December 2025 will be as follows:

	For the financial year ending 31 December		
	2023	2024	2025
	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>
Cap amount for the Sales	246.2	272.4	319.6

In determining the annual caps, the Company has taken into consideration the historical transaction amounts and the projected increase in sales by BWI and its associates, which will result in a corresponding increase in the Sales, and a buffer to cater for any unexpected increases in demand during the term of the Parts and Components Supply Agreement.

Term: The Parts and Components Supply Agreement has a fixed term of three financial years ending on 31 December 2025.

LETTER FROM THE BOARD

Price:

The basis of determining the prices for the Sales is in accordance with the cost plus approach as the products are unique and tailor-made and there does not exist a prevailing market price for such products. The terms of the Parts and Components Supply Agreement were concluded after arm's length negotiations and were based on normal commercial terms in the parties' ordinary course of business. The margins for the Sales depend on the products and size of orders and was generally between approximately 5% to 20% which is determined based on (i) the level of value-added services and technical standards; and (ii) to the extent that the prices can satisfy the tax authorities of the countries of both the buying and selling sides that neither country is being cheated of tax revenue. The Company may supply parts and components with margin over 20%, if required, after taken into the aforesaid bases.

Other than some completed products were sold at a loss, the margins in respect of other completed products supplied by the Group to independent third party customers were generally between 1% to 18% in 2021. The loss trading products were mainly from the plant at the Czech Republic as the plant was still in its early stage of operation, pending reaching its designed capacity to achieve optimal production status.

As the products to be sold to BWI and/or its associates are unique and tailor made, the Group will evaluate and assess the scope of the relevant order and prepare a detailed cost calculation by reference to cost of materials, products and labours, quotes of the Group to other independent third party customers and the level of profit margin of competitors of the Group in the market (if available) to ensure that the margins are set within the range or no less favourable to the margins of the other products, taken into account of the same percentage of completion level of the products, of the Group supplied to independent third party customers.

In addition, in order to ensure the margins for the supply of the auto parts and components under the Parts and Components Supply Agreement are within range or no less favourable to the margins of the other products of the Group, taken into account the quality and specifications of the product and order of comparable quantities, the Group's pricing policies for continuing connected transactions will be followed in that the margin of the product for a particular order will be compared against the historical margins of other products supplied by the Group to independent third party customers for the prior financial year (of which will be updated annually) before finalisation of the relevant quotation. The Group considers that such historical margins in the prior year provide a reasonably recent and relevant reference for the Group to set its pricing for the supply of the parts and components under the Parts and Components Supply Agreement. The finance department of the subsidiaries of the Company will verify that the margins charged for the supply of auto parts and components under the Parts and Components Supply Agreement are in compliance with the terms of the agreement and the local tax reporting regulations and that the transactions are fair and reasonable.

LETTER FROM THE BOARD

The finance department of the Company will also review and monitor the continuing connected transactions between the Group and BWI on a regular basis to ensure that the pricing mechanism and the annual caps under the Parts and Components Supply Agreement are in compliance with the terms stipulated therein.

As such, the Directors are of the view that the margins charged for the supply of the auto parts and components to be paid by BWI under the Parts and Components Supply Agreement, the methodology of which for determining the margins for the supply of the auto parts and components was endorsed by the relevant tax authorities, are fair and reasonable.

Payment Terms: Payments for the continuing connected transactions under the Parts and Components Supply Agreement will be on the second day of the third month following the shipment of the products, which is based on normal commercial terms that are no less favourable to the Company than those available to independent third parties.

Condition: The Parts and Components Supply Agreement is subject to approval by the Independent Shareholders.

If the condition cannot be satisfied on or before 31 March 2023 or such other date the parties may agree in writing, the Parts and Components Supply Agreement shall forthwith terminate and no person shall be entitled to any rights or benefits or be under any obligations under the Parts and Components Supply Agreement.

Reasons for the Parts and Components Supply Agreement:

On 7 November 2019, the Company and BWI entered into the Existing Parts and Components Supply Agreement in respect of the Sales for a fixed term of three financial years ending 31 December 2022. The cap amounts of the transactions contemplated under the Existing Parts and Components Supply Agreement for each of the three financial years ending 31 December 2022 are as follows:

	For the financial year ending 31 December		
	2020	2021	2022
	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>
Cap amount for the Sales	23.5	86.9	212.1

LETTER FROM THE BOARD

On 5 November 2021, the Company and BWI entered into the Existing Parts and Components Supply Supplemental Agreement to revise the annual cap under the Existing Parts and Components Supply Agreement for the financial year ending 31 December 2021 from HK\$86.9 million to HK\$127.7 million. The Existing Parts and Components Supply Supplemental Agreement was approved by the then independent shareholders of the Company at the extraordinary general meeting held on 9 December 2021.

The actual amounts of the transactions took place under the Existing Parts and Components Supply Agreement and the Existing Parts and Components Supply Supplemental Agreement for the two financial years ended 31 December 2021 and for the six months ended 30 June 2022 are as follows:

	For the financial year ended 31 December 2020 <i>HK\$ million</i>	For the financial year ended 31 December 2021 <i>HK\$ million</i>	For the six months ended 30 June 2022 <i>HK\$ million</i>
Actual amount for the Sales	13.5	111.2	71.4

As the Existing Parts and Components Supply Agreement and the Existing Parts and Components Supply Supplemental Agreement are due to expire on 31 December 2022, the Company has entered into the Parts and Components Supply Agreement with BWI for a fixed term of three financial years ending 31 December 2025.

The proposed annual caps under the Parts and Components Supply Agreement are determined with reference to (i) the historical transaction amounts of the Sales; (ii) the projected increase in the Sales; and (iii) a buffer of 10%. A buffer has been built in to cater for any changes in regional economic market conditions, fuel price and end customers' expectations on future economic situation and fluctuations in exchange rates. The buffer is being put in place to mitigate the burden of the Group to bear additional costs to conduct any revision to the relevant annual cap(s) if the cap is exceeded for reasons outside the control of the Company.

Based on the above, the Directors are of the view that the annual caps under the Parts and Components Supply Agreement are fair and reasonable under the circumstances.

The Group has been supplying auto parts and components to BWI and its associates in the past. Although the supply of auto parts and components under the Parts and Components Supply Agreement will engage certain production schedules of the Group which may be allocated to the production of products for independent third party customers, the arrangement for the supply of auto parts and components will continue as the overall capacity of the Group is sufficient to meet the demand of both BWI Group and the independent third party customers. In addition, the production schedules for the production of products for independent third party customers have not been interrupted during the contract period of the Existing Parts and Components Supply Agreement. The Parts and Components Supply Agreement was entered into to facilitate the continued supply of auto parts and components from the Group to BWI and/or its associates.

LETTER FROM THE BOARD

The Directors believe that the Parts and Components Supply Agreement would be beneficial to the Group for the following reasons:

- (i) the Sales will be carried out in the normal and ordinary course of business of the Group;
- (ii) the Sales will be conducted under arm's length basis, on normal commercial terms, and at competitive prices which are no less favourable to the Group than that of transactions with independent third parties; and
- (iii) the Sales will provide a stable stream of revenue for the Group.

Since the applicable ratios under the Listing Rules in respect of the annual caps for the Parts and Components Supply Agreement are more than 5%, the transactions under the Parts and Components Supply Agreement are subject to the reporting, announcement, annual review, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL

The Group is principally engaged in the manufacture, sale and trading of automotive parts and components, as well as provision of technical services in Europe. As at the Latest Practicable Date, BWI and its associates are interested as to approximately 52.55% of the issued share capital of the Company and is the controlling shareholder of the Company. Accordingly, BWI is a connected person of the Company and the transactions between the Group and BWI and/or its associates under the Mutual Technical Services Agreement and the Parts and Components Supply Agreement constitute continuing connected transactions for the Company under the Listing Rules.

Other than the business of the Group, BWI Group is principally engaged in the production and sale of vehicle parts and components in North America, Mexico and the PRC. BWI was established under the laws of the PRC with limited liability on 23 March 2009. As at the Latest Practicable Date, BWI is held as to 55.45% by BeijingWest Smart Mobility Zhangjiakou Automotive Electronic Co., Ltd.* (京西智行張家口汽車電子有限公司) (“**BSMZ**”) and as to 44.55% by Beijing Fangshan State-owned Assets Management Company Limited* (北京房山國有資產經營有限責任公司) (“**Beijing Fangshan**”). BSMZ is an investment joint venture company formed to acquire the 55.45% equity interest of BWI. The largest shareholder of BSMZ is Zhangjiakou Juxin Equity Investment Fund Partnership (Limited Partnership)* (張家口聚鑫股權投資基金合夥企業(有限合夥)) which owned 40% equity interest in BSMZ, which in turn is approximately 98% held by Zhangjiakou Financial Holding Group Co., Ltd.* (張家口金融控股集團有限公司) (“**Zhangjiakou Holding**”). Zhangjiakou Holding is 48.13% indirectly held by Zhangjiakou Guokong Asset Management Group Co., Ltd.* (張家口國控資產管理集團有限公司) (“**Zhangjiakou Guokong**”). Zhangjiakou Guokong is a state-owned enterprise established in the PRC on 20 June 2017 which is supervised by the State-owned Assets Supervision and Administration Commission of the People's Government of Zhangjiakou Municipality (張家口市人民政府國有資產監督管理委員會). Beijing Fangshan is a state-owned enterprise established in the PRC on 8 January 2008 which is supervised by the State-owned Assets Supervision and Administration Commission of the People's Government of the Fangshan District of Beijing Municipality (北京市房山區人民政府國有資產監督管理委員會). As set out in the website of Zhangjiakou Holding, its operations are primarily related to equity investment, asset management, financial services and industrial development.

* For Identification purpose only

LETTER FROM THE BOARD

According to the information as disclosed in the National Enterprise Credit Information Publicity System, Beijing Fangshan is principally engaged in the sale of machinery and equipment as well as building materials, project investment, investment management, and sports project management.

At the Board meeting held to approve, inter alia, the Mutual Technical Services Agreement and the Parts and Components Supply Agreement, Mr. Dong Xiaojie, Mr. Chen Zhouping and Mr. Li Zhi, by virtue of their connection with BWI and its associates, have abstained from voting in respect of the resolutions proposed to approve such transactions. The remaining Directors present at the Board meeting for approving the Mutual Technical Services Agreement and the Parts and Components Supply Agreement are of the view that the terms of each of the abovementioned agreements are fair and reasonable and in the interests of the Group and the Shareholders as a whole.

As the applicable percentage ratios under the Listing Rules in respect of the annual caps of each of the Mutual Technical Services Agreement and the Parts and Components Supply Agreement are more than 5%, the Mutual Technical Services Agreement and the Parts and Components Supply Agreement are subject to the reporting, announcement, annual review, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Independent Board Committee comprising all the independent non-executive Directors has been formed to advise the Independent Shareholders on the terms of the Mutual Technical Services Agreement and the Parts and Components Supply Agreement and the annual caps of the transactions contemplated thereunder. Rainbow Capital (HK) Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on the terms of the Mutual Technical Services Agreement and the Parts and Components Supply Agreement and the annual caps of the transactions contemplated thereunder.

(II) RE-ELECTION OF RETIRING DIRECTOR

Mr. Dong Xiaojie (“**Mr. Dong**”) has been appointed as the executive Director of the Company with effective from 21 September 2022. A service agreement was entered into between Mr. Dong and the Company for a term commencing on 21 September 2022 and ending on 31 December 2023, subject to renewal. Under the service agreement, Mr. Dong will be entitled to a salary and discretionary bonus as may be determined by the Board or its delegated committee(s) from time to time. Mr. Dong declined any salary from the Group voluntarily since the date of his appointment as a Director of the Company. In accordance with clause 83(3) of the Articles of association of the Company, Mr. Dong will hold office until the first general meeting of the Company after his appointment on 21 September 2022 and shall then be eligible for re-election.

The Nomination Committee, having reviewed the structure and composition of the Board and taking into consideration of, inter alia, the corporate strategy and business needs of the Company, the nomination principles and criteria as set out in the director nomination policy and board diversity policy of the Company, the background, qualifications and experiences of the relevant Directors as well as their respective contributions to the Board, recommended to the Board on the re-election of Mr. Dong Xiaojie as Director at the Extraordinary General Meeting.

LETTER FROM THE BOARD

Details of the retiring Director who are proposed to be re-elected at the Extraordinary General Meeting are set out as follows:

Mr. Dong, aged 60, Mr. Dong graduated from the Hebei Normal University, majoring in mathematics in 1984. Mr. Dong was the chairman of Hebei Shengyuan Asset Management Consulting Co., Ltd.* (河北盛元資產管理諮詢有限公司) for the period from April 2005 to October 2010. Moreover, he was the chairman of Beijing Old Street Shengyuan Venture Capital Management Co., Ltd.* (北京老街盛元創業投資管理有限公司) for the period from April 2010 to September 2014. For the period from February 2015 to August 2016, Mr. Dong was a director of Robyn Hode Capital Limited. He is the president of Zhangjiakou Financial Holding Group Co., Ltd.* (張家口金融控股集團有限公司) (“**Zhangjiakou Holding**”) since July 2016. He is also a director of BWI since September 2022. Zhangjiakou Holding and BWI are currently substantial shareholders of the Company within the meaning of Part XV of the Securities and Futures Ordinance (the “SFO”). He has been appointed as an independent non-executive director and the chairman of the remuneration committee of Orient Victory Smart Urban Services Holding Limited (Stock Code: 265), a Hong Kong listed company since September 2014.

Save as disclosed above, Mr. Dong does not hold any directorships in other Hong Kong or overseas listed public companies in the last three years and does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company.

As at the Latest Practicable Date and within the meaning of Part XV of the SFO, Mr. Dong did not have any interests in the Shares.

In relation to the proposed re-election of Mr. Dong as a Director, there is no information which is discloseable nor is/was he involved in any of the matters required to be disclosed pursuant to any of the requirements of the provisions under Rules 13.51(2)(h) to (v) of the Listing Rules, and there is no other matter that needs to be brought to the attention of the Shareholders.

(III) PROPOSED AMENDMENTS TO THE EXISTING MEMORANDUM AND ARTICLES OF ASSOCIATION AND ADOPTION OF THE NEW MEMORANDUM AND ARTICLES OF ASSOCIATION

Reference is made to the announcement of the Company dated 19 October 2022. Pursuant to the Consultation Conclusions on Listing Regime for Overseas Issuers published by the Stock Exchange in November 2021, the Listing Rules have been amended with effect from 1 January 2022 which requires, among others, listed issuers to adopt a uniform set of 14 “Core Standards” for shareholder protections for issuers.

The Board proposes to seek the approval of the Shareholders by way of special resolution at the EGM to amend the Memorandum and Articles and to adopt the New Memorandum and Articles for the purposes of, among others, (i) bringing the Memorandum and Articles in line with the relevant requirements of the amendments made to the Listing Rules and the applicable laws of the Cayman Islands; (ii) providing greater flexibility to the Company in relation to conduct of general meetings by permitting the use of Communication Facilities (as defined in the New Memorandum and Articles) to enable hybrid/virtual general meetings to be held; and (iii) making other minor amendments to the Memorandum and Articles for corresponding as well as housekeeping changes.

LETTER FROM THE BOARD

The principal Proposed Amendments are broadly summarised as follows:

- (a) to permit the use of Communication Facilities to enable hybrid/virtual general meetings to be held. Communication Facilities shall mean video, video-conferencing, internet or online conferencing applications, telephone or tele-conferencing and/or any other video-communication, internet or online conferencing application or telecommunications facilities by means of which all Persons participating in a meeting are capable of communicating contemporaneously with each other;
- (b) to change references to “the Companies Law” and “Electronic Transactions Law” to reference to “the Companies Act” and “Electronic Transactions Act” in light of the fact that all laws of the Cayman Islands are now referred to as “Acts”;
- (c) 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;
- (d) 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;
- (e) to clarify that the Shareholders may approve the appointment of the auditors of the Company who shall hold office until the next general meeting of the Company by way of an ordinary resolution; remuneration of the auditors of the Company shall be fixed by ordinary resolution at the general meeting of the Company at which they are appointed;
- (f) to clarify that any Director appointed by the Board to fill a casual vacancy on or as an addition to the Board shall hold office only until the first annual general meeting of the Company after his appointment and be subject to re-election at such meeting;
- (g) to delete the provision in relation to the Company’s purchases of redeemable shares not made through the market or by tender;
- (h) to provide that the financial year end of the Company shall be 31st of December in each year, unless otherwise determined by the Board; and
- (i) to provide other minor amendments to better align with the wordings in the Listing Rules and the applicable laws of the Cayman Islands.

Details of the Proposed Amendments are set out in Appendix II to this circular. The legal advisers to the Company as to Hong Kong laws and Cayman Islands laws have respectively confirmed that the Proposed Amendments comply with the requirements of the Listing Rules and 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 incorporated in the Cayman Islands whose shares are listed on the Stock Exchange.

LETTER FROM THE BOARD

Shareholders are advised that the Memorandum and Articles are available in English only, and the Chinese translation of the Proposed Amendments provided in Appendix II to this circular in Chinese is for reference only. In case there is any inconsistency, the English version of the Memorandum and Articles shall prevail.

EGM

The Company will convene the EGM at 2:00 p.m. on Tuesday, 13 December 2022 at Boardroom 3-5, M/F., Renaissance Harbour View Hotel Hong Kong, 1 Harbour Road, Wan Chai, Hong Kong to consider and if thought fit, approve by ordinary resolution, (i) the Mutual Technical Services Agreement and the Parts and Components Supply Agreement and the cap amounts of the transactions contemplated thereunder; (ii) re-election of retiring Director; and approve by special resolution, (iii) the Proposed Amendments and the adoption of the New Memorandum and Articles. A notice of the EGM is set out on pages EGM-1 to EGM-4 of this circular. In accordance with the requirements of the Listing Rules, all votes to be taken at the EGM will be by poll. BWI and its associates will be required to abstain from voting for the resolution proposed at the EGM to approve the Mutual Technical Services Agreement and the Parts and Components Supply Agreement and the cap amounts of the transactions contemplated thereunder.

A form of proxy for the EGM is enclosed herewith. Whether or not you intend to attend and vote at the EGM in person, you are requested to complete the form of proxy and return it to the Company's share registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harbour Road, Hong Kong in accordance with the instructions printed thereon as soon as practicable but in any event not later than 48 hours before the time appointed for holding of the EGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof (as the case may be) should you so wish.

RECOMMENDATIONS

On the basis of the information set out in this circular, the Directors (including the independent non-executive Directors) consider (i) the Mutual Technical Services Agreement and the Parts and Components Supply Agreement and the cap amounts of the transactions contemplated thereunder; (ii) re-election of retiring Director; and (iii) the Proposed Amendments and the adoption of the New Memorandum and Articles to be fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the resolutions proposed at the EGM.

FURTHER INFORMATION

Your attention is drawn to the other sections and appendix in this circular. You should consider carefully all the information set out in the circular before making a decision.

By Order of the Board
BeijingWest Industries International Limited
Dong Xiaojie
Chairman

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

The following is the text of the letter of recommendations, prepared for the purpose of incorporation in the circular, from the Independent Board Committee to the Independent Shareholders regarding the terms of the Mutual Technical Services Agreement and the Parts and Components Supply Agreement as well as the cap amounts of the transactions contemplated thereunder.



京西重工國際有限公司
BEIJINGWEST INDUSTRIES INTERNATIONAL LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2339)

17 November 2022

To the Independent Shareholders

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS

We refer to the circular of the Company to the Shareholders dated 17 November 2022 (the “**Circular**”), in which this letter forms part. Unless the context requires otherwise, capitalised terms used in this letter will have the same meanings as defined in the Circular unless the context otherwise requires.

We have been appointed by the Board as the Independent Board Committee to advise the Independent Shareholders on whether the terms of the Mutual Technical Services Agreement and the Parts and Components Supply Agreement and the cap amounts of the transactions contemplated thereunder are fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Group and the Shareholders as a whole.

We wish to draw your attention to the letter of advice from Rainbow Capital (HK) Limited as set out on pages 22 to 37 of the Circular and the letter from the Board as set out on pages 4 to 19 of the Circular.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Having considered the terms of the Mutual Technical Services Agreement and the Parts and Components Supply Agreement, the situation of the Company, the factors and reasons considered by Rainbow Capital (HK) Limited and its opinion as stated in its letter of advice, we consider that the terms of the Mutual Technical Services Agreement and the Parts and Components Supply Agreement and the cap amounts of the transactions contemplated thereunder are being carried out on normal commercial terms and in the ordinary and usual course of business of the Company, the terms of which are fair and reasonable so far as the Independent Shareholders are concerned and the transactions are in the interests of the Group and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolutions proposed to approve the Mutual Technical Services Agreement and the Parts and Components Supply Agreement and the cap amounts of the transactions contemplated thereunder.

Yours faithfully,

For and on behalf of

The Independent Board Committee of

BeijingWest Industries International Limited

Mr. Tam King Ching, Kenny Mr. Yip Kin Man, Raymond Mr. Chan Pat Lam

Independent Non-executive Directors

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the full text of a letter of advice from Rainbow Capital (HK) Limited to the Independent Board Committee and the Independent Shareholders in respect of the transactions contemplated under the Mutual Technical Services Agreement and the Parts and Components Supply Agreement which has been prepared for the purpose of inclusion in this circular.

Rainbow Capital (HK) Limited

17 November 2022

To the Independent Board Committee and the Independent Shareholders

BeijingWest Industries International Limited
Rooms 1005-06, 10th Floor
Harcourt House
39 Gloucester Road
Wanchai, Hong Kong

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS

INTRODUCTION

We refer to our appointment as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the transactions (the “**Transactions**”) contemplated under the Mutual Technical Services Agreement and the Parts and Components Supply Agreement (the “**Agreements**”), including the proposed annual caps for the Transactions (the “**Proposed Caps**”), details of which are set out in the “Letter from the Board” (the “**Letter from the Board**”) contained in the circular issued by the Company to the Shareholders dated 17 November 2022 (the “**Circular**”), of which this letter forms part. Unless the context otherwise requires, capitalised terms used in this letter shall have the same meanings as those defined in the Circular.

On 7 November 2019, the Company and BWI entered into the Existing Mutual Technical Services Agreement and the Existing Parts and Components Supply Agreement for a fixed term of three financial years ending 31 December 2022. On 5 November 2021, the Company and BWI entered into the Existing Parts and Components Supply Supplemental Agreement to revise the annual cap under the Existing Parts and Components Supply Agreement for the financial year ending 31 December 2021 from HK\$86.9 million to HK\$127.7 million. As the Existing Mutual Technical Services Agreement, the Existing Parts and Components Supply Agreement and the Existing Parts and Components Supply Supplemental Agreement are due to expire on 31 December 2022, on 19 October 2022, the Company entered into, among others, the Mutual Technical Services Agreement and the Parts and Components Supply Agreement with BWI. As at the Latest Practicable Date, BWI is interested in approximately 52.55% of the issued share capital of the Company and hence is the controlling shareholder and a connected person of the Company. Accordingly, the transactions contemplated under the Agreements constitute continuing connected transactions for the Company under the Listing Rules.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As the applicable percentage ratios under the Listing Rules regarding the annual caps of each of the Mutual Technical Services Agreement and the Parts and Components Supply Agreement are more than 5%, the Mutual Technical Services Agreement and the Parts and Components Supply Agreement are subject to the reporting, announcement, annual review, circular and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

At the Board meeting held to approve, inter alia, the Mutual Technical Services Agreement and the Parts and Components Supply Agreement, Mr. Dong Xiaojie, Mr. Chen Zhouping and Mr. Li Zhi, by virtue of their connection with BWI and its associates, have abstained from voting in respect of the resolutions proposed to approve such transactions.

The Independent Board Committee (comprising all the independent non-executive Directors, namely Mr. Tam King Ching, Kenny, Mr. Yip Kin Man, Raymond, and Mr. Chan Pat Lam) has been established to advise the Independent Shareholders on the terms of the Agreements and the Proposed Caps. We, Rainbow Capital (HK) Limited, have been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in these regards.

As at the Latest Practicable Date, we did not have any relationships or interests with the Group and BWI that could reasonably be regarded as relevant to our independence. In the last two years, there was no engagement between the Group and us. Apart from normal professional fees paid or payable to us in connection with this appointment as the Independent Financial Adviser, no arrangements exist whereby we had received any fees or benefits from the Group or any other party to the Agreements. Accordingly, we are qualified to give independent advice in respect of the Agreements and the Transactions.

BASIS OF OUR OPINION

In formulating our opinion and advice, we have relied on (i) the information and facts contained or referred to in the Circular; (ii) the information supplied by the Group and its advisers; (iii) the opinions expressed by and the representations of the Directors and the management of the Group; and (iv) our review of the relevant public information. We have assumed that all the information provided and representations and opinions expressed to us or contained or referred to in the Circular were true, accurate and complete in all respects as at the date thereof and may be relied upon. We have also assumed that all statements contained and representations made or referred to in the Circular are true at the time they were made and continue to be true as at the Latest Practicable Date and all such statements of belief, opinions and intentions of the Directors and the management of the Group and those as set out or referred to in the Circular were reasonably made after due and careful enquiry. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors and the management of the Group. We have also sought and received confirmation from the Directors that no material facts have been withheld or omitted from the information provided and referred to in the Circular and that all information or representations provided to us by the Directors and the management of the Group are true, accurate, complete and not misleading in all respects at the time they were made and continued to be so until the date of the Circular.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

We consider that we have reviewed sufficient information currently available to reach an informed view and to justify our reliance on the accuracy of the information contained in the Circular so as to provide a reasonable basis for our recommendation. We have not, however, carried out any independent verification of the information provided, representations made or opinion expressed by the Directors and the management of the Group, nor have we conducted any form of in-depth investigation into the businesses, affairs, operations, financial position or future prospects of the Group, BWI or any of their respective substantial shareholders, subsidiaries or associates.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In considering whether the terms of the Agreements (including the Proposed Caps) are fair and reasonable, we have taken into account the principal factors and reasons set out below:

1. Information on the Group and BWI Group

(i) *The Group*

The Company was incorporated in the Cayman Islands with limited liability on 21 September 2001, the shares of which are listed on the main board of the Stock Exchange. The Group is principally engaged in the manufacture, sale and trading of automotive parts and components, as well as provision of technical services. The core products of the Group were suspension products which were mainly utilized on premium passenger vehicles. Customers of the Group are mainly well-known European automobile manufacturers.

Set out below are certain consolidated financial information of the Group for the year ended 31 December 2020 (“FY2020”) and 2021 (“FY2021”) as extracted from the annual report of the Company for FY2021 (the “2021 Annual Report”) and the six months ended 30 June 2021 (“6M2021”) and 2022 (“6M2022”) as extracted from the interim report of the Company for 6M2022 (the “2022 Interim Report”):

	For the six months ended 30 June 2022 HK\$'000 (unaudited)	For the six months ended 30 June 2021 HK\$'000 (unaudited)	For the year ended 31 December 2021 HK\$'000 (audited)	For the year ended 31 December 2020 HK\$'000 (audited)
Revenue	1,290,252	1,319,769	2,601,955	2,311,984
Sale of industrial products	1,187,013	1,246,534	2,444,180	2,122,232
Technical service income	103,239	73,235	157,775	189,752
Gross profit	219,911	219,838	411,793	382,851
Other income and gains	18,009	14,389	40,948	59,334
Selling and distribution expenses	(15,270)	(5,890)	(16,927)	(49,696)
Administrative expenses	(70,624)	(71,083)	(156,204)	(159,453)
Research and development expenses	(122,573)	(121,864)	(246,139)	(262,237)
Finance costs	(7,974)	(8,101)	(18,364)	(12,469)
Profit/(Loss) attributable to Shareholders	11,633	12,658	(9,305)	(51,544)

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

FY2021 and FY2020

Revenue of the Group increased by approximately 12.5% from approximately HK\$2,312.0 million for FY2020 to approximately HK\$2,602.0 million for FY2021. Such increase was mainly attributable to the increase in revenue generated from sale of industrial products from approximately HK\$2,122.2 million for FY2020 to approximately HK\$2,444.2 million for FY2021 as a result of the non-recurrence of the COVID-19-related temporary suspension for the plants of the Group in 2021.

Gross profit of the Group increased by approximately 7.6% from approximately HK\$382.9 million for FY2020 to approximately HK\$411.8 million for FY2021, which was primarily attributable to the increase in revenue, yet the gross profit margin decreased due to disruption of the global supply chain which drove the increase in costs of raw materials.

The Group recorded loss attributable to Shareholders of approximately HK\$9.3 million for FY2021, representing a reduction in loss as compared to that for FY2020 which was mainly due to, among others, (a) the increase in revenue as stated in the above; (b) the decrease in selling and distribution expenses from approximately HK\$49.7 million for FY2020 to approximately HK\$16.9 million for FY2021 due to a substantial reversal of warranty provision in FY2020; (c) the decrease in administrative expenses from approximately HK\$159.5 million for FY2020 to approximately HK\$156.2 million for FY2021 due to tighten cost control had put in place in light of the pandemic; and (d) the decrease in research and development expenses from approximately HK\$262.2 million for FY2020 to approximately HK\$246.1 million for FY2021.

6M2022 and 6M2021

Revenue of the Group decreased slightly by approximately 2.2% from approximately HK\$1,319.8 million for 6M2021 to approximately HK\$1,290.3 million for 6M2022. Such decrease was mainly attributable to the decrease in sale of industrial products from approximately HK\$1,246.5 million for 6M2021 to approximately HK\$1,187.0 million for 6M2022 as a result of a decrease in orders received by the Group due to the change in economic environment and a slowdown in production of automobiles in Europe, partially offset by the increase in technical service income from approximately HK\$73.2 million for 6M2021 to approximately HK\$103.2 million for 6M2022.

Gross profit of the Group remained stable, amounting to approximately HK\$219.9 million and HK\$219.8 million for 6M2022 and 6M2021, respectively.

The Group recorded profit attributable to Shareholders of approximately HK\$11.6 million for 6M2022, representing a decrease of approximately 8.1% as compared to approximately HK\$12.7 million for 6M2021, which was mainly due to, among others, (a) the slight decrease in revenue; and (b) the increase in selling and distribution expenses from approximately HK\$5.9 million for 6M2021 to approximately HK\$15.3 million for 6M2022 as there was substantial reversal of warranty provision in the corresponding period of last year, which is absent in the current period.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

(ii) Information of BWI Group

BWI Group is principally engaged in the production and sale of vehicle parts and components in North America, Mexico and the PRC. BWI was established under the laws of the PRC with limited liability on 23 March 2009. As at the Latest Practicable Date, BWI is held as to 55.45% by BeijingWest Smart Mobility Zhangjiakou Automotive Electronic Co., Ltd.* (京西智行張家口汽車電子有限公司) (“**BSMZ**”) and as to 44.55% by Beijing Fangshan State-owned Assets Management Company Limited (北京房山國有資產經營有限責任公司) (“**Beijing Fangshan**”). BSMZ is an investment joint venture company formed to acquire the 55.45% equity interest of BWI.

The largest shareholder of BSMZ is Zhangjiakou Juxin Equity Investment Fund Partnership (Limited Partnership)* (張家口聚鑫股權投資基金合夥企業(有限合夥)) which owned 40% equity interest in BSMZ, which in turn is approximately 98% held by Zhangjiakou Financial Holding Group Co., Ltd.* (張家口金融控股集團有限公司) (“**Zhangjiakou Holding**”). Zhangjiakou Holding is 48.13% indirectly held by Zhangjiakou Guokong Asset Management Group Co., Ltd.* (張家口國控資產管理集團有限公司) (“**Zhangjiakou Guokong**”). Zhangjiakou Guokong is a state-owned enterprise established in the PRC which is supervised by the State-owned Assets Supervision and Administration Commission of the People’s Government of Zhangjiakou Municipality (張家口市人民政府國有資產監督管理委員會). As set out in the website of Zhangjiakou Holding, its operations are primarily related to equity investment, asset management, financial services and industrial development.

Beijing Fangshan is a state-owned enterprise established in the PRC on 8 January 2008 which is supervised by the State-owned Assets Supervision and Administration Commission of the People’s Government of the Fangshan District of Beijing Municipality (北京市房山區人民政府國有資產監督管理委員會). According to the information as disclosed in the National Enterprise Credit Information Publicity System, Beijing Fangshan is principally engaged in the sale of machinery and equipment as well as building materials, project investment, investment management, and sports project management.

2. Reasons for and benefits of entering into of the Agreements

(i) The Mutual Technical Services Agreement

As stated in the section headed “1. Information on the Group and BWI Group”, the Group is principally engaged in the manufacture, sale and trading of automotive parts and components in Europe and the Group’s customers are mainly well-known European automobile manufacturers. Meanwhile, BWI Group is also principally engaged in the production and sale of vehicle parts and components in North America, Mexico and the PRC, indicating that the Group and BWI Group have similar industry background and can therefore integrate each other’s technologies and expertise to generate synergies.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As disclosed in the Letter from the Board, the Group's products are manufactured according to customers' specifications. However, each application has a unique set of specifications to make the products specifically fit the customers' vehicles and hence it is important to centralize core engineering in terms of each product family. With an aim to make sure that the Group's products meet the customers' specifications and to produce in an economical and efficient manner, the product and manufacturing process development for a product family is assigned to only one technical center of the Group or of BWI and/or its associates, depending on which have the best capability for any particular project and are best positioned to coordinate. Thus, the Group and BWI Group have been providing technical services to each other in the past for the reason that each of the Group and BWI Group possesses different technologies and expertise for a variety of product families that can be used by the other for providing a workable product solution to customers. Such arrangement has enhanced both the productivity and efficiency of the Group and the BWI Group.

Although the mutual technical services under the Mutual Technical Services Agreement will limit the Group's ability to develop its own full scope of technical services, the arrangement for the mutual provision of technical services will continue as it would allow both parties to save and pool their resources in providing a total solution to their customers. We consider such arrangement is in the interests of the Company and the Shareholders as a whole, after taking into account that (a) developing the Group's own full scope of technical services could be costly and time-consuming particularly that the each application has a unique set of specifications, and it may worsen the Company's financial performance, especially given that the Company had already recorded losses for FY2020 and FY2021; (b) as a controlling shareholder of the Company, BWI and/or its associates could provide the Group with a stable supply of technical services (i.e. BWI Services); and (c) providing technical services (i.e. Company Services) to BWI Group could generate additional and stable source of revenue.

Based on the above, in particular that (a) through the Mutual Technical Services Agreement, the Group is able to acquire technologies and expertise it required for its ordinary course of business; (b) the Company can generate a stable source of revenue through the Company Services; and (c) the Group and BWI and/or its associates has been collaborating in relation to provision of technical services to each other for years, we are of the view that the entering into of the Mutual Technical Services Agreement is in the ordinary and usual course of business of the Group and is in the interest of the Company and the Shareholders as a whole.

(ii) Parts and Components Supply Agreement

The Company has been supplying auto parts and components to BWI and its associates in the past. The parts and components mainly include automobile controlled and passive suspension products, and prototypes. The supply of auto parts and components by the Company are for the manufacture of end-products and therefore are on the normal course of business of the Company.

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As disclosed in the Letter from the Board, although the supply of auto parts and components under the Parts and Components Supply Agreement will engage certain production schedules of the Group which may be allocated to the production of products for independent third-party customers, the arrangement for the supply of auto parts and components will continue as the overall capacity of the Group is sufficient to meet the demand of both BWI Group and the independent third-party customers. In addition, the production schedules for the production of products for independent third-party customers have not been interrupted during the contract period of the Existing Parts and Components Supply Agreement and the Existing Parts and Components Supply Supplemental Agreement. Furthermore, the Group's plant in the Czech Republic was still at its commencement stage in face of the COVID-19 pandemic. It is expected that the production volume and efficiency of this facility will ramp up and therefore allow extra production capacity for the Group.

After taking into account that (a) the sale of parts and components is the principal activities of the Group; (b) the supply of parts and components to BWI and its associates could provide a stable stream of revenue to the Group; and (c) the supply of parts and components to BWI and its associates would not interrupt the production schedules for the production of products for independent third-party customers in particular it is expected that the Group would have additional production capacity in its new production facility in Czech Republic, we are of the view that the entering into of the Parts and Components Supply Agreement is in the ordinary and usual course of business of the Group and is in the interest of the Company and the Shareholders as a whole.

3. Principal Terms of the Agreements

(i) *The Mutual Technical Services Agreement*

Details of the terms of the Mutual Technical Services Agreement are set out in the Letter from the Board, which are summarised as follows:

Date:	19 October 2022
Parties:	The Company BWI, a controlling shareholder of the Company
Term:	A fixed term of three financial years ending on 31 December 2025
Subject:	BWI and/or its associates will provide technical services to the Group (the “ BWI Services ”) and the Group will provide technical services to BWI and/or its associates (the “ Company Services ”).

The technical services comprise engineering services and manufacturing services. The engineering services include advanced development engineering services and applications engineering services.

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Advanced development engineering services refer to the engineering services that demonstrate the feasibility of technologies to be applied to future products or manufacturing process, prove the ability to reliably design the process and product features needed for potential customer programs, and include technologies that are not embedded in any existing products.

Applications engineering services refer to the services provided to the manufacturing plant to make the automotive parts produced in the manufacturing plant usable and applicable to end customers in local market by calibrating the standard part products according to specific customers' requirements and local market requirements.

Manufacturing services refer primarily to quality control and manufacturing administration services.

Price:

The technical services fee payable under the Mutual Technical Services Agreement will be calculated on the basis of cost plus 5% for engineering services and cost plus 1.5% for manufacturing services which were determined by the parties after arm's length negotiations with reference to a latest study ("**Study**") conducted by an independent third party consultant commissioned by the Company in November 2019 based on the Organisation for Economic Co-operation and Development ("**OECD**") Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations (the "**OECD Guidelines**"). The technical service fees are based on cost plus method which is one of the transfer pricing methods specified in the OECD Guidelines and fall within the inter-quartile range of cost plus mark-up of comparable companies and are consistent with the arm's length principle of the OECD Guidelines.

The transactional net margin method is used to examine the profit level indicators that the Company realizes from the transactions with BWI. In applying the transactional net margin method, the consultant identifies comparable companies which have similar functions, bear similar risks and operate similar business. The profit levels of these comparable companies are benchmarked as a reasonable range of profit levels. The consultant compares the net cost plus a mark-up with selected comparable companies. The respective services fee of 5% and 1.5% for engineering services and manufacturing services are considered as being conducted under the arm's length principle should the profit level of the Company falls within the range of profit levels of the comparable companies.

Payment Terms:

Terms of payments for the continuing connected transactions under the Mutual Technical Services Agreement will be on the second day of the second month following the provision of the services, which is based on normal commercial terms that are no less favourable to the Company than those available to/from independent third parties.

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Condition: The Mutual Technical Services Agreement is subject to approval by the Independent Shareholders.

If the condition cannot be satisfied on or before 31 March 2023 or such other date the parties may agree in writing, the Mutual Technical Services Agreement shall forthwith terminate and no person shall be entitled to any rights or benefits or be under any obligations under the Mutual Technical Services Agreement.

In order to assess the fairness and reasonableness of the pricing terms under the Mutual Technical Services Agreement, we have obtained and reviewed the Study conducted by the independent consultant which was used to determine the pricing terms of the Mutual Technical Services Agreement. The independent consultant is one of the largest accounting and professional services firms in the world and has certified public accountants experienced in providing advice on matters related to transfer pricing. As such, we consider the consultant is qualified to provide the opinion under the Study.

In the Study, we noted that the independent consultant selected transactional net margin method which is one of the methods approved by OECD for determining arm's length transfer prices for goods or services. In applying the transactional net margin method for the analysis of the engineering services and the manufacturing services under the Mutual Technical Services Agreement, the independent consultant identified a number of comparable companies worldwide that provide similar services, performed similar functions and incurred similar risks. Companies were eliminated if they were engaged in different activities, lack sufficient information in relation to the activities of companies, lack sufficient financial data or presented with unreliable financial data, or incurred losses for the three consecutive years during 2016 to 2018. With these criteria, seven public companies and 11 public companies are selected as comparable companies for engineering services and manufacturing services, respectively. We have reviewed the details of these comparable companies and noted that they fulfilled the above selection criteria and provided similar services as the Group. Hence, we consider them appropriate for comparison purpose. The independent consultant selected the net cost plus margin ("NCP Margin(s)") as the profit level indicator for the analysis which is defined as operating profit divided by total costs.

We understand from the Study that the independent consultant calculated an inter-quartile range of NCP Margin of the comparable companies which are benchmarked as a reasonable range of profit level for the engineering services and the manufacturing services respectively. According to the Study, the NCP Margins of the comparable companies were within 3.74% to 8.69% for engineering services and 0.40% to 5.14% for manufacturing services. As such, the 5% markup for the engineering services and 1.5% markup for the manufacturing services adopted by the Group fall within the inter-quartile range of NCP Margins of the comparable companies and therefore are on normal commercial terms which are fair and reasonable.

In addition, regarding the internal control procedures, we also obtained and reviewed the internal pricing policy of the Group in relation to the technical services between the Group and BWI Group. We noted that (a) the fee for engineering services is based on a markup of 5%; and (b) the fee for manufacturing services is based on a markup of 1.5%, which are consistent with the pricing terms under the Mutual Technical Services Agreement.

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Based on the above, we consider that the terms of the Mutual Technical Services Agreement are on normal commercial terms which are fair and reasonable.

(ii) The Parts and Components Supply Agreement

Details of the terms of the Parts and Components Supply Agreement are set out in the Letter from the Board, which are summarised as follows:

Date:	19 October 2022
Parties	The Company BWI, a controlling shareholder of the Company
Term:	A fixed term of three financial years ending on 31 December 2025
Subject:	The Group will supply auto parts and components, including automobile controlled and passive suspension products, and prototypes to BWI and/or its associates (the “Sales”).
Price:	<p>The basis of determining the prices for the Sales is in accordance with the cost plus approach as the products are unique and tailor-made and there does not exist a prevailing market price for such products. The terms of the Parts and Components Supply Agreement were concluded after arm’s length negotiations and were based on normal commercial terms in the parties’ ordinary course of business.</p> <p>The margins for the Sales depend on the products and size of orders and was generally between approximately 5% to 20% which is determined based on (a) the level of value-added services and technical standards; and (b) to the extent that the prices can satisfy the tax authorities of the countries of both the buying and selling sides that neither country is being cheated of tax revenue. The Company may supply parts and components with margin over 20%, if required, after taken into the aforesaid bases.</p>
Payment Terms:	Payments for the continuing connected transactions under the Parts and Components Supply Agreement will be on the second day of the third month following the shipment of the products, which is based on normal commercial terms that are no less favourable to the Company than those available to independent third parties.
Condition:	The Parts and Components Supply Agreement is subject to approval by the Independent Shareholders.

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If the condition cannot be satisfied on or before 31 March 2023 or such other date the parties may agree in writing, the Parts and Components Supply Agreement shall forthwith terminate and no person shall be entitled to any rights or benefits or be under any obligations under the Parts and Components Supply Agreement.

As stated in the Letter from the Board, as the products to be sold to BWI and/or its associates are unique and tailor made, the Group will evaluate and assess the scope of the relevant order and prepare a detailed cost calculation by reference to cost of materials, products and labours, quotes of the Group to other independent third party customers and the level of profit margin of competitors of the Group in the market (if available) to ensure that the margins are set within the range or no less favourable to the margins of the other products.

Other than some completed products were sold at a loss, the margins in respect of other completed products supplied by the Group to independent third-party customers were generally between 1% to 18% in 2021. The loss trading products were mainly from the plant at the Czech Republic as the plant was still in its early stage of operation, pending to reach its designed capacity to achieve optimal production status. As per the Group's pricing policy, in the event that the Group supplies any parts and components of the suspension products to any independent customers in future, the price should be comparable to those offered to BWI Group.

In addition, regarding the internal control procedures, we have obtained and reviewed three copies of internal transfer price approval documents of the Group in relation to the supply of auto parts and components by the Group to BWI and/or its associates in each year from 2020 to 2021 and the six months ended 30 June 2022. We noted that the prices stated in the internal transfer price approval documents are consistent with the pricing terms under the Parts and Components Supply Agreement.

Given (a) the margin will be determined after taking into account the level of value-added services and technical standards; and (b) in the event that the Group supplies any parts and components of the suspension products to any independent customers in future, the price should be comparable to those offered to BWI Group, we consider that the terms of the Parts and Components Supply Agreement are on normal commercial terms which are fair and reasonable.

4. The Proposed Caps for the Transactions

(i) Caps amount for technical services

The Proposed Caps for the transactions under the Mutual Technical Services Agreement for the three years ending 31 December 2025 ("FY2023", "FY2024" and "FY2025", respectively) are set out below:

	FY2023 <i>HK\$ million</i>	FY2024 <i>HK\$ million</i>	FY2025 <i>HK\$ million</i>
Cap amount for the BWI Services	137.9	165.5	198.6
Cap amount for the Company Services	165.1	198.1	237.7

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In determining the annual caps, the Company has taken into consideration the historical transaction amounts and the projected volume of technical services to be provided and a buffer to cater for any unexpected increases in demand during the term of the Mutual Technical Services Agreement.

In order to assess the fairness and reasonableness of the proposed annual caps for technical services, we have obtained and reviewed the calculations of the proposed annual caps prepared by the management of the Company and discussed with them on the bases and assumptions in arriving the proposed annual caps. Set out below are the actual amounts of the transactions took place under the Existing Mutual Technical Services Agreement for FY2020, FY2021 and 6M2022:

	FY2020 <i>HK\$ million</i>	FY2021 <i>HK\$ million</i>	6M2022 <i>HK\$ million</i>	Average <i>HK\$ million</i> D= (A+B+C)/2.5
	A	B	C	
Actual amount for the BWI Services	133.5	107.1	46.8	115.0
Actual amount for the Company Services	152.4	126.0	65.4	137.5
	Average <i>HK\$ million</i> D	FY2023 <i>HK\$ million</i> E=D*1.2	FY2024 <i>HK\$ million</i> F=E*1.2	FY2025 <i>HK\$ million</i> F*1.2
Cap amount for the BWI Services	115.0	137.9	165.5	198.6
Cap amount for the Company Services	137.5	165.1	198.1	237.7

The BWI Services

In respect of the BWI Services, the historical transaction amounts were approximately HK\$133.5 million, HK\$107.1 million and HK\$46.8 million for FY2020, FY2021 and 6M2022, respectively, with an average of approximately HK\$115.0 million per year. As advised by the management of the Group, the decrease in historical transaction amounts was mainly attributable to tighten cost control which was in place to mitigate the unfavorable effects brought by the COVID-19 pandemic.

As illustrated in the table above, the proposed annual caps for the BWI Services are determined based on (a) the average historical transaction amount in FY2020, FY2021 and 6M2022 of approximately HK\$115.0 million per year; and (b) an overall annual growth rate of 20%. Notwithstanding the decreasing historical transaction amounts, the Company considers, and we concur, that it is appropriate to adopt an overall annual growth rate of 20% after taking into account (a) the impact of the COVID-19 pandemic would gradually diminish in the coming years as epidemic prevention measures continue to be relaxed; (b) the historical transaction amount for the BWI Services amounted to approximately HK\$158.1 million for the year ended 31 December 2019, being the year before the outbreak of the COVID-19, which was higher than that for FY2020 of approximately HK\$133.5 million by approximately 18.4% and higher than the average of approximately HK\$115.0 million per year by approximately 37.5%; (c) the reasons for and benefits of procuring the BWI Services as stated in the section headed “2. Reasons for and benefits of entering into of the Agreements” above; and (d) a certain buffer which is included in the estimated annual growth rate is allowed to tailor for any unexpected business growth in the future and additional demand on the BWI Services.

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Given the proposed annual caps for BWI Services are determined based on historical average transaction amounts and an appropriate growth rate, we consider that the proposed annual caps for BWI Services are fair and reasonable.

The Company Services

In respect of the Company Services, the historical transaction amounts were approximately HK\$152.4 million, HK\$126.0 million and HK\$65.4 million for FY2020, FY2021 and 6M2022, respectively, with an average of approximately HK\$137.5 million per year. The decrease in historical transaction amounts by approximately 17.3% from approximately HK\$152.4 million for FY2020 to approximately HK\$126.0 million for FY2021 was in line with the decrease in technical service income of the Company by approximately 16.9% from approximately HK\$189.8 million for FY2020 to approximately HK\$157.8 million for FY2021.

As illustrated in the table above, the proposed annual caps for the Company Services are determined based on (a) the average historical transaction amount of approximately HK\$137.5 million per year; and (b) an overall annual growth rate of 20%. As discussed with the management of the Company, we consider it is appropriate to adopt an overall annual growth rate of approximately 20% after taking into account (a) the technical service income of the Group amounted to approximately HK\$103.2 million for 6M2022 translating into an annual income of approximately HK\$206.4 million which represented an increase of approximately 30.8% as compared to that for FY2021; (b) the reasons for and benefits of procuring the Company Services as stated in the section headed “2. Reasons for and benefits of entering into of the Agreements” above; and (c) a certain buffer which is included in the estimated annual growth rate is allowed to tailor for any unexpected business growth in the future.

Given the proposed annual caps for the Company Services are determined based on historical average transaction amounts and an appropriate growth rate, we consider that the proposed annual caps for Company Services are fair and reasonable.

(ii) Caps amount for the Sales

The Proposed Caps for the transactions under the Parts and Components Supply Agreement for the three years ending 31 December 2025 are set out below:

	FY2023	FY2024	FY2025
	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>
Cap amount for the Sales	246.2	272.4	319.6

In determining the annual caps, the Company has taken into consideration the historical transaction amounts and the projected increase in sales by BWI and its associates, which will result in a corresponding increase in the Sales, and a buffer of 10% to cater for any unexpected increases in demand during the term of the Parts and Components Supply Agreement.

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The historical amount for the Sales amounted to approximately HK\$111.2 million for FY2021, representing a significant increase of approximately 723.7% as compared to that of approximately HK\$13.5 million for FY2020. Such increase was mainly due to that the Group received certain new production projects from BWI in 2021 and BWI has raised its orders for existing production projects for the purpose of managing its supply-chain risk. For 6M2022, the actual amount for the Sales amounted to approximately HK\$71.4 million, representing approximately 64.2% of the actual amount for FY2021.

In order to assess the fairness and reasonableness of the proposed annual caps for the Sales, we have obtained and reviewed the calculations of the proposed annual caps prepared by the management of the Group and discussed with them on the bases and assumptions in arriving the proposed annual caps.

In reviewing the calculations, we understand that (a) the proposed annual caps are based on a detailed budget which includes the demands on the parts and components from different manufacturing plants in North America and the PRC. As discussed with the management of the Group, this budget is prepared after taking into account the latest demand schedule provided by BWI Group; (b) based on the budget, the sale amounts are expected to be approximately HK\$223.8 million, HK\$247.6 million and HK\$290.5 million for FY2023, FY2024 and FY2025, respectively; and (c) 10% buffer is built in to tailor for any unexpected business growth in the future, especially taking into account the significant growth in 2021.

Generally speaking, in our opinion, it is in the interests of the Group for the caps amount for the Sales to be as accommodating to the Group as possible. Provided that the terms of the transactions contemplated under the Parts and Components Supply Agreement are fair and reasonable, the Group would have flexibility in conducting and expanding its businesses if the caps amount for the Sales are tailored to the estimated demands from BWI Group and future business growth, in particular in view of that the Sales could increase the revenue and therefore improve the financial performance of the Group.

Given the proposed annual caps for the Sales are determined based on a budget which has taken into account the latest demand schedule from BWI Group and a 10% buffer, we consider that the proposed annual caps for the Sales are fair and reasonable.

5. Reporting requirements and conditions of the Transactions

Pursuant to Rules 14A.55 to 14A.59 of the Listing Rules, the Transactions are subject to the following annual review requirements:

- (i) the independent non-executive Directors must review the Transactions and confirm in the annual report that the Transactions have been entered into:
 - (a) in the ordinary and usual course of business of the Group;
 - (b) on normal commercial terms or better; and
 - (c) according to the agreement governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole;

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- (ii) the Company must engage its auditors to report on the Transactions every year. The Company's auditors must provide a letter to the Board (with a copy to be provided to the Stock Exchange at least ten business days before the bulk printing of the Company's annual report) confirming whether anything has come to their attention that causes them to believe that the Transactions:
 - (a) have not been approved by the Board;
 - (b) were not, in all material respects, in accordance with the pricing policies of the Group if the Transactions involve the provision of goods or services by the Group;
 - (c) were not entered into, in all material respects, in accordance with the relevant agreement governing the Transactions; and
 - (d) have exceeded the Proposed Caps;
- (iii) the Company must allow, and ensure that the counter-parties to the Transactions allow, the Company's auditors sufficient access to their records for the purpose of the reporting on the Transactions as set out in paragraph (ii); and
- (iv) the Company must promptly notify the Stock Exchange and publish an announcement if the independent non-executive Directors and/or auditors of the Company cannot confirm the matters as required.

In light of the reporting requirements attached to the Transactions, in particular, (i) the restriction of the value of the Transactions by way of the Proposed Caps; and (ii) the ongoing review by the independent non-executive Directors and the auditors of the Company of the terms of the Transactions and the Proposed Caps not being exceeded, we are of the view that appropriate measures have been in place to monitor the conduct of the Transactions and assist in safeguarding the interests of the Independent Shareholders.

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OPINION AND RECOMMENDATION

Having taken into account the above principal factors and reasons, we consider that the Transactions are conducted in the ordinary and usual course of business of the Group and on normal commercial terms which are fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole. Accordingly, we advise the Independent Board Committee to recommend, and we ourselves recommend, the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the Transactions (including the Proposed Caps).

Yours faithfully,
For and on behalf of
Rainbow Capital (HK) Limited
Larry Choi
Managing Director

Mr. Larry Choi is a licensed person and a responsible officer of Rainbow Capital (HK) Limited registered with the Securities and Futures Commission to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO. He has over ten years of experience in the corporate finance industry.

* *For identification purpose only*

1. 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.

2. INTERESTS OF DIRECTORS**(a) Interests of Directors in the shares, underlying shares and debentures of the Company**

As at the Latest Practicable Date, none of the Directors or chief executives of the Company, or their respective associates had any personal, family, corporate and other interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) of the Listing Rules.

(b) Interests of Directors in the assets of the Company

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which had, since 31 December 2021, being the date to which the latest published audited financial statements of the Company were made up, been acquired or disposed of by, or leased to any member of the Group, or are proposed to be acquired or disposed of by, or leased to any member of the Group.

(c) Interests of Directors in contracts

There is no contract or arrangement entered into by any member of the Group subsisting at the Latest Practicable Date in which any Director is materially interested in and which is significant to the business of the Group.

3. INTERESTS OF SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, so far as is known to the Directors and the chief executive of the Company, Shareholders (other than a Director or chief executive of the Company) who had an interest or short position in the Shares and underlying Shares which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company under section 336 of SFO, or who was, directly or indirectly interested in 5% or more of the issued share capital of the Company:

Name of shareholders	Capacity in which interests were held	Number of shares/ underlying shares	Interests as to % of the issued share capital of the Company	Notes
BWI Company Limited ("BWI HK")	Beneficial owner	301,842,572	52.55%	1, 2
BWI	Interests of controlled corporation	301,842,572	52.55%	1
北京房山國有資產經營 有限責任公司 (Beijing Fangshan State-owned Assets Management Co. Ltd.*) ("Beijing Fangshan")	Interests of controlled corporation	301,842,572	52.55%	1
京西智行張家口汽車電子 有限公司 (BeijingWest Smart Mobility Zhangjiakou Automotive Electronics Co., Ltd.*) ("BSMZ")	Interests of controlled corporation	301,842,572	52.55%	1
張家口聚鑫股權投資基金 合夥企業(有限合夥) (Zhangjiakou Juxin Equity Investment Fund Partnership (Limited Partnership)*) ("Zhangjiakou Juxin")	Interests of controlled corporation	301,842,572	52.55%	1
張家口金融控股集團有限公司 (Zhangjiakou Financial Holding Group Co., Ltd.*) ("Zhangjiakou Holding")	Interests of controlled corporation/ Person having a security interest in shares	301,842,572	52.55%	1, 2

Name of shareholders	Capacity in which interests were held	Number of shares/ underlying shares	Interests as to % of the issued share capital of the Company	Notes
張家口國控資產管理集團有限公司 (Zhangjiakou Guokong Asset Management Group Co., Ltd.*) ("Zhangjiakou Guokong")	Interests of controlled corporation	301,842,572	52.55%	1
ZJKF Holdings International Limited ("ZJKF")	Person having a security interest in shares	301,842,572	52.55%	2

* For identification purpose only

Notes:

1. BWI HK was a wholly-owned subsidiary of BWI. BWI was held as to 55.45% by BSMZ and as to 44.55% by Beijing Fangshan. BSMZ was 40% held by Zhangjiakou Juxin. Zhangjiakou Juxin was directly held as to approximately 98% by Zhangjiakou Holding which in turn was 48.13% indirectly held by Zhangjiakou Guokong. The interests held by BWI HK, BWI, Beijing Fangshan, BSMZ, Zhangjiakou Juxin, Zhangjiakou Holding and Zhangjiakou Guokong were the same block of shares of the Company.
2. On 31 October 2022, BWI HK has pledged the 301,842,572 Shares of the Company held by it, representing approximately 52.55% of the issued share capital of the Company, in favour of ZJKF as security for a loan lent by ZJKF to BWI HK. ZJKF is a wholly-owned subsidiary of Zhangjiakou Holding, which is also a substantial shareholder of the Company.

Save as disclosed above, so far as is known to the Directors or chief executive of the Company, as at the Latest Practicable Date, no other person (other than a Director or chief executive of the Company) had, or was deemed or taken to have, an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

Mr. Dong Xiaojie and Mr. Li Zhi are directors of BWI. Mr. Chen Zhouping and Mr. Li Zhi are directors of BWI HK. Apart from that, as at the Latest Practicable Date, none of the Directors is a director or employee of a company which has an interest or short position in the Shares or underlying Shares of the Company, which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group which will not expire or which is not determinable by the Group within one year without payment of compensation other than statutory compensation.

5. COMPETING BUSINESS INTEREST OF DIRECTORS

Pursuant to Rule 8.10 of the Listing Rules, the following Directors have declared interests in the following businesses (other than those businesses where the Directors of the Company were appointed as directors to represent the interests of the Company and/or any member of the Group) which are considered to compete or are likely to compete, either directly or indirectly, with the businesses of the Group:

Name of Directors	Name of entity whose businesses are considered to compete or likely to compete with the businesses of the Group	Description of businesses of the entity which are considered to compete or likely to compete with the businesses of the Group	Nature of interest of the Director in the entity	<i>Note</i>
Dong Xiaojie	BWI	Sale of auto parts, machinery and equipment	Director	<i>1</i>
Chen Zhouping	BWI HK	Sale of auto parts, machinery and equipment	Director	<i>1</i>
Li Zhi	BWI, BWI HK	Sale of auto parts, machinery and equipment	Director	<i>1</i>

Note:

1. The relevant information is disclosed on a group basis. The businesses of such entity may be carried out through the subsidiaries or associates of the entity concerned or by way of other forms of investments.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or their respective associates was interested in any business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group as required to be disclosed pursuant to the Listing Rules.

6. MATERIAL ADVERSE CHANGE

The Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 December 2021, the date to which the latest published audited financial statements of the Company were made up.

7. EXPERT AND CONSENT

The following are the qualifications of the expert who has been named in this circular or has given opinion or letter contained in this circular:

Name	Qualifications
Rainbow Capital (HK) Limited	a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO

Rainbow Capital (HK) Limited has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letters, reports and/or summary of its opinions (as the case may be) and references to its name in the form and context in which they respectively appear herein.

As at the Latest Practicable Date, Rainbow Capital (HK) Limited was not beneficially interested in the share capital of any member of the Group or had any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group and Rainbow Capital (HK) Limited did not have any interest, either directly or indirectly, in any assets which have been, since 31 December 2021 (being the date to which the latest published audited financial statements of the Company were made up), acquired or disposed of by or leased to or are proposed to be acquired or disposed of by or leased to any member of the Group.

8. GENERAL

- (a) The company secretary of the Company is Leung Wai Hung, a member of the Hong Kong Institute of Certified Public Accountants and a fellow member of The Association of Chartered Certified Accountants.
- (b) The Company's Registrar and transfer office in Hong Kong is Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.
- (c) The English text of this circular shall prevail over the Chinese text in case of any inconsistency.

9. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.bwi-intl.com.hk) from the date of this circular for a period of not less than 14 days:

- (a) the letter of recommendations from the Independent Board Committee to the Independent Shareholders, the text of which is set out in the section headed “Letter from the Independent Board Committee” in this circular;
- (b) the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, the text of which is set out in the section headed “Letter from the Independent Financial Adviser” in this circular;
- (c) the written consent from Rainbow Capital (HK) Limited referred to in the section headed “Expert and Consent” of this appendix;
- (d) the Mutual Technical Services Agreement;
- (e) the Parts and Components Supply Agreement; and
- (f) this circular.

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

The following is a marked-up version of the proposed New Memorandum and Articles which shows the Proposed Amendments to the existing Memorandum and Articles. The English version shall prevail in case of any discrepancy or inconsistency between the English version and its Chinese translation.

THE COMPANIES ~~ACT~~LAW (AS REVISED)

EXEMPTED COMPANY LIMITED BY SHARES

~~CONFORMED COPY OF~~ AMENDED AND RESTATED MEMORANDUM AND
ARTICLES OF ASSOCIATION
OF

BEIJING WEST INDUSTRIES INTERNATIONAL LIMITED

京西重工國際有限公司

(Adopted by a special resolution of shareholders passed at an extraordinary general meeting held on ~~19~~ December, 2014, amended by ordinary resolutions passed on ~~16~~ November, 2016 and became effective from ~~17~~ November, 2016 13 December 2022)

1. ~~The share capital of the Company is HK\$200,000,000 divided into 2,000,000,000 shares of a nominal or par value of HK\$0.10 each.~~
2. ~~"Ordinary Share(s)" means the ordinary share(s) of a par value of HK\$0.10 each in the authorised share capital of the Company.~~

Note:

~~This is a conformed copy of the Memorandum and Articles of Association not formally adopted by shareholders at a general meeting. The English version shall always prevail in case of any discrepancy or inconsistency between English version and its Chinese translation.~~

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

Assistant Secretary's Certificate

~~BeijingWest Industries International Limited~~

~~京西重工國際有限公司~~

~~Cricket Square, Hutchins Drive~~

~~P.O. Box 2681~~

~~Grand Cayman KY1-1111~~

~~Cayman Islands~~

~~We, Codan Trust Company (Cayman) Limited, Assistant Secretary of BeijingWest Industries International Limited 京西重工國際有限公司 (the "Company") DO HEREBY CERTIFY that the following is a true extract of the resolutions passed at an Extraordinary General Meeting of the Company on 16th day of November, 2016 with effect from 17th November, 2016 and that such resolutions have not been modified.~~

~~Ordinary Resolution No. 1 – To approve the consolidation of the shares of the Company~~

~~The total votes were 3,088,282,246, out of which 3,086,920,246 votes in favour of resolution, representing 99.96% of the total votes, and 1,362,000 votes against the resolution, representing 0.04% of the total votes. As more than half of the shareholders voting on the poll had voted in favour of the resolution, it was resolved THAT the following resolution be passed as an ordinary resolution of the Company:-~~

~~"THAT subject to and conditional upon the granting of approval by The Stock Exchange of Hong Kong Limited (the "Stock Exchange") for the listing of, and permission to deal in, the ordinary shares of the Company consolidated in the manner as set out in paragraph (a) of this resolution below (the "Share Consolidation"):-~~

- ~~(a) with effect from the first business day immediately following the date on which this resolution is passed or the above condition is fulfilled (whichever is the later), every ten (10) issued and unissued ordinary shares of par value of HK\$0.01 each in the share capital of the Company be consolidated into one (1) share of par value of HK\$0.10 each (the "Consolidated Share(s)"), such Consolidated Shares shall rank *pari passu* in all respects with each other and have the rights and privileges and be subject to the restrictions in respect of ordinary shares contained in the articles of the Company;~~
- ~~(b) all fractional Consolidated Shares resulting from the Share Consolidation will be disregarded and will not be issued to holders of the same but all such fractional Consolidated Shares will be aggregated and, if possible, sold and retained for the benefit of the Company in such manner and on such terms as the directors of the Company (the "Directors") think fit; and~~
- ~~(c) any one of the Directors be and is hereby authorised to do all such further acts and things and to sign and execute all such documents, including under seal of the Company, where applicable, and to take all such steps which in his opinion may be necessary, appropriate, desirable or expedient to implement and/or give effects to the foregoing."~~

~~www.verify.gov.ky File#: 113000~~

~~Filed: 17 Nov 2016 13:38 EST~~

~~Auth Code: A87264030856~~

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

Ordinary Resolution No. 2 – To approve the increase in the authorised share capital of the Company

The total votes were ~~3,088,282,246~~, out of which ~~3,072,977,846~~ votes in favour of the resolution, representing ~~99.50%~~ of the total votes, and ~~15,304,400~~ votes against the resolution, representing ~~0.50%~~ of the total votes. As more than half of the shareholders voting on the poll had voted in favour of the resolution, it was resolved THAT the following resolution be passed as an ordinary resolution of the Company:-

~~“THAT subject to and conditional upon the Share Consolidation becoming effective:-~~

- ~~(a) the authorised share capital of the Company be increased from HK\$100,000,000.00 divided into 1,000,000,000 Consolidated Shares to HK\$200,000,000.00 divided into 2,000,000,000 Consolidated Shares by the creation of an additional 1,000,000,000 Consolidated Shares (the “Increase in Authorised Share Capital”); and~~
- ~~(b) any one of the Directors be and is hereby authorised to do all such further acts and things and to sign and execute all such documents and to take all such steps which in his opinion may be necessary, appropriate, desirable or expedient to give effects to the Increase in Authorised Share Capital.”~~

~~Sharon Pierson
for and on behalf of
Codan Trust Company (Cayman) Limited
Assistant Secretary~~

~~Dated this 17th day of November, 2016.~~

THE COMPANIES ACT ~~LAW~~ (AS REVISED)

EXEMPTED COMPANY LIMITED BY SHARES

AMENDED AND RESTATED

MEMORANDUM OF ASSOCIATION

OF

BEIJINGWEST INDUSTRIES INTERNATIONAL LIMITED

京西重工國際有限公司

(Adopted by a special resolution of shareholders passed at an
~~extraordinary general meeting held on 13 December 2022~~ at an extraordinary general
~~meeting held on 19 December, 2014~~)

1. The name of the Company is **BEIJINGWEST INDUSTRIES INTERNATIONAL LIMITED** and its dual foreign name is **京西重工國際有限公司**.
2. The Registered Office of the Company shall be at the offices of ~~Cedar~~ Conyers Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.
3. Subject to the following provisions of this Memorandum, the objects for which the Company is established are unrestricted and shall include, but without limitation:
 - (a) to act and to perform all the functions of a holding company in all its branches and to coordinate the policy and administration of any subsidiary company or companies wherever incorporated or carrying on business or of any group of companies of which the Company or any subsidiary company is a member or which are in any manner controlled directly or indirectly by the Company;
 - (b) to act as an investment company and for that purpose to subscribe, acquire, hold, dispose, sell, deal in or trade upon any terms, whether conditionally or absolutely, shares, stock, debentures, debenture stock, annuities, notes, mortgages, bonds, obligations and securities, foreign exchange, foreign currency deposits and commodities, issued or guaranteed by any company wherever incorporated, or by any government, sovereign, ruler, commissioners, public body or authority, supreme, municipal, local or otherwise, by original subscription, tender, purchase, exchange, underwriting, participation in syndicates or in any other manner and whether or not fully paid up, and to meet calls thereon.
4. Subject to the following provisions of this Memorandum, the Company shall have and be capable of exercising all the functions of a natural person of full capacity irrespective of any question of corporate benefit, as provided by Section 27(2) of the Companies ~~Act~~ Law (As Revised).

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

5. Nothing in this Memorandum shall permit the Company to carry on a business for which a licence is required under the laws of the Cayman Islands unless duly licensed.
6. The Company shall not trade in the Cayman Islands with any person, firm or corporation except in furtherance of the business of the Company carried on outside the Cayman Islands; provided that nothing in this clause shall be construed as to prevent the Company effecting and concluding contracts in the Cayman Islands, and exercising in the Cayman Islands all of its powers necessary for the carrying on of its business outside the Cayman Islands.
7. The liability of each member is limited to the amount from time to time unpaid on such member's shares.
8. The share capital of the Company is HK\$~~100,000,000~~200,000,000 divided into ~~10,000,000,000~~2,000,000,000 shares of a nominal or par value of HK\$~~0.100-01~~ each, with the power for the Company, insofar as is permitted by law, to redeem or purchase any of its shares and to increase or reduce the said share capital subject to the provisions of the Companies ~~Act~~Law (As Revised) and the Articles of Association of the Company and to issue any part of its capital, whether original, redeemed 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 conditions 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.
9. The Company may exercise the power contained in the Companies ~~Act~~Law to deregister in the Cayman Islands and be registered by way of continuation in another jurisdiction.

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

The Companies Act ~~Law~~ (As Revised)
Exempted Company Limited by Shares

AMENDED AND RESTATED
ARTICLES OF ASSOCIATION

OF

BeijingWest Industries International Limited
京西重工國際有限公司

(Adopted by a special resolution of shareholders passed at an extraordinary
general meeting held on 13 December 2022 ~~at an extraordinary general meeting held on~~
~~19 December, 2014~~)

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

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

THE COMPANIES ~~ACT~~LAW (AS REVISED)
EXEMPTED COMPANY LIMITED BY SHARES

AMENDED AND RESTATED
ARTICLES OF ASSOCIATION
OF

BEIJINGWEST INDUSTRIES INTERNATIONAL LIMITED
京西重工國際有限公司

(Adopted by a special resolution of shareholders passed at an extraordinary
~~general meeting held on 13 December 2022 at an extraordinary general meeting held on~~
~~19 December, 2014)~~

TABLE A

1. The regulations in Table A in the Schedule to the Companies ~~Act~~Law (As Revised) do not apply to the Company.

INTERPRETATION

2. (1) In these Articles, unless the context otherwise requires, the words standing in the first column of the following table shall bear the meaning set opposite them respectively in the second column.

<u>WORD</u>	<u>MEANING</u>
<u>“Act”</u>	<u>The Companies Act, Cap. 22 (As Revised) of the Cayman Islands.</u>
“Articles”	these Articles in their present form or as supplemented or amended or substituted from time to time.
“associate”	in relation to any Director, shall have the same meaning as that ascribed to “close associate” in the rules of the Stock Exchange as modified from time to time (the “Listing Rules”), except that for purposes of Article 100 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 defined in the Listing Rules.
“Auditor”	the auditor of the Company for the time being and may include any individual or partnership or corporation.

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

“Board” or “Directors”	the board of directors of the Company or the directors present at a meeting of directors of the Company at which a quorum is present.
“business day”	shall mean a day, other than a Saturday or Sunday or public holiday, on which the Stock Exchange generally is open for the business of dealing in securities in Hong Kong. For the avoidance of doubt, where the Stock Exchange is closed for the business of dealing in securities in Hong Kong on a business day for the reason of a Number 8 or higher Typhoon Signal, Black Rainstorm Warning or other similar event, such day shall for the purposes of these Articles be counted as a business day.
“capital”	the share capital of the Company from time to time.
“clear days”	in relation to the period of a notice that period excluding the day <u>on which</u> when the notice is <u>given</u> served or deemed to be <u>served</u> given and the day for which it is <u>served</u> given or on which it is to take effect.
“clearing house”	a clearing house recognised by the laws of the jurisdiction in which the shares of the Company are listed or quoted on a stock exchange in such jurisdiction.
<u>“close associate”</u>	<u>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 102 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.</u>
<u>“Communication Facilities”</u>	<u>shall mean video, video-conferencing, internet or online conferencing applications, telephone or tele-conferencing and/or any other video-communication, internet or online conferencing application or telecommunications facilities by means of which all Persons participating in a meeting are capable of communicating contemporaneously with each other.</u>
“Company”	BeijingWest Industries International Limited 京西重工國際有限公司.

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

“competent regulatory authority”	a competent regulatory authority in the territory where the shares of the Company are listed or quoted on a stock exchange in such territory.
“debenture” and “debenture holder”	include debenture stock, and debenture stockholder respectively.
“dollars” and “HK\$”	dollars, the legal currency of Hong Kong.
“head office”	such office of the Company as the Directors may from time to time determine to be the principal office of the Company.
“hybrid meeting”	<u>shall mean a general meeting held and conducted by (i) physical attendance by Members, its duly authorised representatives and/or proxies at the meeting and (ii) virtual attendance and participation by Members, its duly authorised representatives and/or proxies by means of Communication Facilities.</u>
“Law”	The Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands.
“Listing Rules”	<u>shall mean the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time.</u>
“Member”	a duly registered holder from time to time of the Ordinary Shares in the capital of the Company.
“month”	a calendar month.
“Notice”	written notice unless otherwise specifically stated and as further defined in these Articles.
“Office”	the registered office of the Company for the time being.
“ordinary resolution”	a resolution shall be an ordinary resolution when it has been passed by a simple majority of votes cast by such Members as, being entitled so to do, vote in person or, in the case of any Member being a corporation, by its duly authorised representative or, where proxies are allowed, by proxy at a general meeting of which Notice has been duly given in accordance with Article 59 <u>60</u> .

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

“Ordinary Share(s)”	means the ordinary share(s) of a par value of HK\$0.04 <u>0.10</u> each in the authorised share capital of the Company.
“paid up”	paid up or credited as paid up.
“Person”	<u>shall mean any natural person, firm, company, joint venture, partnership, corporation, association or other entity (whether or not having a separate legal personality) or any of them as the context so requires.</u>
“ <u>physical meeting</u> ”	<u>shall mean a general meeting held and conducted by physical attendance and participation by Members, its duly authorised representatives and/or proxies at the meeting.</u>
“ <u>Present</u> ”	<u>shall mean, 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, if a corporation or other non-natural Person, its duly authorised representative (or, in the case of any Member, a proxy which has been validly appointed by such Member in accordance with these Articles), being:</u> <u>(a) physically present at the meeting; or</u> <u>(b) in the case of any meeting at which Communication Facilities are permitted in accordance with these Articles, including any hybrid meeting or virtual meeting, connected by means of the use of such Communication Facilities.</u>
“Register”	the principal register and where applicable, any branch register of Members to be maintained at such place within or outside the Cayman Islands as the Board shall determine from time to time.
“Registration Office”	in respect of any class of share capital such place as the Board may from time to time determine to keep a branch register of Members in respect of that class of share capital and where (except in cases where the Board otherwise directs) the transfers or other documents of title for such class of share capital are to be lodged for registration and are to be registered.

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

“Seal”	common seal or any one or more duplicate seals of the Company (including a securities seal) for use in the Cayman Islands or in any place outside the Cayman Islands.
“Secretary”	any person, firm or corporation appointed by the Board to perform any of the duties of secretary of the Company and includes any assistant, deputy, temporary or acting secretary.
“Share(s)” or share(s)	means the Ordinary Share(s) in the authorised share capital of the Company.
“special resolution”	<p>a resolution shall be a special resolution when it has been passed by a majority of not less than three-fourths of votes cast by such Members as, being entitled so to do, vote in person or, in the case of such Members being as are corporations, by their respective duly authorised representative or, where proxies are allowed, by proxy at a general meeting of which Notice has been duly given in accordance with Article 5960.</p> <p>a special resolution shall be effective for any purpose for which an ordinary resolution is expressed to be required under any provision of these Articles or the Statutes.</p>
“Statutes”	the Act Law and every other law of the Legislature of the Cayman Islands for the time being in force applying to or affecting the Company, its memorandum of association and/or these Articles.
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited.
“S ub subsidiary and H olding C company ”	has the meanings attributed to them in the rules of the Stock Exchange . <u>Listing Rules</u> .
“substantial shareholder”	a person who is entitled to exercise, or to control the exercise of, 10% or more (or such other percentage as may be prescribed by the Listing Rules of the Stock Exchange from time to time) of the voting power at any general meeting of the Company.

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

- (i) references to a Person's participation in the business of a general meeting include without limitation and as relevant the right (including, in the case of a corporation, through a duly authorised representative) to speak or communicate, vote, be represented by a proxy and have access to hard copy or electronic form to all documents which are required by the Act or these Articles to be made available at the meeting, and participate and participating in the business of a general meeting shall be construed accordingly;
- (j) references to the right of a Member to speak at a hybrid meeting or virtual meeting shall include the right to raise questions or make statements to the chairman of the meeting, verbally or in written form, by means of Communication Facilities. Such a right shall be deemed to have been duly exercised if the questions or statements may be heard or seen by all or only some of the Persons Present at the meeting (or only by the chairman of the meeting) in which event the chairman of the meeting shall relay the questions raised or the statements made to all Persons Present at the meeting, either orally or in writing using Communication Facilities;
- ~~(k)~~ Sections 8 and 19(3) of the Electronic Transactions Law Act (2003 As Revised) of the Cayman Islands, as amended from time to time, shall not apply to these Articles to the extent it imposes obligations or requirements in addition to those set out in these Articles.

SHARE CAPITAL

3. (1) Ordinary Shares. Unless otherwise approved by an ordinary resolution of the Members, the authorised share capital of the Company shall comprise of Ordinary Shares of a par value of HK\$0.100+ each.

(2) Company's Power to Purchase Shares. Subject to the Law Act, the Company's Memorandum and Articles of Association and, where applicable, the Listing Rules of any Stock Exchange and/or any competent regulatory authority, the Company shall have the power to purchase or otherwise acquire its own shares and such power shall be exercisable by the Board in such manner, upon such terms and subject to such conditions as it in its absolute discretion thinks fit and any determination by the Board of the manner of purchase shall be deemed authorised by these Articles for purposes of the Law Act. The Company is hereby authorised to make payments in respect of the purchase of its shares out of capital or out of any other account or fund which can be authorised for this purpose in accordance with the Law Act.

(3) Company's Power to Give Financial Assistance for Purchase of Shares. Subject to compliance with the Listing Rules and rules and regulations of the Stock Exchange and any other relevant competent regulatory authority, the Company may give financial assistance for the purpose of or in connection with a purchase made or to be made by any person of any shares in the Company.

(4) No Bearer Shares. No share shall be issued to bearer.

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

ALTERATION OF CAPITAL

4. *Increase, Consolidation, Subdivision, Cancellation etc of Shares.* The Company may from time to time by ordinary resolution in accordance with the ~~Law Act~~ alter the conditions of its Memorandum of Association to:

- (a) increase its capital by such sum, to be divided into shares of such amounts, as the resolution shall prescribe;
- (b) consolidate and divide all or any of its capital into shares of larger amount than its existing shares;
- (c) divide its shares into several classes and without prejudice to any special rights previously conferred on the holders of existing shares attach thereto respectively any preferential, deferred, qualified or special rights, privileges, conditions or such restrictions which in the absence of any such determination by the Company in general meeting, as the Directors may determine provided always that where the Company issues shares which do not carry voting rights, the words “non-voting” shall appear in the designation of such shares and where the equity capital includes shares with different voting rights, the designation of each class of shares, other than those with the most favourable voting rights, must include the words “restricted voting” or “limited voting”;
- (d) sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the Company’s Memorandum of Association (subject, nevertheless, to the ~~Law Act~~), and may by such resolution determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may have any such preferred, deferred or other rights or be subject to any such restrictions as compared with the other or others as the Company has power to attach to unissued or new shares;
- (e) 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 capital by the amount of the shares so cancelled or, in the case of shares, without par value, diminish the number of shares into which its capital is divided.

5. *Board’s Power to Deal with Fractions and Other Difficulties.* The Board may settle as it considers expedient any difficulty which arises in relation to any consolidation and division under the last preceding Article and in particular but without prejudice to the generality of the foregoing may issue certificates in respect of fractions of shares or arrange for the sale of the shares representing fractions and the distribution of the net proceeds of sale (after deduction of the expenses of such sale) in due proportion amongst the Members who would have been entitled to the fractions, and for this purpose the Board may authorise some person to transfer the shares representing fractions to their purchaser or resolve that such net proceeds be paid to the Company for the Company’s benefit. Such purchaser will not be bound to see to the application of the purchase money nor will his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale.

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

6. *Reduction of Share Capital.* The Company may from time to time by special resolution, subject to any confirmation or consent required by the ~~Law Act~~, reduce its share capital or any capital redemption reserve or other undistributable reserve in any manner permitted by law.

7. *New Shares Treated As If Part of Original Capital.* Except so far as otherwise provided by the conditions of issue, or by these Articles, any capital raised by the creation of new shares shall be treated as if it formed part of the original capital of the Company, and such shares shall be subject to the provisions contained in these Articles with reference to the payment of calls and instalments, transfer and transmission, forfeiture, lien, cancellation, surrender, voting and otherwise.

SHARE RIGHTS

8. (1) *Rights and Restrictions Attached to New Shares.* Subject to the provisions of the ~~Law Act~~, the ~~Listing Rules of any Stock Exchange~~ and the Company's Memorandum and Articles of Association and to any special rights conferred on the holders of any shares or class of shares, any share in the Company (whether forming part of the present capital or not) may be issued with or have attached thereto such rights or restrictions whether in regard to dividend, voting, return of capital or otherwise as the Board may determine.

 (2) *Redemption Rights Attached to New Shares.* Subject to the provisions of the ~~Law Act~~, the ~~Listing Rules of any Stock Exchange~~ and the Memorandum and Articles of Association of the Company, 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 holder are, liable to be redeemed on such terms and in such manner, including out of capital, as the Board may deem fit.

9. ~~[Intentionally Deleted] Purchases by Company for Redemption. 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 as may from time to time be determined by the Company in general meeting, either generally or with regard to specific purchases. If purchases are by tender, tenders shall be available to all Members alike.~~

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

VARIATION OF RIGHTS

10. Consent for Variation, Modification or Abrogation of Rights. Subject to the ~~Law Act~~ and ~~and~~ without prejudice to Article 8, all or any of the special rights for the time being attached to the shares or any class of shares may, unless otherwise provided by the terms of issue of the shares of that class, from time to time (whether or not the Company is being wound up) be varied, modified or abrogated either with the consent in writing of the holders of not less than three-fourths ~~in nominal value of the voting rights~~ of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting all the provisions of these Articles relating to general meetings of the Company shall, *mutatis mutandis*, apply, but so that:

- (a) the necessary quorum (~~other than at an adjourned meeting~~) shall be two ~~p~~Persons (~~or in the case of a Member being a corporation, its duly authorised representative~~) holding or representing by proxy or by duly authorised representative not less than one-third in nominal value of the issued shares of that class ~~and at any adjourned meeting of such holders, two holders present in person or (in the case of a Member being a corporation) its duly authorised representative or by proxy (whatever the number of shares held by them) shall be a quorum;~~ and
- (b) every holder of shares of the class shall be entitled to one vote for every such share held by him.

11. Issue of Pari Passu Shares Not Deemed Variation etc. The special rights conferred upon the holders of any shares or class of shares shall not, unless otherwise expressly provided in the rights attaching to or the terms of issue of such shares, be deemed to be varied, modified or abrogated by the creation or issue of further shares ranking *pari passu* therewith.

SHARES

12. (1) Unissued Shares at Disposal of Board. Subject to the ~~Law Act~~, these Articles, any direction that may be given by the Company in general meeting and, where applicable, the Listing Rules of the Stock Exchange and without prejudice to any special rights or restrictions for the time being attached to any shares or any class of shares, the unissued shares of the Company (whether forming part of the original or any increased capital) shall be at the disposal of the Board, which may offer, allot, grant options over or otherwise dispose of them to such persons, at such times and for such consideration and upon such terms and conditions as the Board may in its absolute discretion determine but so that no shares shall be issued at a discount to their nominal value. Neither the Company nor the Board shall be obliged, when making or granting any allotment of, offer of, option over or disposal of shares, to make, or make available, any such allotment, offer, option or shares to Members or others with registered addresses in any particular territory or territories being a territory or territories where, in the absence of a registration statement or other special formalities, this would or might, in the opinion of the Board, be unlawful or impracticable. Members affected as a result of the foregoing sentence shall not be, or be deemed to be, a separate class of ~~M~~members for any purpose whatsoever.

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(2) Warrants and Convertible Securities. The Board may issue warrants or convertible securities or securities of similar nature conferring the right upon the holders thereof to subscribe for any class of shares or securities in the capital of the Company on such terms as it may from time to time determine.

13. Commissions and Brokerage in relation to Issue of New Shares. The Company may in connection with the issue of any shares exercise all powers of paying commission and brokerage conferred or permitted by the ~~Law Act~~. Subject to the ~~Law Act~~, the commission may be satisfied by the payment of cash or by the allotment of fully or partly paid shares or partly in one and partly in the other.

14. Trusts Not Recognized. Except as required by law, no person shall be recognised by the Company as holding any share upon any trust and the Company shall not be bound by or required in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any fractional part of a share or (except only as otherwise provided by these Articles or by law) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

15. Renunciation of Right to New Share. Subject to the ~~Law Act~~ and these Articles, the Board may at any time after the allotment of shares but before any person has been entered in the Register as the holder, recognise a renunciation thereof by the allottee in favour of some other person and may accord to any allottee of a share a right to effect such renunciation upon and subject to such terms and conditions as the Board considers fit to impose.

SHARE CERTIFICATES

16. Form of Share Certificates. Every share certificate shall be issued under the Seal or a facsimile thereof or with the Seal printed thereon and shall specify the number and class and distinguishing numbers (if any) of the shares to which it relates, and the amount paid up thereon and may otherwise be in such form as the Directors may from time to time determine. No certificate shall be issued representing shares of more than one class. The Board may by resolution determine, either generally or in any particular case or cases, that any signatures on any such certificates (or certificates in respect of other securities) need not be autographic but may be affixed to such certificates by some mechanical means or may be printed thereon.

17. (1) One Share Certificate for Joint Holders. In the case of a share held jointly by several persons, the Company shall not be bound to issue more than one certificate therefor and delivery of a certificate to one of several joint holders shall be sufficient delivery to all such holders.

(2) Priority of Joint Holders Inter Se in Register. Where a share stands in the names of two or more persons, the person first named in the Register shall as regards service of notices and, subject to the provisions of these Articles, all or any other matters connected with the Company, except the transfer of the shares, be deemed the sole holder thereof.

**APPENDIX II PROPOSED AMENDMENTS TO THE EXISTING MEMORANDUM
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18. Entitlement to Issue of Share Certificates. Every person whose name is entered, upon an allotment of shares, as a Member in the Register shall be entitled, without payment, to receive one certificate for all such shares of any one class or several certificates each for one or more of such shares of such class upon payment for every certificate after the first of such reasonable out-of-pocket expenses as the Board from time to time determines.

19. Timing for Issue of Share Certificates. Share certificates shall be issued within the relevant time limit as prescribed by the ~~Law Act~~ or as the Stock Exchange may from time to time determine, whichever is the shorter, after allotment or, except in the case of a transfer which the Company is for the time being entitled to refuse to register and does not register, after lodgment of a transfer with the Company.

20. (1) Upon Transfer, Cancelled, New and Balance Share Certificates. Upon every transfer of shares the certificate held by the transferor shall be given up to be cancelled, and shall forthwith be cancelled accordingly, and a new certificate shall be issued to the transferee in respect of the shares transferred to him at such fee as is provided in paragraph (2) of this Article. If any of the shares included in the certificate so given up shall be retained by the transferor a new certificate for the balance shall be issued to him at the aforesaid fee payable by the transferor to the Company in respect thereof.

 (2) Fee Payable for New Share Certificate upon Transfer. The fee referred to in paragraph (1) above shall be an amount not exceeding the relevant maximum amount as the Stock Exchange may from time to time determine provided that the Board may at any time determine a lower amount for such fee.

21. Upon Loss, Theft or Damage, Replacement Share Certificates. If a share certificate shall be damaged or defaced or alleged to have been lost, stolen or destroyed a new certificate representing the same shares may be issued to the relevant Member upon request and on payment of such fee as the Stock Exchange may determine to be the maximum fee payable or such lesser sum as the Board may determine and, subject to compliance with such terms (if any) as to evidence and indemnity and to payment of the costs and reasonable out-of-pocket expenses of the Company in investigating such evidence and preparing such indemnity as the Board may think fit and, in case of damage or defacement, on delivery of the old certificate to the Company provided always that where share warrants have been issued, no new share warrant shall be issued to replace one that has been lost unless the Directors are satisfied beyond reasonable doubt that the original has been destroyed.

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LIEN

22. *Company's Lien for Calls and Other Payments.* The Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys (whether presently payable or not) called or payable at a fixed time in respect of that share. The Company shall also have a first and paramount lien on every share (not being a fully paid share) registered in the name of a Member (whether or not jointly with other Members) for all amounts of money presently payable by such Member or his estate to the Company whether the same shall have been incurred before or after notice to the Company of any equitable or other interest of any person other than such member, and whether the period for the payment or discharge of the same shall have actually arrived or not, and notwithstanding that the same are joint debts or liabilities of such Member or his estate and any other person, whether a Member or not. The Company's lien on a share shall extend to all dividends or other moneys payable thereon or in respect thereof. The Board may at any time, generally or in any particular case, waive any lien that has arisen or declare any share exempt in whole or in part, from the provisions of this Article.

23. *Power of Sale of Shares subject to Company's Lien.* Subject to these Articles, the Company may sell in such manner as the Board determines any share on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable, or the liability or engagement in respect of which such lien exists is liable to be presently fulfilled or discharged nor until the expiration of fourteen (14) clear days after a notice in writing, stating and demanding payment of the sum presently payable, or specifying the liability or engagement and demanding fulfilment or discharge thereof and giving notice of the intention to sell in default, has been served on the registered holder for the time being of the share or the person entitled thereto by reason of his death or bankruptcy.

24. *Proceeds of Sale; Title of Purchaser.* The net proceeds of the sale shall be received by the Company and applied in or towards payment or discharge of the debt or liability in respect of which the lien exists, so far as the same is presently payable, and any residue shall (subject to a like lien for debts or liabilities not presently payable as existed upon the share prior to the sale) be paid to the person entitled to the share at the time of the sale. To give effect to any such sale the Board may authorise some person to transfer the shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the shares so transferred and he shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale.

CALLS ON SHARES

25. *Calls on Non-Fully Paid Shares.* Subject to these Articles and to the terms of allotment, the Board may from time to time make calls upon the Members in respect of any moneys unpaid on their shares (whether on account of the nominal value of the shares or by way of premium), and each Member shall (subject to being given at least fourteen (14) clear days' Notice specifying the time and place of payment) pay to the Company as required by such notice the amount called on his shares. A call may be extended, postponed or revoked in whole or in part as the Board determines but no Member shall be entitled to any such extension, postponement or revocation except as a matter of grace and favour.

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26. Timing and Payment of Calls. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be made payable either in one lump sum or by instalments.

27. Who Liable for Calls. A person upon whom a call is made shall remain liable for calls made upon him notwithstanding the subsequent transfer of the shares in respect of which the call was made. The joint holders of a share shall be jointly and severally liable to pay all calls and instalments due in respect thereof or other moneys due in respect thereof.

28. Interest on Late Payment of Calls. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the amount unpaid from the day appointed for payment thereof to the time of actual payment at such rate (not exceeding twenty per cent. (20%) per annum) as the Board may determine, but the Board may in its absolute discretion waive payment of such interest wholly or in part.

29. No Dividends, Voting Rights, Other Privileges etc Until Calls Paid. No Member shall be entitled to receive any dividend or bonus or to be present and vote (save as proxy for another Member) at any general meeting either personally or by proxy, or be reckoned in a quorum, or exercise any other privilege as a Member until all calls or instalments due by him to the Company, whether alone or jointly with any other person, together with interest and expenses (if any) shall have been paid.

30. Proof of Debt Constituted by Calls. On the trial or hearing of any action or other proceedings for the recovery of any money due for any call, it shall be sufficient to prove that the name of the Member sued is entered in the Register as the holder, or one of the holders, of the shares in respect of which such debt accrued, that the resolution making the call is duly recorded in the minute book, and that notice of such call was duly given to the Member sued, in pursuance of these Articles; and it shall not be necessary to prove the appointment of the Directors who made such call, nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.

31. When Calls Due. Any amount payable in respect of a share upon allotment or at any fixed date, whether in respect of nominal value or premium or as an instalment of a call, shall be deemed to be a call duly made and payable on the date fixed for payment and if it is not paid the provisions of these Articles shall apply as if that amount had become due and payable by virtue of a call duly made and notified.

32. Different Arrangements for Calls upon Issue of New Shares. On the issue of shares the Board may differentiate between the allottees or holders as to the amount of calls to be paid and the times of payment.

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33. Advances by Members Toward Calls. The Board may, if it thinks fit, receive from any Member willing to advance the same, and either in money or money's worth, all or any part of the moneys uncalled and unpaid or instalments payable upon any shares held by him and upon all or any of the moneys so advanced (until the same would, but for such advance, become presently payable) pay interest at such rate (if any) as the Board may decide. The Board may at any time repay the amount so advanced upon giving to such Member not less than one (1) month's Notice of its intention in that behalf, unless before the expiration of such notice the amount so advanced shall have been called up on the shares in respect of which it was advanced. Such payment in advance shall not entitle the holder of such share or shares to participate in respect thereof in a dividend subsequently declared.

FORFEITURE OF SHARES

34. (1) Notice of Forfeiture if Call is Unpaid. If a call remains unpaid after it has become due and payable the Board may give to the person from whom it is due not less than fourteen (14) clear days' Notice:

- (a) requiring payment of the amount unpaid together with any interest which may have accrued and which may still accrue up to the date of actual payment; and
- (b) stating that if the Notice is not complied with the shares on which the call was made will be liable to be forfeited.

(2) Board Resolution Rendering Shares, Dividends and Bonuses Forfeit. If the requirements of any such Notice are not complied with, any share in respect of which such Notice has been given may at any time thereafter, before payment of all calls and interest due in respect thereof has been made, be forfeited by a resolution of the Board to that effect, and such forfeiture shall include all dividends and bonuses declared in respect of the forfeited share but not actually paid before the forfeiture.

35. Notice of Forfeiture Served on Former Holder. When any share has been forfeited, notice of the forfeiture shall be served upon the person who was before forfeiture the holder of the share. No forfeiture shall be invalidated by any omission or neglect to give such Notice.

36. Option to Accept Surrender of Forfeitable Shares. The Board may accept the surrender of any share liable to be forfeited hereunder and, in such case, references in these Articles to forfeiture will include surrender.

37. Company may Deal with Shares Rendered Forfeit. Any share so forfeited shall be deemed the property of the Company and may be sold, re-allotted or otherwise disposed of to such person, upon such terms and in such manner as the Board determines, and at any time before a sale, re-allotment or disposition the forfeiture may be annulled by the Board on such terms as the Board determines.

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38. Continuing Liabilities of Former Holder of Shares Rendered Forfeit. A person whose shares have been forfeited shall cease to be a Member in respect of the forfeited shares but nevertheless shall remain liable to pay the Company all moneys which at the date of forfeiture were presently payable by him to the Company in respect of the shares, with (if the Directors shall in their discretion so require) interest thereon from the date of forfeiture until payment at such rate (not exceeding twenty per cent. (20%) per annum) as the Board determines. The Board may enforce payment thereof if it thinks fit, and without any deduction or allowance for the value of the forfeited shares, at the date of forfeiture, but his liability shall cease if and when the Company shall have received payment in full of all such moneys in respect of the shares. For the purposes of this Article any sum which, by the terms of issue of a share, is payable thereon at a fixed time which is subsequent to the date of forfeiture, whether on account of the nominal value of the share or by way of premium, shall notwithstanding that time has not yet arrived be deemed to be payable at the date of forfeiture, and the same shall become due and payable immediately upon the forfeiture, but interest thereon shall only be payable in respect of any period between the said fixed time and the date of actual payment.

39. Declaration of Forfeiture as Conclusive Evidence. A declaration by a Director or the Secretary that a share has been forfeited on a specified date shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share, and such declaration shall (subject to the execution of an instrument of transfer by the Company if necessary) constitute a good title to the share, and the person to whom the share is disposed of shall be registered as the holder of the share and shall not be bound to see to the application of the consideration (if any), nor shall his title to the share be affected by any irregularity in or invalidity of the proceedings in reference to the forfeiture, sale or disposal of the share. When any share shall have been forfeited, notice of the declaration shall be given to the Member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or make any such entry.

40. Bring Back of Shares Rendered Forfeit, Before Sale etc. Notwithstanding any such forfeiture as aforesaid the Board may at any time, before any shares so forfeited shall have been sold, re-allotted or otherwise disposed of, permit the shares forfeited to be bought back upon the terms of payment of all calls and interest due upon and expenses incurred in respect of the share, and upon such further terms (if any) as it thinks fit.

41. Company's Right to Calls and Payments Unaffected. The forfeiture of a share shall not prejudice the right of the Company to any call already made or instalment payable thereon.

42. Application to Sums Payable at Fixed Times. The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

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REGISTER OF MEMBERS

43. (1) Keeping of Register of Members. The Company shall keep in one or more books a Register of its Members and shall enter therein the following particulars, that is to say:

- (a) the name and address of each Member, the number and class of shares held by him and the amount paid or agreed to be considered as paid on such shares;
- (b) the date on which each person was entered in the Register; and
- (c) the date on which any person ceased to be a Member.

(2) Overseas, Local or Other Branch Register of Members. The Company may keep an overseas or local or other branch register of Members resident in any place, and the Board may make and vary such regulations as it determines in respect of the keeping of any such register and maintaining a Registration Office in connection therewith.

(3) Only Enrolled Persons are Members. No person shall become a Member until his name shall have been entered into the Register or branch register of Members.

44. Access to Members; Books Closure Period. The Register and branch register of Members, as the case may be, shall be open to inspection for at least two (2) hours during business hours by Members without charge or by any other person, upon a maximum payment ~~of \$2.50~~ as may from time to time be permitted under the Listing Rules or such lesser sum specified by the Board, at the Office or such other place at which the Register is kept in accordance with the ~~Law Act~~ or, if appropriate, upon a maximum payment of ~~HK\$~~1.00 or such lesser sum specified by the Board at the Registration Office. The Register including any overseas or local or other branch register of Members may, after notice has been given by advertisement in an appointed newspaper or any other newspapers in accordance with the requirements of ~~any~~ the Stock Exchange or by any electronic means in such manner as may be accepted by the Stock Exchange to that effect, be closed at such times or for such periods not exceeding in the whole thirty (30) days in each year as the Board may determine and either generally or in respect of any class of shares. The period of thirty (30) days may be extended for a further period or periods not exceeding thirty (30) days in respect of any year if approved by the Members by ordinary resolution.

RECORD DATES

45. Fixing Record Dates. Subject to the Listing Rules, ~~N~~otwithstanding any other provision of these Articles, the Company or the Directors may fix any date as the record date for:

- (a) determining the Members entitled to receive any dividend, distribution, allotment or issue ~~and such record date may be on, or at any time not more than thirty (30) days before or after, any date on which such dividend, distribution, allotment or issue is declared, paid or made; or~~
- (b) determining the Members entitled to receive ~~n~~Notice of and to vote at any general meeting of the Company.

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TRANSFER OF SHARES

46. Form of Transfer Instrument. Subject to these Articles, any Member may transfer all or any of his shares by an instrument of transfer in the usual or common form or in a form prescribed by the Stock Exchange or in any other form approved by the Board and may be under hand or, if the transferor or transferee is a clearing house or its nominee(s), by hand or by machine imprinted signature or by such other manner of execution as the Board may approve from time to time.

47. Execution of Transfer Instrument. The instrument of transfer shall be executed by or on behalf of the transferor and the transferee provided that the Board may dispense with the execution of the instrument of transfer by the transferee in any case which it thinks fit in its discretion to do so. Without prejudice to the last preceding Article, the Board may also resolve, either generally or in any particular case, upon request by either the transferor or transferee, to accept mechanically executed transfers. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register in respect thereof. Nothing in these Articles shall preclude the Board from recognising a renunciation of the allotment or provisional allotment of any share by the allottee in favour of some other person.

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

 (2) No Transfers to Persons with Legal Disability. No transfer shall be made to an infant or to a person of unsound mind or under other legal disability.

 (3) Movement of Shares Between Registers. The Board in so far as permitted by any applicable law may, in its absolute discretion, at any time and from time to time transfer any share upon the Register to any branch register or any share on any branch register to the Register or any other branch register. In the event of any such transfer, the shareholder requesting such transfer shall bear the cost of effecting the transfer unless the Board otherwise determines.

 (4) Transfer only at Corresponding Register. Unless the Board otherwise agrees (which agreement may be on such terms and subject to such conditions as the Board in its absolute discretion may from time to time determine, and which agreement the Board shall, without giving any reason therefor, be entitled in its absolute discretion to give or withhold), no shares upon the Register shall be transferred to any branch register nor shall shares on any branch register be transferred to the Register or any other branch register and all transfers and other documents of title shall be lodged for registration, and registered, in the case of any shares on a branch register, at the relevant Registration Office, and, in the case of any shares on the Register, at the Office or such other place at which the Register is kept in accordance with the ~~Law~~Act.

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49. Requirements Before Transfer Instrument Recognised by Board. Without limiting the generality of the last preceding Article, the Board may decline to recognise any instrument of transfer unless:-

- (a) a fee of such amount not exceeding the maximum ~~sum~~-amount as the Stock Exchange may determine to be payable or such lesser sum as the Board may from time to time require is paid to the Company in respect thereof;
- (b) the instrument of transfer is in respect of only one class of share;
- (c) the instrument of transfer is lodged at the Office or such other place at which the Register is kept in accordance with the ~~Law-Act~~ or the Registration Office (as the case may be) accompanied by the relevant share certificate(s) and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer (and, if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do); and
- (d) if applicable, the instrument of transfer is duly and properly stamped.

50. Notice of Board's Refusal to Register Any Transfer. If the Board refuses to register a transfer of any share, it shall, within two (2) months after the date on which the transfer was lodged with the Company, send to each of the transferor and transferee notice of the refusal.

51. Suspension of Registration of Transfers. The registration of transfers of shares or of any class of shares may, after notice has been given by announcement or by electronic communication or by advertisement in any newspapers or by any other means in accordance with the requirements of ~~the~~any Stock Exchange to that effect be suspended at such times and for such periods (not exceeding in the whole thirty (30) days in any year) as the Board may determine. The period of thirty (30) days may be extended for a further period or periods not exceeding thirty (30) days in respect of any year if approved by the Members by ordinary resolution.

TRANSMISSION OF SHARES

52. Transmission to Survivor or Legal Representatives; Liability of Estate. If a Member dies, the survivor or survivors where the deceased was a joint holder, and his legal personal representatives where he was a sole or only surviving holder, will be the only persons recognised by the Company as having any title to his interest in the shares; but nothing in this Article will release the estate of a deceased Member (whether sole or joint) from any liability in respect of any share which had been solely or jointly held by him.

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53. *Person Entitled in Death, Bankruptcy or Winding-Up of Member.* Any person becoming entitled to a share in consequence of the death or bankruptcy or winding-up of a Member may, upon such evidence as to his title being produced as may be required by the Board, elect either to become the holder of the share or to have some person nominated by him registered as the transferee thereof. If he elects to become the holder he shall notify the Company in writing either at the Registration Office or Office, as the case may be, to that effect. If he elects to have another person registered he shall execute a transfer of the share in favour of that person. The provisions of these Articles relating to the transfer and registration of transfers of shares shall apply to such notice or transfer as aforesaid as if the death or bankruptcy of the Member had not occurred and the notice or transfer were a transfer signed by such Member.

54. *Rights of Person Entitled to Dividend and Voting Rights etc.* A person becoming entitled to a share by reason of the death or bankruptcy or winding-up of a Member shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share. However, the Board may, if it thinks fit, withhold the payment of any dividend payable or other advantages in respect of such share until such person shall become the registered holder of the share or shall have effectually transferred such share, but, subject to the requirements of Article ~~72~~74(2) being met, such a person may vote at meetings.

UNTRACEABLE MEMBERS

55. (1) *Company's Power to Cease Sending Cheques or Warrants.* Without prejudice to the rights of the Company under paragraph (2) of this Article, the Company may cease sending cheques for dividend entitlements or dividend warrants by post if such cheques or warrants have been left uncashed on two consecutive occasions. However, the Company may exercise the power to cease sending cheques for dividend entitlements or dividend warrants after the first occasion on which such a cheque or warrant is returned undelivered.

 (2) *Company's Power to Sell Shares of Untraceable Members.* The Company shall have the power to sell, in such manner as the Board thinks fit, any shares of a Member who is untraceable, but no such sale shall be made unless:

- (a) all cheques or warrants in respect of dividends of the shares in question, being not less than three in total number, for any sum payable in cash to the holder of such shares in respect of them sent during the relevant period in the manner authorised by the Articles have remained uncashed;
- (b) so far as it is aware at the end of the relevant period, the Company has not at any time during the relevant period received any indication of the existence of the Member who is the holder of such shares or of a person entitled to such shares by death, bankruptcy or operation of law; and

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- (c) the Company, if so required by the rules governing the listing of shares on the Stock Exchange, has given notice to, and caused advertisement in newspapers in accordance with the requirements of, the Stock Exchange to be made of its intention to sell such shares in the manner required by the Stock Exchange, and a period of three (3) months or such shorter period as may be allowed by the Stock Exchange has elapsed since the date of such advertisement.

For the purpose of the foregoing, the “relevant period” means the period commencing twelve (12) years before the date of publication of the advertisement referred to in paragraph (c) of this Article and ending at the expiry of the period referred to in that paragraph.

(3) Procedures for Sale, Purchaser’s Title and Proceeds of Sale. To give effect to any such sale the Board may authorise some person to transfer the said shares and an instrument of transfer signed or otherwise executed by or on behalf of such person shall be as effective as if it had been executed by the registered holder or the person entitled by transmission to such shares, and the purchaser shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale. The net proceeds of the sale will belong to the Company and upon receipt by the Company of such net proceeds it shall become indebted to the former Member for an amount equal to such net proceeds. No trust shall be created in respect of such debt and no interest shall be payable in respect of it and the Company shall not be required to account for any money earned from the net proceeds which may be employed in the business of the Company or as it thinks fit. Any sale under this Article shall be valid and effective notwithstanding that the Member holding the shares sold is dead, bankrupt or otherwise under any legal disability or incapacity.

GENERAL MEETINGS

56. Timing for Annual General Meeting. An annual general meeting of the Company shall be held ~~for~~ in each financial year, to be held within six (6) months (or such other period as may be permitted by the Listing Rules or the Stock Exchange) after the end of such financial year. ~~other than the year of the Company’s adoption of these Articles (within a period of not more than fifteen (15) months after the holding of the last preceding annual general meeting or not more than eighteen (18) months after the date of adoption of these Articles, unless a longer period would not infringe the rules of the Stock Exchange, if any)~~ The annual general meeting shall be specified as such in the notices calling it and shall be held at such time and place (if applicable) as may be determined by the Board.

57. Extraordinary General Meetings. Each general meeting, other than an annual general meeting, shall be called an extraordinary general meeting. General meetings may be held as a physical meeting in any part of the world, as a hybrid meeting, or as a virtual meeting, as may be determined by the Board in its absolute discretion.

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58. Convening and Requisitioning ~~EGMs~~ Extraordinary General Meetings. The Board may whenever it thinks fit call extraordinary general meetings. Any one or more Member(s) holding at the date of deposit of the requisition not less than one-tenth of the ~~paid-up capital~~ voting rights, on a one vote per share basis, of the Company ~~carrying the right of voting~~ at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Secretary of the Company, to require an extraordinary general meeting to be called by the Board for the transaction of any business or resolution specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may ~~do so~~ convene a physical meeting 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.

59. The Directors may make Communication Facilities available for a specific general meeting or all general meetings of the Company so that members and other participants may attend and participate at such general meetings by means of such Communication Facilities.

59A. The Persons' participation in such a meeting shall constitute presence at such meetings and such Persons shall be counted in the quorum of the meeting and be entitled to vote at the meeting in question; and that meeting shall be duly constituted and its proceedings valid provided that the chairman of the meeting is satisfied that adequate Communication Facilities are available throughout the meeting to ensure that Members are able to participate in the business for which the meeting has been convened.

59B. Where Members are participating in a meeting by means of Communication Facilities, a failure (for any reason) of the Communication Facilities or communication equipment, the inability of one or more Members, its duly authorised representatives or proxies to access, or continue to access, the Communication Facilities despite adequate Communication Facilities having been made available by the Company, shall not affect the validity of the meeting or the resolutions passed, or any business conducted there or any action taken pursuant to such business provided that there is a quorum Present throughout the meeting.

59C. If it appears to the Chairman that:

- (i) Communication Facilities being made available by the Company become inadequate;
- (ii) it is not possible to ascertain the view of those Present or to give all Persons entitled to do so a reasonable opportunity to communicate and/or vote at the meeting; or
- (iii) there is violence or the threat of violence, unruly behaviour or other disruption occurring at the meeting or it is not possible to secure the proper and orderly conduct of the meeting;

then, without prejudice to any other power which the chairman of the meeting may have under these Articles or at common law, the chairman of the meeting may, at his/her absolute discretion, without the consent of the meeting, and before or after the meeting has started and irrespective of whether a quorum is Present, interrupt or adjourn the meeting (including adjournment for an indefinite period). All business conducted at the meeting up to the time of such adjournment shall be valid.

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59D. The Board and, at any general meeting, the chairman of the meeting may make any arrangement and impose any requirement or restriction which the Board or the chairman of the meeting, as the case may be, considers appropriate to ensure the security and orderly conduct of a meeting (including, without limitation, requirements for evidence of identity to be produced by those attending the meeting, the searching of their personal property and the restriction of items that may be taken into the meeting place, determining the number and frequency of and the time allowed for questions that may be raised at a meeting). Members shall also comply with all requirements or restrictions imposed by the owner of the premises at which the meeting is held. Any decision made under this Article shall be final and conclusive and a Person who refuses to comply with any such arrangements, requirements or restrictions may be refused entry to the meeting or ejected (physically or electronically) from the meeting.

59E. All Persons seeking to attend and participate in a meeting by means of Communication Facilities shall be responsible for maintaining adequate facilities to enable them to do so. Subject to Article 59C, any inability of a Person or Persons to attend or participate in a general meeting by way of Communication Facilities shall not invalidate the proceedings of and/or resolutions passed at that meeting.

NOTICE OF GENERAL MEETINGS

~~59-60.~~ (1) Minimum Notice of General Meetings. ~~An annual general meeting shall be called by Notice of not less than twenty-one (21) clear days and not less than twenty (20) clear business days and any extraordinary general meeting at which the passing of a special resolution is to be considered shall be called by Notice of not less than twenty-one (21) clear days and not less than ten (10) clear business days. All other~~ An extraordinary general meetings may shall be called by Notice of not less than fourteen (14) clear days ~~and not less than ten (10) clear business days but if permitted by the rules of the Stock Exchange,~~ a general meeting may be called by shorter notice, subject to the ~~Law~~ Act and the Listing Rules, if it is so agreed:

- (a) in the case of a meeting called as an annual general meeting, by all the Members entitled to attend and vote thereat; and
- (b) in the case of any other meeting, by a majority in number of the Members having the right to attend and vote at the meeting, being a majority together holding not less than ninety-five per cent. (95%) in nominal value of the issued shares giving that right.

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(2) Contents and Recipients of Notices of General Meeting. The notice shall specify the time and place (if applicable) of the meeting and particulars of resolutions to be considered at the meeting and, in case of special business, the general nature of the business. The notice convening an annual general meeting shall specify the meeting as such. The notice of any general meeting at which Communication Facilities will be utilised must disclose the Communication Facilities that will be utilised, including the procedures to be followed by any member or other participant of the general meeting who wishes to utilise such Communication Facilities for the purpose of attending, participating and voting at such meeting. Notice of every general meeting shall be given to all Members other than to such Members as, under the provisions of these Articles or the terms of issue of the shares they hold, are not entitled to receive such notices from the Company, to all persons entitled to a share in consequence of the death or bankruptcy or winding-up of a Member and to each of the Directors and the Auditors.

~~60-61.~~ Resolutions not Invalidated by Failure to Give Notice etc. The accidental omission to give Notice of a meeting or (in cases where instruments of proxy are sent out with the Notice) to send such instrument of proxy to, or the non-receipt of such Notice or such instrument of proxy by, any person entitled to receive such Notice shall not invalidate any resolution passed or the proceedings at that meeting.

PROCEEDINGS AT GENERAL MEETINGS

~~61-62.~~ (1) Special and Ordinary Business. All business shall be deemed special that is transacted at an extraordinary general meeting, and also all business that is transacted at an annual general meeting, with the exception of:

- (a) the declaration and sanctioning of dividends;
- (b) consideration and adoption of the accounts and balance sheet and the reports of the Directors and Auditors and other documents required to be annexed to the balance sheet;
- (c) the election of Directors whether by rotation or otherwise in the place of those retiring;
- (d) appointment of Auditors (where special notice of the intention for such appointment is not required by the ~~Law~~ Act) and other officers;
- (e) the fixing of the remuneration of the Auditors, and the voting of remuneration or extra remuneration to the Directors;
- (f) the granting of any mandate or authority to the Directors to offer, allot, grant options over or otherwise dispose of the unissued shares in the capital of the Company representing not more than twenty per cent. (20%) in nominal value of its existing issued share capital; and
- (g) the granting of any mandate or authority to the Directors to repurchase securities of the Company.

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(2) Quorum. No business other than the appointment of a chairman of a meeting shall be transacted at any general meeting unless a quorum is ~~p~~Present at the commencement of the business. Two (2) Members entitled to vote and ~~p~~Present ~~in person or by proxy or (in the case of a Member being a corporation) by its duly authorised representative~~ shall form a quorum for all purposes.

~~62-63.~~ Adjournment for Want of Quorum. If within thirty (30) minutes (or such longer time not exceeding one hour as the chairman of the meeting may determine to wait) after the time appointed for the meeting a quorum is not ~~p~~Present, the meeting, if convened on the requisition of Members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week at the same time and place (if applicable) or to such time and place (if applicable) as the Board may determine. If at such adjourned meeting a quorum is not ~~p~~Present within half an hour from the time appointed for holding the meeting, the meeting shall be dissolved.

~~63-64.~~ Chairman of General Meeting. The chairman of the ~~Company Board~~ shall preside as chairman at every general meeting. If at any meeting the chairman, is not ~~p~~Present within fifteen (15) minutes after the time appointed for holding the meeting, or is not willing to act as chairman, the Directors ~~p~~Present shall choose one of their number to act, or if one Director only is ~~p~~Present he shall preside as chairman if willing to act. If no Director is ~~p~~Present, or if each of the Directors ~~p~~Present declines to take the chair, or if the chairman chosen shall retire from the chair, the Members ~~p~~Present ~~in person or (in the case of a Member being a corporation) by its duly authorised representative or by proxy and~~ entitled to vote shall elect one of ~~their number~~ the Members Present to be chairman.

65. The chairman of any general meeting shall be entitled to attend and participate at such general meeting by means of Communication Facilities, and to act as the chairman, in which event:

- (a) the chairman shall be deemed to be Present at the meeting; and
- (b) if the Communication Facilities are interrupted or fail for any reason to enable the chairman to participate at the meeting, then the other Directors Present at the meeting shall choose another Director Present to act as chairman of the meeting for the remainder of the meeting; provided that (i) if no other Director is Present at the meeting, or (ii) if all the Directors Present decline to take the chair, then the meeting shall be automatically adjourned to the same day in the next week and at such time and place (if applicable) as shall be decided by the Board.

~~64-66.~~ Voluntary Adjournment of General Meeting. The chairman may, with the consent of any meeting at which a quorum is ~~p~~Present (and shall if so directed by the meeting), adjourn the meeting from time to time, ~~and~~ from place to place (if applicable) and/or from one form to another (a physical meeting, a hybrid meeting or a virtual meeting) as the meeting shall determine, but no business shall be transacted at any adjourned meeting other than the business which might lawfully have been transacted at the meeting had the adjournment not taken place. When a meeting is adjourned for fourteen (14) days or more, at least seven (7) clear days' notice of the adjourned meeting shall be given specifying the time and place and form (if applicable) of the adjourned meeting but it shall not be necessary to specify in such notice the nature of the business to be transacted at the adjourned meeting and the general nature of the business to be transacted. Save as aforesaid, it shall be unnecessary to give notice of an adjournment.

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~~65-67.~~ *Substantive Resolution not Invalidated by Erroneous Ruling on Amendment.* If an amendment is proposed to any resolution under consideration but is in good faith ruled out of order by the chairman of the meeting, the proceedings on the substantive resolution shall not be invalidated by any error in such ruling. In the case of a resolution duly proposed as a special resolution, no amendment thereto (other than a mere clerical amendment to correct a patent error) may in any event be considered or voted upon.

VOTING

~~66-68.~~ (1) *One Vote per Share when Voting by Poll; Voting by Show of Hands; Right to Speak.* All Members Present have the right to (a) speak at a general meeting; and (b) vote at a general meeting except where a Member is required, by the Listing Rules, to abstain from voting to approve the matter under consideration. Subject to any special rights or restrictions as to voting for the time being attached to any shares by or in accordance with these Articles, at any general meeting on a poll every Member ~~p~~Present in person or by proxy or, in the case of a Member being a corporation, by its duly authorised representative shall have one vote ~~for each fully paid share for every fully paid share of which he is the holder but so that no amount paid up or credited as paid up on a share in advance of calls or instalments is treated for the foregoing purposes as paid up on the share~~registered in his name in the register of members. A resolution put to the vote of a meeting shall be decided by way of a poll save that the chairman of the meeting may in good faith, allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands in which case every Member ~~p~~Present in person (or being a corporation, is present by a duly authorised representative), or by proxy(ies) shall have one vote provided that where more than one proxy is appointed by a Member which is a clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands. For purposes of this Article, procedural and administrative matters are those that (i) are not on the agenda of the general meeting or in any supplementary circular that may be issued by the Company to its Members; and (ii) relate to the chairman's duties to maintain the orderly conduct of the meeting and/or allow the business of the meeting to be properly and effectively dealt with, whilst allowing all Members a reasonable opportunity to express their views. Votes (whether on a show of hands or by way of a poll) may be casted by such means, electronic or otherwise, as the Directors or the chairman of the meeting may determine.

(2) *Demand for Poll before Result on Show of Hands is Declared.* Where a show of hands is allowed, before or on the declaration of the result of the show of hands, a poll may be demanded:

- (a) ~~by the Chairman of the meeting; or~~
- (~~b~~)(a) by at least three Members ~~p~~Present in person or in the case of a Member being a corporation by its duly authorised representative or by proxy for the time being entitled to vote at the meeting; or
- (~~c~~)(b) by a Member or Members ~~p~~Present in person or in the case of a Member being a corporation by its duly authorised representative or by proxy and representing not less than five per cent. (5%) of the total voting rights of all Members having the right to vote at the meeting; or

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- ~~(d)~~(c) by a Member or Members ~~p~~Present in person or in the case of a Member being a corporation by its duly authorised representative or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than five per cent. (5%) of the total sum paid up on all shares conferring that right, ~~5 or~~
- (e) ~~by any Director or Directors who, individually or collectively, hold proxies in respect of shares representing five per cent. (5%) or more of the voting rights at such meeting.~~

A demand by a person as proxy for a Member or in the case of a Member being a corporation by its duly authorised representative shall be deemed to be the same as a demand by the Member.

~~67-69.~~ *Declaration of Result of Show of Hands Conclusive.* Where a resolution is voted on by a show of hands, a declaration by the chairman that a resolution has been carried, or carried unanimously, or by a particular majority, or not carried by a particular majority, or lost, and an entry to that effect made in the minute book of the Company, shall be conclusive evidence of the facts without proof of the number or proportion of the votes recorded for or against the resolution. The result of the poll shall be deemed to be the resolution of the meeting. The Company shall only be required to disclose the voting figures on a poll if such disclosure is required by the ~~Listing #Rules of the Stock Exchange.~~

~~68-70.~~ *Upon Poll, Votes in Person or by Proxy.* On a poll votes may be given either personally or by proxy.

~~69-71.~~ *Power to Vote Part of Shares or Split Votes.* A person entitled to more than one vote on a poll need not use all his votes or cast all the votes he uses in the same way.

~~70-72.~~ *Majority for Passage of Resolutions; Casting Vote upon Equality of Votes.* All questions submitted to a meeting shall be decided by a simple majority of votes except where a greater majority is required by these Articles or by the ~~Law~~Act. In the case of an equality of votes, the chairman of such meeting shall be entitled to a second or casting vote in addition to any other vote he may have.

~~71-73.~~ *Voting by Joint Holders.* Where there are joint holders of any share, any one of such joint holders may vote, either in person 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 ~~p~~Present at any meeting the vote of the senior holder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the Register in respect of the 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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72-74. (1) *Voting by Incapacitated Member through Receiver, Committee etc.* A Member who is a patient for any purpose relating to mental health or in respect of whom an order has been made by any court having jurisdiction for the protection or management of the affairs of persons incapable of managing their own affairs may vote, by his receiver, committee, *curator bonis* or other person in the nature of a receiver, committee or *curator bonis* appointed by such court, and such receiver, committee, *curator bonis* or other person may vote by proxy, and may otherwise act and be treated as if he were the registered holder of such shares for the purposes of general meetings, provided that such evidence as the Board may require of the authority of the person claiming to vote shall have been deposited at the Office, head office or Registration Office, as appropriate, not less than forty-eight (48) hours before the time appointed for holding the meeting, or adjourned meeting, as the case may be.

(2) *Voting by Person Entitled in Death, Bankruptcy or Winding-Up.* Any person entitled under Article 53 to be registered as the holder of any shares 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 forty-eight (48) hours at least before the time of the holding of the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall satisfy the Board of his entitlement to such shares, or the Board shall have previously admitted his right to vote at such meeting in respect thereof.

73-75. (1) *Only Duly Registered Persons not Owing any Calls May Vote.* No Member shall, unless the Board otherwise determines, be entitled to attend and vote and to be reckoned in a quorum at any general meeting unless he is duly registered and all calls or other sums presently payable by him in respect of shares in the Company have been paid.

(2) *Votes of Member Required to Abstain under Listing Rules Disqualified.* Where the Company has knowledge that any Member is, under the ~~Listing Rules of the Stock Exchange~~, required to abstain from voting on any particular resolution of the Company or restricted to voting only for or only against any particular resolution of the Company, any votes cast by or on behalf of such Member in contravention of such requirement or restriction shall not be counted.

74-76. *Objections Must be Raised at Meeting; Decision of Chairman Conclusive. If:*

- (a) any objection shall be raised to the qualification of any voter; or
- (b) any votes have been counted which ought not to have been counted or which might have been rejected; or
- (c) any votes are not counted which ought to have been counted;

the objection or error shall not vitiate the decision of the meeting or adjourned meeting on any resolution unless the same is raised or pointed out at the meeting or, as the case may be, the adjourned meeting at which the vote objected to is given or tendered or at which the error occurs. Any objection or error shall be referred to the chairman of the meeting and shall only vitiate the decision of the meeting on any resolution if the chairman decides that the same may have affected the decision of the meeting. The decision of the chairman on such matters shall be final and conclusive.

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PROXIES

75-77. Proxies. Any Member entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person as his proxy to attend and vote instead of him. A Member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at a general meeting of the Company or at a class meeting. A proxy need not be a Member. In addition, a proxy or proxies representing either a Member who is an individual or a Member which is a corporation shall be entitled to exercise the same powers on behalf of the Member which he or they represent as such Member could exercise. A Member which is a corporation may execute a form of proxy under the hand of a duly authorised officer.

76-78. Execution of Instrument of Proxy. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same. In the case of an instrument of proxy purporting to be signed on behalf of a corporation by an officer thereof it shall be assumed, unless the contrary appears, that such officer was duly authorised to sign such instrument of proxy on behalf of the corporation without further evidence of the facts.

77-79. Last Time for Delivery of Instrument of Proxy; Validity. 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 certified copy of such power or authority, shall be delivered to such place or one of such places (if any) as may be specified for that purpose in or by way of note to or in any document accompanying the Notice convening the meeting (or, if no place is so specified at the Registration Office or the Office, as may be appropriate) not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote. No instrument appointing a proxy shall be valid after the expiration of twelve (12) months from the date named in it as the date of its execution, except at an adjourned meeting in cases where the meeting was originally held within twelve (12) months from such date. Delivery of an instrument appointing a proxy shall not preclude a Member from attending and voting in person at the meeting convened and in such event, the instrument appointing a proxy shall be deemed to be revoked.

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78-80. *Form of Instrument of Proxy; Use for Amendments and Adjournments.* Instruments of proxy shall be in any common form or in such other form that complies with the Listing Rules as the Board may approve (provided that this shall not preclude the use of the two-way form) and the Board may, if it thinks fit, send out with the notice of any meeting forms of instrument of proxy for use at the meeting. The instrument of proxy shall be deemed to confer authority to vote on any amendment of a resolution put to the meeting for which it is given as the proxy thinks fit. The instrument of proxy shall, unless the contrary is stated therein, be valid as well for any adjournment of the meeting as for the meeting to which it relates.

79-81. *Vote Not Invalidated by Previous Death, Insanity, Revocation etc.* A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the instrument of proxy or of the authority under which it was executed, provided that no intimation in writing of such death, insanity or revocation shall have been received by the Company at the Office or the Registration Office (or such other place as may be specified for the delivery of instruments of proxy in the notice convening the meeting or other document sent therewith) two (2) hours at least before the commencement of the meeting or adjourned meeting, at which the instrument of proxy is used.

80-82. *Attorney in lieu of Proxy.* Anything which under these Articles a Member may do by proxy he may likewise do by his duly appointed attorney and the provisions of these Articles relating to proxies and instruments appointing proxies shall apply *mutatis mutandis* in relation to any such attorney and the instrument under which such attorney is appointed.

CORPORATIONS ACTING BY REPRESENTATIVES

81-83. (1) *Representative of Member which is a Corporation.* Any corporation which is a Member may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company or at any meeting of any class of Members. The person so authorised shall be entitled to exercise the same powers on behalf of such corporation as the corporation could exercise if it were an individual Member and such corporation shall for the purposes of these Articles be deemed to be ~~p~~Present in person at any such meeting if a person so authorised is ~~p~~Present thereat.

(2) *Representatives of Clearing House which is Member.* If a clearing house (or its nominee(s)), being a corporation, is a Member, it may authorise such persons as it thinks fit to act as its representatives or proxies at any meeting of the Company or at any meeting of any class of Members provided that, if more than one person is so authorised, the authorisation or proxy form shall specify the number and class of shares in respect of which each such ~~representative~~ person is so authorised. Each person so authorised under the provisions of this Article shall be deemed to have been duly authorised without further evidence of the facts and be entitled to exercise the same rights and powers on behalf of the clearing house (or its nominee(s)) as if such person was the registered holder of the shares of the Company held by the clearing house (or its nominee(s)) including, the right to speak and vote and, where a show of hands is allowed, the right to vote individually on a show of hands.

(3) *References to Duly Authorised Representatives of Corporate Members.* Any reference in these Articles to a duly authorised representative of a Member being a corporation shall mean a representative authorised under the provisions of this Article.

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WRITTEN RESOLUTIONS OF MEMBERS

~~82-84.~~ *Written Resolutions of Members.* A resolution in writing signed (in such manner as to indicate, expressly or impliedly, unconditional approval) by or on behalf of all persons for the time being entitled to receive notice of and to attend and vote at general meetings of the Company shall, for the purposes of these Articles, be treated as a resolution duly passed at a general meeting of the Company and, where relevant, as a special resolution so passed. Any such resolution shall be deemed to have been passed at a meeting held on the date on which it was signed by the last Member to sign, and where the resolution states a date as being the date of his signature thereof by any Member the statement shall be prima facie evidence that it was signed by him on that date. Such a resolution may consist of several documents in the like form, each signed by one or more relevant Members.

BOARD OF DIRECTORS

~~83-85.~~ (1) *Minimum and Maximum Number and Term of Office.* Unless otherwise determined by the Company in general meeting, the number of Directors shall not be less than two (2). There shall be no maximum number of Directors unless otherwise determined from time to time by the Members in general meeting. The Directors shall be elected or appointed in the first place by the subscribers to the Memorandum of Association or by a majority of them and thereafter in accordance with Article ~~86~~4 called for such purpose and who shall hold office for such term as the Members may determine or, in the absence of such determination, in accordance with Article ~~84~~86 or until their successors are elected or appointed or their office is otherwise vacated.

(2) *Members' Power to Elect by Ordinary Resolution.* Subject to the Articles and the ~~Law~~Act, the Company may by ordinary resolution elect any person to be a Director either to fill a casual vacancy on the Board, or as an addition to the existing Board.

(3) *Directors' Power to Fill Casual Vacancy or Add Directors; Term.* The Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or as an addition to the existing Board. Any Director ~~so appointed by the Board to fill a casual vacancy shall hold office until the first annual general meeting of Members after his appointment and shall then be eligible for re-election at such meeting and any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.~~

(4) *No Qualification Shares Needed; Notices of General Meetings.* Neither a Director nor an alternate Director shall be required to hold any shares of the Company by way of qualification and a Director or alternate Director (as the case may be) who is not a Member shall be entitled to receive notice of and to attend and speak at any general meeting of the Company and of all classes of shares of the Company.

(5) *Members' Power to Remove Director by Ordinary Resolution.* The Members may, at any general meeting convened and held in accordance with these Articles, by ordinary resolution remove a Director (including a managing or other executive Director) at any time before the expiration of his ~~period~~term of office notwithstanding anything to the contrary in these Articles or in any agreement between the Company and such Director (but without prejudice to any claim for damages under any such agreement).

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(6) *Members' Power to Appoint Replacement by Ordinary Resolution.* A vacancy on the Board created by the removal of a Director under the provisions of subparagraph (5) above may be filled by the election or appointment by ordinary resolution the Members at the meeting at which such Director is removed.

(7) 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 never be less than two (2).

RETIREMENT OF DIRECTORS

~~84-86.~~ (1) *Rotation of Directors.* Notwithstanding any other provisions in the Articles, at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three (3), 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.

(2) *Determination of Retiring Directors.* A retiring Director shall be eligible for re-election and shall continue to act as a Director throughout the meeting at which he retires.

The Directors to retire by rotation shall include (so far as necessary to ascertain the number of ~~d~~Directors to retire by rotation) any Director who wishes to retire and not to offer himself for re-election. Any further Directors so to retire shall be those of the other Directors subject to retirement by rotation who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. Any Director appointed by the Board pursuant to Article ~~85~~3(3) shall not be taken into account in determining which particular Directors or the number of Directors who are to retire by rotation.

~~85-87.~~ *Member's Notice of Intention to Propose New Director.* No person other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for election as a Director at any general meeting unless a Notice signed by a Member (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such ~~n~~Notice is given of his intention to propose such person for election and also a Notice signed by the person to be proposed of his willingness to be elected shall have been lodged at the head office or at the Registration Office provided that the minimum length of the period, during which such Notice(s) are given, shall be at least seven (7) days and that (if the Notices are submitted after the despatch of the notice of the general meeting appointed for such election) the period for lodgment of such Notice(s) shall commence on the day after the despatch of the notice of the general meeting appointed for such election and end no later than seven (7) days prior to the date of such general meeting.

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DISQUALIFICATION OF DIRECTORS

86-88. Office of Director Vacated in Certain Situations. The office of a Director shall be vacated if the Director:

- (1) resigns his office by notice in writing delivered to the Company at the Office or tendered at a meeting of the Board;
- (2) becomes of unsound mind or dies;
- (3) without special leave of absence from the Board, is absent from meetings of the Board for six consecutive months, and his alternate Director, if any, shall not during such period have attended in his stead and the Board resolves that his office be vacated;
- (4) becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors;
- (5) is prohibited by law from being a Director; or
- (6) ceases to be a Director by virtue of any provision of the Statutes or is removed from office pursuant to these Articles.

EXECUTIVE DIRECTORS

87-89. Executive Directors Appointed by the Board. The Board may from time to time appoint any one or more of its body to be a managing director, joint managing director or deputy managing director or to hold any other employment or executive office with the Company for such period (subject to their continuance as Directors) and upon such terms as the Board may determine and the Board may revoke or terminate any of such appointments. Any such revocation or termination as aforesaid shall be without prejudice to any claim for damages that such Director may have against the Company or the Company may have against such Director. A Director appointed to an office under this Article shall be subject to the same provisions as to removal as the other Directors of the Company, and he shall (subject to the provisions of any contract between him and the Company) ipso facto and immediately cease to hold such office if he shall cease to hold the office of Director for any cause.

88-90. Remuneration of Executive Director Determined by Board. Notwithstanding Articles 9395, 9496, 9597 and 9698, an executive director appointed to an office under Article 8789 hereof shall receive such remuneration (whether by way of salary, commission, participation in profits or otherwise or by all or any of those modes) and such other benefits (including pension and/or gratuity and/or other benefits on retirement) and allowances as the Board may from time to time determine, and either in addition to or in lieu of his remuneration as a Director.

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ALTERNATE DIRECTORS AND PROXY

89-91. *Appointment by Director of Another to act as his Alternate.* Any Director may at any time by Notice delivered to the Office or head office or at a meeting of the Directors appoint any person (including another Director) to be his alternate Director. Any person so appointed shall have all the rights and powers of the Director or Directors for whom such person is appointed in the alternative provided that such person shall not be counted more than once in determining whether or not a quorum is present. An alternate Director may be removed at any time by the body which appointed him and, subject thereto, the office of alternate Director shall continue until the happening of any event which, if he were a Director, would cause him to vacate such office or if his appointor ceases for any reason to be a Director. Any appointment or removal of an alternate Director shall be effected by Notice signed by the appointor and delivered to the Office or head office or tendered at a meeting of the Board. An alternate Director may also be a Director in his own right and may act as alternate to more than one Director. An alternate Director shall, if his appointor so requests, be entitled to receive notices of meetings of the Board or of committees of the Board to the same extent as, but in lieu of, the Director appointing him and shall be entitled to such extent to attend and vote as a Director at any such meeting at which the Director appointing him is not personally present and generally at such meeting to exercise and discharge all the functions, powers and duties of his appointor as a Director and for the purposes of the proceedings at such meeting the provisions of these Articles shall apply as if he were a Director save that as an alternate for more than one Director his voting rights shall be cumulative.

90-92. *Personal Obligations of Alternate as a Director.* An alternate Director shall only be a Director for the purposes of the ~~Law-Act~~ and shall only be subject to the provisions of the ~~Law-Act~~ insofar as they relate to the duties and obligations of a Director when performing the functions of the Director for whom he is appointed in the alternative and shall alone be responsible to the Company for his acts and defaults and shall not be deemed to be the agent of or for the Director appointing him. An alternate Director shall be entitled to contract and be interested in and benefit from contracts or arrangements or transactions and to be repaid expenses and to be indemnified by the Company to the same extent *mutatis mutandis* as if he were a Director but he shall not be entitled to receive from the Company any fee in his capacity as an alternate Director except only such part, if any, of the remuneration otherwise payable to his appointor as such appointor may by Notice to the Company from time to time direct.

91-93. *Votes Cast by and Signature of Alternate.* Every person acting as an alternate Director shall have one vote for each Director for whom he acts as alternate (in addition to his own vote if he is also a Director). If his appointor is for the time being absent from Hong Kong or otherwise not available or unable to act, the signature of an alternate Director to any resolution in writing of the Board or a committee of the Board of which his appointor is a member shall, unless the notice of his appointment provides to the contrary, be as effective as the signature of his appointor.

92-94. *Status of Alternate when Appointor Ceases as Director.* An alternate Director shall ipso facto cease to be an alternate Director if his appointor ceases for any reason to be a Director, however, such alternate Director or any other person may be re-appointed by the Directors to serve as an alternate Director PROVIDED always that, if at any meeting any Director retires but is re-elected at the same meeting, any appointment of such alternate Director pursuant to these Articles which was in force immediately before his retirement shall remain in force as though he had not retired.

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~~92~~94A. Appointment of a Proxy by a Director. In addition to the provisions of Articles ~~89~~91 to ~~92~~94, a Director may be represented at any meeting of the Board (or of any committee of the Board) by a proxy appointed by him, in which event the presence or vote of the proxy shall for all purposes be deemed to be that of the Director. A proxy need not himself be a Director and the provisions of Articles ~~75~~77 to ~~80~~82 shall apply mutatis mutandis to the appointment of proxies by Directors save that an instrument appointing a proxy shall not become invalid after the expiration of twelve months from its date of execution but shall remain valid for such period as the instrument shall provide or, if no such provision is made in the instrument, until revoked in writing and save also that a Director may appoint any number of proxies although only one such proxy may attend in his stead at meetings of the Board (or of any committee of the Board).

DIRECTORS' FEES AND EXPENSES

~~93~~95. Ordinary Remuneration of Directors Determined in General Meeting. The ordinary remuneration of the Directors shall from time to time be determined by the Company in general meeting and shall (unless otherwise directed by the resolution by which it is voted) be divided amongst the Board in such proportions and in such manner as the Board may agree or, failing agreement, equally, except that any Director who shall hold office for part only of the period in respect of which such remuneration is payable shall be entitled only to rank in such division for a proportion of remuneration related to the period during which he has held office. Such remuneration shall be deemed to accrue from day to day.

~~94~~96. Reimbursement of Expenses of Directors. Each Director shall be entitled to be repaid or prepaid all travelling, hotel and incidental expenses reasonably incurred or expected to be incurred by him in attending meetings of the Board or committees of the Board or general meetings or separate meetings of any class of shares or of debentures of the Company or otherwise in connection with the discharge of his duties as a Director.

~~95~~97. Board May Determine Remuneration for Extraordinary Services. Any Director who, by request, goes or resides abroad for any purpose of the Company or who performs services which in the opinion of the Board go beyond the ordinary duties of a Director may be paid such extra remuneration (whether by way of salary, commission, participation in profits or otherwise) as the Board may determine and such extra remuneration shall be in addition to or in substitution for any ordinary remuneration provided for by or pursuant to any other Article.

~~96~~98. Approval of General Meeting for Compensation for Loss of Office etc. The Board shall obtain the approval of the Company in general meeting before making any payment to any Director or past Director of the Company by way of compensation for loss of office, or as consideration for or in connection with his retirement from office (not being payment to which the Director is contractually entitled).

DIRECTORS' INTERESTS

97-99. *Permission for Directors to Hold Other Offices.* A Director may:

- (a) hold any other office or place of profit with the Company (except that of Auditor) in conjunction with his office of Director for such period and upon such terms as the Board may determine. Any remuneration (whether by way of salary, commission, participation in profits or otherwise) paid to any Director in respect of any such other office or place of profit shall be in addition to any remuneration provided for by or pursuant to any other Article;
- (b) act by himself or his firm in a professional capacity for the Company (otherwise than as Auditor) and he or his firm may be remunerated for professional services as if he were not a Director;
- (c) continue to be or become a director, managing director, joint managing director, deputy managing director, executive director, manager or other officer or member of any other company promoted by the Company or in which the Company may be interested as a vendor, shareholder or otherwise and (unless otherwise agreed) no such Director shall be accountable for any remuneration, profits or other benefits received by him as a director, managing director, joint managing director, deputy managing director, executive director, manager or other officer or member of or from his interests in any such other company. Subject as otherwise provided by these Articles the Directors may exercise or cause to be exercised the voting powers conferred by the shares in any other company held or owned by the Company, or exercisable by them as Directors of such other company in such manner in all respects as they think fit (including the exercise thereof in favour of any resolution appointing themselves or any of them directors, managing directors, joint managing directors, deputy managing directors, executive directors, managers or other officers of such company) or voting or providing for the payment of remuneration to the director, managing director, joint managing director, deputy managing director, executive director, manager or other officers of such other company and any Director may vote in favour of the exercise of such voting rights in manner aforesaid notwithstanding that he may be, or about to be, appointed a director, managing director, joint managing director, deputy managing director, executive director, manager or other officer of such a company, and that as such he is or may become interested in the exercise of such voting rights in manner aforesaid.

98-100. *Not Disqualified from Contracting with Company if Disclosed.* Subject to the ~~Law Act~~ and to these Articles, no Director or proposed or intending Director shall be disqualified by his office from contracting with the Company, either with regard to his tenure of any office or place of profit or as vendor, purchaser or in any other manner whatsoever, nor shall any such contract or any other contract or arrangement in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company or the Members for any remuneration, profit or other benefits realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established provided that such Director shall disclose the nature of his interest in any contract or arrangement in which he is interested in accordance with Article ~~99~~101 herein.

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~~99-101.~~ *Director's Declaration of Interest in Contracts and Arrangements.* A Director who to his knowledge is in any way, whether directly or indirectly, interested in a contract or arrangement or proposed contract or arrangement with the Company shall declare the nature of his interest at the meeting of the Board at which the question of entering into the contract or arrangement is first considered, if he knows his interest then exists, or in any other case at the first meeting of the Board after he knows that he is or has become so interested. For the purposes of this Article, a general Notice to the Board by a Director to the effect that:

- (a) he is a member or officer of a specified company or firm and is to be regarded as interested in any contract or arrangement which may after the date of the Notice be made with that company or firm; or
- (b) he is to be regarded as interested in any contract or arrangement which may after the date of the Notice be made with a specified person who is connected with him;

shall be deemed to be a sufficient declaration of interest under this Article in relation to any such contract or arrangement, provided that no such Notice shall be effective unless either it is given at a meeting of the Board or the Director takes reasonable steps to secure that it is brought up and read at the next Board meeting after it is given.

~~100-102.~~ (1) *Not to Vote on Contracts or Arrangements in Which Materially Interested.* A Director shall not vote (nor be counted in the quorum) on any resolution of the Board approving any contract or arrangement or any other proposal in which he or any of his close associates is materially interested, but this prohibition shall not apply to any of the following matters namely:

- (i) ~~any contract or arrangement for the giving of any security or indemnity either: (a) to the such Director or his close associate(s) any security or indemnity in respect of money lent by him or any of his associate(s) or obligations incurred or undertaken by him or any of his associate(s) them at the request of or for the benefit of the Company or any of its subsidiaries; or (b) (ii) any contract or arrangement for the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his close associate(s) 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;~~
- ~~(iii)~~(ii) any ~~contract or arrangement~~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) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;
- (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; or~~

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(↔)(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 option scheme, a pension fund or any share incentive or share option retirement, death or disability benefits scheme, under which the Director or his close associate(s) may benefit; or other arrangement which relates both to Directors or his associate(s) and to employees of the Company or of any of its subsidiaries and does not provide in respect of any Director, or his associate(s), as such any privilege or advantage not accorded generally to the class of persons to which such scheme or fund relates.~~

(b) the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates to the Director, his close associate(s) and employee(s) of the Company or any of its subsidiaries and does not provide in respect of any Director, or his close associate(s), as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates; or

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

(2) Chairman's Ruling on Materiality of Interest is Conclusive. 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 of the meeting) or as to the entitlement of any Director (other than such chairman) to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the chairman of the meeting 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 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 of the meeting such question shall be decided by a resolution of the Board (for which purpose such chairman 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 as known to such chairman has not been fairly disclosed to the Board.

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GENERAL POWERS OF THE DIRECTORS

~~404~~103. (1) *Board May Exercise All Powers of the Company.* The business of the Company shall be managed and conducted by the Board, which may pay all expenses incurred in forming and registering the Company and may exercise all powers of the Company (whether relating to the management of the business of the Company or otherwise) which are not by the Statutes or by these Articles required to be exercised by the Company in general meeting, subject nevertheless to the provisions of the Statutes and of these Articles and to such regulations being not inconsistent with such provisions, as may be prescribed by the Company in general meeting, but no regulations made by the Company in general meeting shall invalidate any prior act of the Board which would have been valid if such regulations had not been made. The general powers given by this Article shall not be limited or restricted by any special authority or power given to the Board by any other Article.

(2) *Third Parties May Rely on the Acts of any Two Directors.* Any person contracting or dealing with the Company in the ordinary course of business shall be entitled to rely on any written or oral contract or agreement or deed, document or instrument entered into or executed as the case may be by any two of the Directors acting jointly on behalf of the Company and the same shall be deemed to be validly entered into or executed by the Company as the case may be and shall, subject to any rule of law, be binding on the Company.

(3) *Specific Powers of the Board.* Without prejudice to the general powers conferred by these Articles it is hereby expressly declared that the Board shall have the following powers:

- (a) to give to any person the right or option of requiring at a future date that an allotment shall be made to him of any share at par or at such premium as may be agreed;
- (b) to give to any Directors, officers or servants of the Company an interest in any particular business or transaction or participation in the profits thereof or in the general profits of the Company either in addition to or in substitution for a salary or other remuneration; and
- (c) to resolve that the Company be deregistered in the Cayman Islands and continued in a named jurisdiction outside the Cayman Islands subject to the provisions of the ~~Law~~Act.

(4) *Restrictions on Loans to Directors, Holding Company Directors etc.* 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 (Chapter 622 of the laws of Hong Kong) as if the Company were a company incorporated in Hong Kong. Article ~~404~~103(4) shall only have effect for so long the shares of the Company are listed on the Stock Exchange.

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~~102~~.104. *Board May Appoint Regional or Local Boards.* The Board may establish any regional or local boards or agencies for managing any of the affairs of the Company in any place, and may appoint any persons to be members of such local boards, or any managers or agents, and may fix their remuneration (either by way of salary or by commission or by conferring the right to participation in the profits of the Company or by a combination of two or more of these modes) and pay the working expenses of any staff employed by them upon the business of the Company. The Board may delegate to any regional or local board, manager or agent any of the powers, authorities and discretions vested in or exercisable by the Board (other than its powers to make calls and forfeit shares), with power to sub-delegate, and may authorise the members of any of them to fill any vacancies therein and to act notwithstanding vacancies. Any such appointment or delegation may be made upon such terms and subject to such conditions as the Board may think fit, and the Board may remove any person appointed as aforesaid, and may revoke or vary such delegation, but no person dealing in good faith and without notice of any such revocation or variation shall be affected thereby.

~~103~~.105. *Board May Grant Powers of Attorney.* The Board may by power of attorney appoint under the Seal any company, firm or person or any fluctuating body of persons, whether nominated directly or indirectly by the Board, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these Articles) and for such period and subject to such conditions as it may think fit, and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Board may think fit, and may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions vested in him. Such attorney or attorneys may, if so authorised under the Seal of the Company, execute any deed or instrument under their personal seal with the same effect as the affixation of the Company's Seal.

~~104~~.106. The Board may entrust to and confer upon a managing director, joint managing director, deputy managing director, an executive director or any Director any of the powers exercisable by it upon such terms and conditions and with such restrictions as it thinks fit, and either collaterally with, or to the exclusion of, its own powers, and may from time to time revoke or vary all or any of such powers but no person dealing in good faith and without notice of such revocation or variation shall be affected thereby.

~~105~~.107. *Board to Determine Manner of Signing Cheques, Promissory Notes etc.* All cheques, promissory notes, drafts, bills of exchange and other instruments, whether negotiable or transferable or not, and all receipts for moneys paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as the Board shall from time to time by resolution determine. The Company's banking accounts shall be kept with such banker or bankers as the Board shall from time to time determine.

~~106~~.108. (1) *Board May Set Up Pension Schemes and Other Employee Benefits.* The Board may establish or concur or join with other companies (being subsidiary companies of the Company or companies with which it is associated in business) in establishing and making contributions out of the Company's moneys to any schemes or funds for providing pensions, sickness or compassionate allowances, life assurance or other benefits for employees (which expression as used in this and the following paragraph shall include any Director or ex-Director who may hold or have held any executive office or any office of profit under the Company or any of its subsidiary companies) and ex-employees of the Company and their dependants or any class or classes of such person.

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

BORROWING POWERS

~~107.~~109. Board May Borrow or Issue Debt and Give Security. The Board may exercise all the powers of the Company to raise or borrow money and to mortgage or charge all or any part of the undertaking, property and assets (present and future) and uncalled capital of the Company and, subject to the ~~Law Act~~, to issue debentures, bonds and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

~~108.~~110. Debt Securities May be Assignable Free from Equities. Debentures, bonds and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

~~109.~~111. Debt Securities May be Issued at Discount or Premium and with Other Terms. Any debentures, bonds or other securities may be issued at a discount (other than shares), premium or otherwise and with any special privileges as to redemption, surrender, drawings, allotment of shares, attending and voting at general meetings of the Company, appointment of Directors and otherwise.

~~110.~~112. (1) Priority of Multiple Charges over Uncalled Capital. Where any uncalled capital of the Company is charged, all persons taking any subsequent charge thereon shall take the same subject to such prior charge, and shall not be entitled, by notice to the Members or otherwise, to obtain priority over such prior charge.

(2) Register of Charges over Property of Company. The Board shall cause a proper register to be kept, in accordance with the provisions of the ~~Law Act~~, of all charges specifically affecting the property of the Company and of any series of debentures issued by the Company and shall duly comply with the requirements of the ~~Law Act~~ in regard to the registration of charges and debentures therein specified and otherwise.

PROCEEDINGS OF THE DIRECTORS

~~111.~~113. Procedures for Board Meetings; Resolutions by Majority; Casting Vote. The Board may meet for the despatch of business, adjourn or postpone and otherwise regulate its meetings as it considers appropriate. Questions arising at any meeting shall be determined by a majority of votes. In the case of any equality of votes the chairman of the meeting shall have an additional or casting vote.

~~112.~~114. Secretary or Director May Convene; Manner of Notice. A meeting of the Board may be convened by the Secretary on request of a Director or by any Director. The Secretary shall convene a meeting of the Board whenever he shall be required so to do by any Director. Notice of a meeting of the

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Board shall be deemed to be duly given to a Director if it is given to such Director in writing or verbally (including in person or by telephone) or via electronic mail or by telephone or in such other manner as the Board may from time to time determine whenever he shall be required so to do by any Director.

~~113.115.~~ (1) Quorum. The quorum necessary for the transaction of the business of the Board may be fixed by the Board and, unless so fixed at any other number, shall be two (2). An alternate Director shall be counted in a quorum in the case of the absence of a Director for whom he is the alternate provided that he shall not be counted more than once for the purpose of determining whether or not a quorum is present.

(2) Participation by Electronic Means. Directors may participate in any meeting of the Board by means of a conference telephone or other communications equipment through which all persons participating in the meeting can communicate with each other simultaneously and instantaneously and, for the purpose of counting a quorum, such participation shall constitute presence at a meeting as if those participating were present in person.

(3) For Departing Directors Cessation of Appointment When Meeting Concludes. Any Director who ceases to be a Director at a Board meeting may continue to be present and to act as a Director and be counted in the quorum until the termination of such Board meeting if no other Director objects and if otherwise a quorum of Directors would not be present.

~~114.116.~~ Continuing Directors to Act When No Minimum Number of Directors. The continuing Directors or a sole continuing Director may act notwithstanding any vacancy in the Board but, if and so long as the number of Directors is reduced below the minimum number fixed by or in accordance with these Articles, the continuing Directors or Director, notwithstanding that the number of Directors is below the number fixed by or in accordance with these Articles as the quorum or that there is only one continuing Director, may act for the purpose of filling vacancies in the Board or of summoning general meetings of the Company but not for any other purpose.

~~115.117.~~ Board May Elect Chairman and Deputy Chairman. The Board may elect a chairman and one or more deputy chairman of its meetings and determine the period for which they are respectively to hold such office. If no chairman or deputy chairman is elected, or if at any meeting ~~neither the~~ chairman nor any deputy chairman is present within five (5) minutes after the time appointed for holding the same, the Directors present may choose one of their number to be chairman of the meeting.

~~116.118.~~ Quorate Meeting Competent to Exercise All Powers, Authorities, Discretions. A meeting of the Board at which a quorum is present shall be competent to exercise all the powers, authorities and discretions for the time being vested in or exercisable by the Board.

~~117.119.~~ (1) Delegation to Board Committees. The Board may delegate any of its powers, authorities and discretions to committees, consisting of such Director or Directors and other persons as it thinks fit, and they may, from time to time, revoke such delegation or revoke the appointment of and discharge any such committees either wholly or in part, and either as to persons or purposes. Any committee so formed shall, in the exercise of the powers, authorities and discretions so delegated, conform to any regulations which may be imposed on it by the Board.

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(2) Acts of Committee As If Done by Board; Remuneration of Committees. All acts done by any such committee in conformity with such regulations, and in fulfilment of the purposes for which it was appointed, but not otherwise, shall have like force and effect as if done by the Board, and the Board shall have power, with the consent of the Company in general meeting, to remunerate the members of any such committee, and charge such remuneration to the current expenses of the Company.

~~118.~~120. Procedures for Board Meetings Applied Mutatis Mutandis. The meetings and proceedings of any committee consisting of two or more members shall be governed by the provisions contained in these Articles for regulating the meetings and proceedings of the Board so far as the same are applicable and are not superseded by any regulations imposed by the Board under the last preceding Article.

~~119.~~121. Written Resolutions of the Board. Unless otherwise required by the Listing Rules, ~~A~~ resolution in writing signed by all the Directors except such as are absent from the territory in which the head office of the Company is for the time being situated or are temporarily unable to act through ill-health or disability, and all the alternate Directors, if appropriate, whose appointors are temporarily unable to act as aforesaid shall (provided that such number is sufficient to constitute a quorum and further provided that a copy of such resolution has been given or the contents thereof communicated to all the Directors for the time being entitled to receive notices of Board meetings in the same manner as notices of meetings are required to be given by these Articles) be as valid and effectual as if a resolution had been passed at a meeting of the Board duly convened and held. Such resolution may be contained in one document or in several documents in like form each signed by one or more of the Directors or alternate Directors and for this purpose a facsimile signature of a Director or an alternate Director shall be treated as valid. Notwithstanding the foregoing, a resolution in writing shall not be passed in lieu of a meeting of the Board for the purposes of considering any matter or business in which a substantial shareholder of the Company or a Director has a conflict of interest and the Board has determined that such conflict of interest to be material.

~~120.~~122. Bona Fide Acts of Board or Committee Not Invalidated by Defects. All acts bona fide done by the Board or by any committee or by any person acting as a Director or members of a committee, shall, notwithstanding that it is afterwards discovered that there was some defect in the appointment of any member of the Board or such committee or person acting as aforesaid or that they or any of them were disqualified or had vacated office, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director or member of such committee.

MANAGERS

~~121.~~123. Board May Appoint Managers and Fix Remuneration Accordingly. The Board may from time to time appoint a general manager, a manager or managers of the Company and may fix his or their remuneration either by way of salary or commission or by conferring the right to participation in the profits of the Company or by a combination of two or more of these modes and pay the working expenses of any of the staff of the general manager, manager or managers who may be employed by him or them upon the business of the Company.

~~122.~~124. Term of Appointment and Delegated Authorities of Managers. The appointment of such general manager, manager or managers may be for such period as the Board may decide, and the Board may confer upon him or them all or any of the powers of the Board as they may think fit.

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~~123.~~125. *Terms Entered into with Managers.* The Board may enter into such agreement or agreements with any such general manager, manager or managers upon such terms and conditions in all respects as the Board may in their absolute discretion think fit, including a power for such general manager, manager or managers to appoint an assistant manager or managers or other employees whatsoever under them for the purpose of carrying on the business of the Company.

OFFICERS

~~124.~~126. (1) *Officers Appointed by the Board.* The officers of the Company shall consist of a chairman, the Directors and Secretary and such additional officers (who may or may not be Directors) as the Board may from time to time determine, all of whom shall be deemed to be officers for the purposes of the ~~Law Act~~ and these Articles.

(2) The Directors shall, as soon as may be after each appointment or election of Directors, elect amongst the Directors a chairman and if more than one (1) Director is proposed for this office, the election to such office shall take place in such manner as the Directors may determine.

(3) *Directors May Determine Remuneration of Officers.* The officers shall receive such remuneration as the Directors may from time to time determine.

~~125.~~127. (1) *Appointment of Secretary.* The Secretary and additional officers, if any, shall be appointed by the Board and shall hold office on such terms and for such period as the Board may determine. If thought fit, two (2) or more persons may be appointed as joint Secretaries. The Board may also appoint from time to time on such terms as it thinks fit one or more assistant or deputy Secretaries.

(2) *Secretary to Attend all General Meetings and Keep Minutes.* The Secretary shall attend all meetings of the Members and shall keep correct minutes of such meetings and enter the same in the proper books provided for the purpose. He shall perform such other duties as are prescribed by the ~~Law Act~~ or these Articles or as may be prescribed by the Board.

~~126.~~128. *Authorities Delegated by Directors to Officers.* The officers of the Company shall have such powers and perform such duties in the management, business and affairs of the Company as may be delegated to them by the Directors from time to time.

~~127.~~129. *Act Done by Director and Secretary Requires Two Persons to Act.* A provision of the ~~Law Act~~ 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.

REGISTER OF DIRECTORS AND OFFICERS

~~128.~~130. *Register of Directors and Officers.* The Company shall cause to be kept in one or more books at its Office a Register of Directors and Officers in which there shall be entered the full names and addresses of the Directors and Officers and such other particulars as required by the ~~Law Act~~ or as the Directors may determine. The Company shall send to the Registrar of Companies in the Cayman Islands a copy of such register, and shall from time to time notify to the said Registrar of any change that takes place in relation to such Directors and Officers as required by the ~~Law Act~~.

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MINUTES

~~429.~~131. (1) Minutes of Proceedings. The Board shall cause minutes to be duly entered in books provided for the purpose:

- (a) of all elections and appointments of officers;
 - (b) of the names of the Directors present at each meeting of the Directors and of any committee of the Directors;
 - (c) of all resolutions and proceedings of each general meeting of the Members, meetings of the Board and meetings of committees of the Board and where there are managers, of all proceedings of meetings of the managers.
- (2) Minutes shall be kept by the Secretary at the head office.

SEAL

~~430.~~132. (1) Company Seals including Securities Seal; Method of Affixation. The Company shall have one or more Seals, as the Board may determine. For the purpose of sealing documents creating or evidencing securities issued by the Company, the Company may have a securities seal which is a facsimile of the Seal of the Company with the addition of the word "Securities" on its face or in such other form as the Board may approve. The Board shall provide for the custody of each Seal and no Seal shall be used without the authority of the Board or of a committee of the Board authorised by the Board in that behalf. Subject as otherwise provided in these Articles, any instrument to which a Seal is affixed shall be signed autographically by one Director and the Secretary or by two Directors or by such other person (including a Director) or persons as the Board may appoint, either generally or in any particular case, save that as regards any certificates for shares or debentures or other securities of the Company the Board may by resolution determine that such signatures or either of them shall be dispensed with or affixed by some method or system of mechanical signature. Every instrument executed in manner provided by this Article shall be deemed to be sealed and executed with the authority of the Board previously given.

(2) Affixation of Seals Held Abroad. Where the Company has a Seal for use abroad, the Board may by writing under the Seal appoint any agent or committee abroad to be the duly authorised agent of the Company for the purpose of affixing and using such Seal and the Board may impose restrictions on the use thereof as may be thought fit. Wherever in these Articles reference is made to the Seal, the reference shall, when and so far as may be applicable, be deemed to include any such other Seal as aforesaid.

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AUTHENTICATION OF DOCUMENTS

~~131.~~133. *Authentication of Constitutional Documents, Resolutions, Books etc.* Any Director or the Secretary or any person appointed by the Board for the purpose may authenticate any documents affecting the constitution of the Company and any resolution passed by the Company or the Board or any committee, and any books, records, documents and accounts relating to the business of the Company, and to certify copies thereof or extracts therefrom as true copies or extracts, and if any books, records, documents or accounts are elsewhere than at the Office or the head office the local manager or other officer of the Company having the custody thereof shall be deemed to be a person so appointed by the Board. A document purporting to be a copy of a resolution, or an extract from the minutes of a meeting, of the Company or of the Board or any committee which is so certified shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be, that such minutes or extract is a true and accurate record of proceedings at a duly constituted meeting.

DESTRUCTION OF DOCUMENTS

~~132.~~134. (1) *Destruction of Share Certificates, Dividend Mandates, Transfers etc.* The Company shall be entitled to destroy the following documents at the following times:

- (a) any share certificate which has been cancelled at any time after the expiry of one (1) year from the date of such cancellation;
- (b) any dividend mandate or any variation or cancellation thereof or any notification of change of name or address at any time after the expiry of two (2) years from the date such mandate variation cancellation or notification was recorded by the Company;
- (c) any instrument of transfer of shares which has been registered at any time after the expiry of seven (7) years from the date of registration;
- (d) any allotment letters after the expiry of seven (7) years from the date of issue thereof; and
- (e) copies of powers of attorney, grants of probate and letters of administration at any time after the expiry of seven (7) years after the account to which the relevant power of attorney, grant of probate or letters of administration related has been closed;

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and it shall conclusively be presumed in favour of the Company that every entry in the Register purporting to be made on the basis of any such documents so destroyed was duly and properly made and every share certificate so destroyed was a valid certificate duly and properly cancelled and that every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered and that every other document destroyed hereunder was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company. Provided always that: (1) the foregoing provisions of this Article shall apply only to the destruction of a document in good faith and without express notice to the Company that the preservation of such document was relevant to a claim; (2) nothing contained in this Article shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any case where the conditions of proviso (1) above are not fulfilled; and (3) references in this Article to the destruction of any document include references to its disposal in any manner.

(2) Documents Already Microfilmed or Electronically Stored. Notwithstanding any provision contained in these Articles, the Directors may, if permitted by applicable law, authorise the destruction of documents set out in sub-paragraphs (a) to (e) of paragraph (1) of this Article and any other documents in relation to share registration which have been microfilmed or electronically stored by the Company or by the share registrar on its behalf provided always that this Article shall apply only to the destruction of a document in good faith and without express notice to the Company and its share registrar that the preservation of such document was relevant to a claim.

DIVIDENDS AND OTHER PAYMENTS

~~133.~~135. Declaration of Dividends in General Meeting. Subject to the ~~Law Act~~, the Company in general meeting may from time to time declare dividends in any currency to be paid to the Members but no dividend shall be declared in excess of the amount recommended by the Board.

~~134.~~136. Dividends Declared out of Profits, Reserves or Share Premium etc. Dividends may be declared and paid out of the profits of the Company, realised or unrealised, or from any reserve set aside from profits which the Directors determine is no longer needed. With the sanction of an ordinary resolution dividends may also be declared and paid out of share premium account or any other fund or account which can be authorised for this purpose in accordance with the ~~Law Act~~.

~~135.~~137. Dividends Declared According to Paid Up Amount. Except in so far as the rights attaching to, or the terms of issue of, any share otherwise provide:

- (a) all dividends shall be declared and paid according to the amounts paid up on the shares in respect of which the dividend is paid, but no amount paid up on a share in advance of calls shall be treated for the purposes of this Article as paid up on the share; and
- (b) all dividends shall be apportioned and paid pro rata according to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid.

~~136.~~138. Board Power to Pay Interim Dividends. The Board may from time to time pay to the Members such interim dividends as appear to the Board to be justified by the profits of the Company and in particular (but without prejudice to the generality of the foregoing) if at any time the share

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capital of the Company is divided into different classes, the Board may pay such interim dividends in respect of those shares in the capital of the Company which confer on the holders thereof deferred or non-preferential rights as well as in respect of those shares which confer on the holders thereof preferential rights with regard to dividend and provided that the Board acts bona fide the Board shall not incur any responsibility to the holders of shares conferring any preference for any damage that they may suffer by reason of the payment of an interim dividend on any shares having deferred or non-preferential rights and may also pay any fixed dividend which is payable on any shares of the Company half-yearly or on any other dates, whenever such profits, in the opinion of the Board, justifies such payment.

~~137~~.139. *Board's Power to Set-Off Against Dividends Amounts Owed to Company.* The Board may deduct from any dividend or other moneys payable to a Member by the Company on or in respect of any shares all sums of money (if any) presently payable by him to the Company on account of calls or otherwise.

~~138~~.140. *No Interest Payable on Dividends.* No dividend or other moneys payable by the Company on or in respect of any share shall bear interest against the Company.

~~139~~.141. *Payment by Cheque or Warrant.* Any dividend, interest or other sum payable in cash to the holder of shares may be paid by cheque or warrant sent through the post addressed to the holder at his registered address or, in the case of joint holders, addressed to the holder whose name stands first in the Register in respect of the shares at his address as appearing in the Register or addressed to such person and at such address as the holder or joint holders may in writing direct. Every such cheque or warrant shall, unless the holder or joint holders otherwise direct, be made payable to the order of the holder or, in the case of joint holders, to the order of the holder whose name stands first on the Register in respect of such shares, and shall be sent at his or their risk and payment of the cheque or warrant by the bank on which it is drawn shall constitute a good discharge to the Company notwithstanding that it may subsequently appear that the same has been stolen or that any endorsement thereon has been forged. Any one of two or more joint holders may give effectual receipts for any dividends or other moneys payable or property distributable in respect of the shares held by such joint holders.

~~140~~.142. *Unclaimed Dividends or Bonuses.* All dividends or bonuses unclaimed for one (1) year after having been declared may be invested or otherwise made use of by the Board for the benefit of the Company until claimed. Any dividend or bonuses unclaimed after a period of six (6) years from the date of declaration shall be forfeited and shall revert to the Company. The payment by the Board of any unclaimed dividend or other sums payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof.

~~141~~.143. *Dividends Payable in Kind.* Whenever the Board or the Company in general meeting has resolved that a dividend be paid or declared, the Board may further resolve that such dividend be satisfied wholly or in part by the distribution of specific assets of any kind and in particular of paid up shares, debentures or warrants to subscribe securities of the Company or 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 issue certificates in respect of fractions of shares, disregard fractional entitlements or round the same up or down, 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

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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 and binding on the Members. The Board may resolve that no such assets shall be made available to Members with registered addresses in any particular territory or territories where, in the absence of a registration statement or other special formalities, such distribution of assets would or might, in the opinion of the Board, be unlawful or impracticable and in such event the only entitlement of the Members aforesaid shall be to receive cash payments as aforesaid. Members affected as a result of the foregoing sentence shall not be or be deemed to be a separate class of Members for any purpose whatsoever.

~~142.~~144. (1) *Dividends Payable by the Issue of New Shares.* Whenever the Board or the Company in general meeting has resolved that a dividend be paid or declared on any class of the share capital of the Company, the Board may further resolve either:

- (a) that such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid up, provided that the Members entitled thereto will be entitled to elect to receive such dividend (or part thereof if the Board so determines) in cash in lieu of such allotment. In such case, the following provisions shall apply:
 - (i) the basis of any such allotment shall be determined by the Board;
 - (ii) the Board, after determining the basis of allotment, shall give not less than two (2) weeks' Notice to the holders of the relevant shares of the right of election accorded to them and shall send with such notice forms of election and specify the procedure to be followed and the place at which and the latest date and time by which duly completed forms of election must be lodged in order to be effective;
 - (iii) the right of election may be exercised in respect of the whole or part of that portion of the dividend in respect of which the right of election has been accorded; and
 - (iv) the dividend (or that part of the dividend to be satisfied by the allotment of shares as aforesaid) shall not be payable in cash on shares in respect whereof the cash election has not been duly exercised ("the non-elected shares") and in satisfaction thereof shares of the relevant class shall be allotted credited as fully paid up to the holders of the non-elected shares on the basis of allotment determined as aforesaid and for such purpose the Board shall capitalise and apply out of any part of the undivided profits of the Company (including profits carried and standing to the credit of any reserves or other special account, share premium account, capital redemption reserve other than the Subscription Rights Reserve (as defined below)) as the Board may determine, such sum as may be required to pay up in full the appropriate number of shares of the relevant class for allotment and distribution to and amongst the holders of the non-elected shares on such basis; or

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- (b) that the Members entitled to such dividend shall be entitled to elect to receive an allotment of shares credited as fully paid up in lieu of the whole or such part of the dividend as the Board may think fit. In such case, the following provisions shall apply:
- (i) the basis of any such allotment shall be determined by the Board;
 - (ii) the Board, after determining the basis of allotment, shall give not less than two (2) weeks' Notice to the holders of the relevant shares of the right of election accorded to them and shall send with such notice forms of election and specify the procedure to be followed and the place at which and the latest date and time by which duly completed forms of election must be lodged in order to be effective;
 - (iii) the right of election may be exercised in respect of the whole or part of that portion of the dividend in respect of which the right of election has been accorded; and
 - (iv) the dividend (or that part of the dividend in respect of which a right of election has been accorded) shall not be payable in cash on shares in respect whereof the share election has been duly exercised ("the elected shares") and in lieu thereof shares of the relevant class shall be allotted credited as fully paid up to the holders of the elected shares on the basis of allotment determined as aforesaid and for such purpose the Board shall capitalise and apply out of any part of the undivided profits of the Company (including profits carried and standing to the credit of any reserves or other special account, share premium account, capital redemption reserve other than the Subscription Rights Reserve (as defined below)) as the Board may determine, such sum as may be required to pay up in full the appropriate number of shares of the relevant class for allotment and distribution to and amongst the holders of the elected shares on such basis.
- (2) (a) Pari Passu Ranking of New Shares. The shares allotted pursuant to the provisions of paragraph (1) of this Article shall rank *pari passu* in all respects with shares of the same class (if any) then in issue save only as regards participation in the relevant dividend or in any other distributions, bonuses or rights paid, made, declared or announced prior to or contemporaneously with the payment or declaration of the relevant dividend unless, contemporaneously with the announcement by the Board of their proposal to apply the provisions of sub-paragraph (a) or (b) of paragraph (1) of this Article in relation to the relevant dividend or contemporaneously with their announcement of the distribution, bonus or rights in question, the Board shall specify that the shares to be allotted pursuant to the provisions of paragraph (1) of this Article shall rank for participation in such distribution, bonus or rights.

(b) Capitalisation for Issue of New Shares. The Board may do all acts and things considered necessary or expedient to give effect to any capitalisation pursuant to the provisions of paragraph (1) of this Article, with full power to the Board to make such provisions as it thinks fit in the case of shares becoming distributable in fractions (including provisions whereby, in whole or in part, fractional entitlements are aggregated and sold and the net proceeds distributed to those entitled, or are disregarded or rounded up or down or whereby the benefit of fractional entitlements accrues to the Company rather than to the Members concerned). The Board may authorise any person to enter into on behalf of all Members interested, an agreement with the Company providing for such capitalisation and matters incidental thereto and any agreement made pursuant to such authority shall be effective and binding on all concerned.

(3) Ordinary Resolution to Declare Dividend in Specie Without Cash Option. The Company may upon the recommendation of the Board by ordinary resolution resolve in respect of any one particular dividend of the Company that notwithstanding the provisions of paragraph (1) of this Article a dividend may be satisfied wholly in the form of an allotment of shares credited as fully paid up without offering any right to shareholders to elect to receive such dividend in cash in lieu of such allotment.

(4) Board's Power to Exclude Members with Certain Foreign Addresses. The Board may on any occasion determine that rights of election and the allotment of shares under paragraph (1) of this Article shall not be made available or made to any shareholders with registered addresses in any territory where, in the absence of a registration statement or other special formalities, the circulation of an offer of such rights of election or the allotment of shares would or might, in the opinion of the Board, be unlawful or impracticable, and in such event the provisions aforesaid shall be read and construed subject to such determination. Members affected as a result of the foregoing sentence shall not be or be deemed to be a separate class of Members for any purpose whatsoever.

(5) Resolution Specifying Record Date. Any resolution declaring a dividend on shares of any class, whether a resolution of the Company in general meeting or a resolution of the Board, may specify that the same shall be payable or distributable to the persons registered as the holders of such shares at the close of business on a particular date, notwithstanding that it may be a date prior to that on which the resolution is passed, and thereupon the dividend shall be payable or distributable to them in accordance with their respective holdings so registered, but without prejudice to the rights inter se in respect of such dividend of transferors and transferees of any such shares. The provisions of this Article shall *mutatis mutandis* apply to bonuses, capitalisation issues, distributions of realised capital profits or offers or grants made by the Company to the Members.

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RESERVES

~~143-~~145. (1) *Share Premium Account.* 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. Unless otherwise provided by the provisions of these Articles, the Board may apply the share premium account in any manner permitted by the ~~Law~~Act. The Company shall at all times comply with the provisions of the ~~Law~~Act in relation to the share premium account.

(2) *Power of Board to Set Reserves out of Profits or Carry Forward Profits.* Before recommending any dividend, the Board may set aside out of the profits of the Company such sums as it determines as reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied and pending such application may, also at such discretion, either be employed in the business of the Company or be invested in such investments as the Board may from time to time think fit and so that it shall not be necessary to keep any investments constituting the reserve or reserves separate or distinct from any other investments of the Company. The Board may also without placing the same to reserve carry forward any profits which it may think prudent not to distribute.

CAPITALISATION

~~144-~~146. *Ordinary Resolution Capitalizing Reserves etc. for Distribution to Members.* The Company may, upon the recommendation of the Board, at any time and from time to time pass an ordinary resolution to the effect that it is desirable to capitalise all or any part of any amount for the time being standing to the credit of any reserve or fund (including a share premium account and capital redemption reserve and the profit and loss account) whether or not the same is available for distribution and accordingly that such amount be set free for distribution among the Members or any class of Members who would be entitled thereto if it were distributed by way of dividend and in the same proportions, on the footing that the same is not paid in cash but is applied either in or towards paying up the amounts for the time being unpaid on any shares in the Company held by such Members respectively or in paying up in full unissued shares, debentures or other obligations of the Company, to be allotted and distributed credited as fully paid up among such Members, or partly in one way and partly in the other, and the Board shall give effect to such resolution provided that, for the purposes of this Article, a share premium account and any capital redemption reserve or fund representing unrealised profits, may be applied only in paying up in full unissued shares of the Company to be allotted to such Members credited as fully paid.

~~145-~~147. *Board's Power to Deal with Fractions and Other Difficulties.* The Board may settle, as it considers appropriate, any difficulty arising in regard to any distribution under the last preceding Article and in particular may issue certificates in respect of fractions of shares or authorise any person to sell and transfer any fractions or may resolve that the distribution should be as nearly as may be practicable in the correct proportion but not exactly so or may ignore fractions altogether, and may determine that cash payments shall be made to any Members in order to adjust the rights of all parties, as may seem expedient to the Board. The Board may appoint any person to sign on behalf of the persons entitled to participate in the distribution any contract necessary or desirable for giving effect thereto and such appointment shall be effective and binding upon the Members.

SUBSCRIPTION RIGHTS RESERVE

~~46.~~148. *Subscription Rights Reserve for Unexercised Warrants.* The following provisions shall have effect to the extent that they are not prohibited by and are in compliance with the ~~Law~~Act:

(1) If, so long as any of the rights attached to any warrants issued by the Company to subscribe for shares of the Company shall remain exercisable, the Company does any act or engages in any transaction which, as a result of any adjustments to the subscription price in accordance with the provisions of the conditions of the warrants, would reduce the subscription price to below the par value of a share, then the following provisions shall apply:

- (a) as from the date of such act or transaction the Company shall establish and thereafter (subject as provided in this Article) maintain in accordance with the provisions of this Article a reserve (the “Subscription Rights Reserve”) the amount of which shall at no time be less than the sum which for the time being would be required to be capitalised and applied in paying up in full the nominal amount of the additional shares required to be issued and allotted credited as fully paid pursuant to sub- paragraph (c) below on the exercise in full of all the subscription rights outstanding and shall apply the Subscription Rights Reserve in paying up such additional shares in full as and when the same are allotted;
- (b) the Subscription Rights Reserve shall not be used for any purpose other than that specified above unless all other reserves of the Company (other than share premium account) have been extinguished and will then only be used to make good losses of the Company if and so far as is required by law;
- (c) upon the exercise of all or any of the subscription rights represented by any warrant, the relevant subscription rights shall be exercisable in respect of a nominal amount of shares equal to the 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, in addition, there shall be allotted in respect of such subscription rights to the exercising warrant holder, credited as fully paid, such additional nominal amount of shares as is equal to the difference between:
 - (i) 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

- (ii) the nominal amount of shares in respect of which such subscription rights would have been exercisable having regard to the provisions of the conditions of the warrants, had it been possible for such subscription rights to represent the right to subscribe for shares at less than par and immediately upon such exercise so much of the sum standing to the credit of the Subscription Rights Reserve as is required to pay up in full such additional nominal amount of shares shall be capitalised and applied in paying up in full such additional nominal amount of shares which shall forthwith be allotted credited as fully paid to the exercising warrant holders; and
- (d) if, upon the exercise of the subscription rights represented by any warrant, the amount standing to the credit of the Subscription Rights Reserve is not sufficient to pay up in full such additional nominal amount of shares equal to such difference as aforesaid to which the exercising warrant holder is entitled, the Board shall apply any profits or reserves then or thereafter becoming available (including, to the extent permitted by law, share premium account) for such purpose until such additional nominal amount of shares is paid up and allotted as aforesaid and until then no dividend or other distribution shall be paid or made on the fully paid shares of the Company then in issue. Pending such payment and allotment, the exercising warrant holder shall be issued by the Company with a certificate evidencing his right to the allotment of such additional nominal amount of shares. The rights represented by any such certificate shall be in registered form and shall be transferable in whole or in part in units of one share in the like manner as the shares for the time being are transferable, and the Company shall make such arrangements in relation to the maintenance of a register therefor and other matters in relation thereto as the Board may think fit and adequate particulars thereof shall be made known to each relevant exercising warrant holder upon the issue of such certificate.

(2) Pari Passu Ranking of Exercise Shares; No Fractions. Shares allotted pursuant to the provisions of this Article shall rank *pari passu* in all respects with the other shares allotted on the relevant exercise of the subscription rights represented by the warrant concerned. Notwithstanding anything contained in paragraph (1) of this Article, no fraction of any share shall be allotted on exercise of the subscription rights.

(3) Special Resolution of Warrant holders to Amend this Article. The provision of this Article as to the establishment and maintenance of the Subscription Rights Reserve shall not be altered or added to in any way which would vary or abrogate, or which would have the effect of varying or abrogating the provisions for the benefit of any warrant holder or class of warrant holders under this Article without the sanction of a special resolution of such warrant holders or class of warrant holders.

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(4) *Auditors' Certificate as to Reserve Conclusive and Binding.* A certificate or report by the auditors for the time being of the Company as to whether or not the Subscription Rights Reserve is required to be established and maintained and if so the amount thereof so required to be established and maintained, as to the purposes for which the Subscription Rights Reserve has been used, as to the extent to which it has been used to make good losses of the Company, as to the additional nominal amount of shares required to be allotted to exercising warrant holders credited as fully paid, and as to any other matter concerning the Subscription Rights Reserve shall (in the absence of manifest error) be conclusive and binding upon the Company and all warrant holders and shareholders.

ACCOUNTING RECORDS

~~147.~~149. *Accounts Showing True and Fair View of Company's Affairs.* The Board shall cause true accounts to be kept of the sums of money received and expended by the Company, and the matters in respect of which such receipt and expenditure take place, and of the property, assets, credits and liabilities of the Company and of all other matters required by the ~~Law Act~~ or necessary to give a true and fair view of the Company's affairs and to explain its transactions.

~~148.~~150. *Place where Accounts Kept and Directors' Access to Accounts.* The accounting records shall be kept at the Office or, at such other place or places as the Board decides and shall always be open to inspection by the Directors. No Member (other than a Director) shall have any right of inspecting any accounting record or book or document of the Company except as conferred by law or authorised by the Board or the Company in general meeting.

~~149.~~151. *Despatch of Financial Statements Together with Notice of AGM.* Subject to Article 150, a printed copy of the Directors' report, accompanied by the balance sheet and profit and loss account, including every document required by law to be annexed thereto, made up to the end of the applicable financial year and containing a summary of the assets and liabilities of the Company under convenient heads and a statement of income and expenditure, together with a copy of the Auditors' report, shall be sent to each person entitled thereto at least twenty-one (21) days before the date of the general meeting and at the same time as the notice of annual general meeting and laid before the Company at the annual general meeting held in accordance with Article 56 provided that this Article shall not require a copy of those documents to be sent to any person whose address the Company is not aware of or to more than one of the joint holders of any shares or debentures.

~~150.~~152. *Summary Financial Statements.* Subject to due compliance with all applicable Statutes, rules and regulations, including, without limitation, the ~~Listing Rules of the Stock Exchange~~, and to obtaining all necessary consents, if any, required thereunder, the requirements of Article ~~149~~151 shall be deemed satisfied in relation to any person by sending to the person in any manner not prohibited by the Statutes, summarised financial statements derived from the Company's annual accounts and the directors' report which shall be in the form and containing the information required by applicable laws and regulations, provided that any person who is otherwise entitled to the annual financial statements of the Company and the directors' 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 summarised financial statements, a complete printed copy of the Company's annual financial statement and the directors' report thereon.

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

~~151.153.~~ *Service by Publication on Computer Network etc.* The requirement to send to a person referred to in Article ~~149~~151 the documents referred to in that article or ~~a summary~~the summarised financial statements report in accordance with Article ~~150~~152 shall be deemed satisfied where, in accordance with all applicable Statutes, rules and regulations, including, without limitation, the Listing Rules of the Stock Exchange, the Company publishes copies of the documents referred to in Article ~~149~~151 and, if applicable, ~~at the summarised~~the summarised financial statements report complying with Article ~~150~~152, on the Company's computer network or in any other permitted manner (including by sending any form of electronic communication), and that person has agreed or is deemed to have agreed to treat the publication or receipt of such documents in such manner as discharging the Company's obligation to send to him a copy of such documents.

AUDIT

~~152.154.~~ (1) *Annual Appointment of Auditor.* At the annual general meeting or at a subsequent extraordinary general meeting in each year, the Members shall by ordinary resolution appoint an auditor to audit the accounts of the Company and such auditor shall hold office until the next annual general meeting. Such auditor may be a Member but no Director or officer or employee of the Company shall, during his continuance in office, be eligible to act as an auditor of the Company.

(2) *Ordinary~~Special~~ Resolution to Remove Auditors.* The Members may, at any general meeting convened and held in accordance with these Articles, by ~~special~~ordinary resolution remove the Auditor at any time before the expiration of his term of office and shall by ordinary resolution at that meeting appoint another Auditor in his stead for the remainder of his term.

~~153.155.~~ *Annual Audit of Accounts.* Subject to the ~~Law Act~~ the accounts of the Company shall be audited at least once in every year.

~~154.156.~~ *Auditors' Remuneration Determined by Members in General Meeting.* The remuneration of the Auditor shall be fixed by the Company ~~in~~at the general meeting at which they are appointed by ordinary resolution, or in such manner as the Members may determine as specified in such resolution.

~~155.157.~~ *Directors' Power to Fill Vacancy ~~and Fix Remuneration Accordingly~~.* The Directors may fill any casual vacancy in the office of Auditor but while any such vacancy continues the surviving or continuing Auditor or Auditors, if any, may act. The remuneration of any Auditor appointed by the Directors under this Article may be fixed by the Board. Subject to Article 154(2), an Auditor appointed under this Article shall hold office until the next following annual general meeting of the Company and shall then be subject to appointment by the Members under Article 154(1) at such remuneration to be determined by the Members under Article 156. ~~If the office of auditor becomes vacant by the resignation or death of the Auditor, or by his becoming incapable of acting by reason of illness or other disability at a time when his services are required, the Directors shall fill the vacancy and fix the remuneration of the Auditor so appointed.~~

~~156.158.~~ *Auditors Access to Books, Accounts and Vouchers and to Directors.* The Auditor shall at all reasonable times have access to all books kept by the Company and to all accounts and vouchers relating thereto; and he may call on the Directors or officers of the Company for any information in their possession relating to the books or affairs of the Company.

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

~~157.~~159. *Audit of Financial Statements and Auditors' Report.* The statement of income and expenditure and the balance sheet provided for by these Articles shall be examined by the Auditor and compared by him with the books, accounts and vouchers relating thereto; and he shall make a written report thereon stating whether such statement and balance sheet are drawn up so as to present fairly the financial position of the Company and the results of its operations for the period under review and, in case information shall have been called for from Directors or officers of the Company, whether the same has been furnished and has been satisfactory. The financial statements of the Company shall be audited by the Auditor in accordance with generally accepted auditing standards. The Auditor shall make a written report thereon in accordance with generally accepted auditing standards and the report of the Auditor shall be submitted to the Members in general meeting. The generally accepted auditing standards referred to herein may be those of a country or jurisdiction other than the Cayman Islands. If so, the financial statements and the report of the Auditor should disclose this fact and name such country or jurisdiction.

NOTICES

~~158.~~160. (1) *Communications from Company to Members.* Any Notice or document (including any "corporate communication" within the meaning ascribed thereto under the Listing Rules of the Stock Exchange), whether or not, to be given or issued under these Articles from the Company ~~to a Member~~ shall be in writing or by cable, telex or facsimile transmission message or other form of electronic transmission or electronic communication and any such Notice and document may be ~~served~~ given or delivered ~~issued~~ by the following means: ~~Company on or to any Member either personally or by sending it through the post in a prepaid envelope addressed to such Member at his registered address as appearing in the Register or at any other address supplied by him to the Company for the purpose or, as the case may be, by transmitting it to any such address or transmitting it to any telex or facsimile transmission number or electronic number or address or website supplied by him to the Company for the giving of Notice to him or which the person transmitting the notice reasonably and bona fide believes at the relevant time will result in the Notice being duly received by the Member or may also be served by advertisement in appropriate newspapers in accordance with the requirements of the Stock Exchange or, to the extent permitted by the applicable laws, by placing it on the Company's website or the website of the Stock Exchange, and giving to the member a notice stating that the notice or other document is available there (a "notice of availability"). The notice of availability may be given to the Member by any of the means set out above other than by posting it on a website. In the case of joint holders of a share all notices shall be given to that one of the joint holders whose name stands first in the Register and notice so given shall be deemed a sufficient service on or delivery to all the joint holders.~~

- (a) by serving it personally on the relevant person;
- (b) by sending it through the post in a prepaid envelope addressed to such Member at his registered address as appearing in the Register or at any other address supplied by him to the Company for the purpose;
- (c) by delivering or leaving it at such address as aforesaid;
- (d) by placing an advertisement in appropriate newspapers or other publication and where applicable, in accordance with the requirements of the Stock Exchange;

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- (e) by sending or transmitting it as an electronic communication to the relevant person at such electronic address as he may provide under Article 160(5), subject to the Company complying with the Statutes and any other applicable laws, rules and regulations from time to time in force with regard to any requirements for the obtaining of consent (or deemed consent) from such person;
- (f) by publishing it on the Company's website to which the relevant person may have access, subject to the Company complying with the Statutes and any other applicable laws, rules and regulations from time to time in force with regard to any requirements for the obtaining of consent (or deemed consent) from such person and/or for giving notification to any such person stating that the notice, document or publication is available on the Company's computer network website (a "notice of availability"); or
- (g) by sending or otherwise making it available to such person through such other means to the extent permitted by and in accordance with the Statutes and other applicable laws, rules and regulations.

(2) The notice of availability may be given by any of the means set out above other than by posting it on a website.

(3) In the case of joint holders of a share all notices shall be given to that one of the joint holders whose name stands first in the Register and notice so given shall be deemed a sufficient service on or delivery to all the joint holders.

(4) Every person who, by operation of law, transfer, transmission, or other means whatsoever, shall become entitled to any share, shall be bound by every notice in respect of such share, which, previously to his name and address (including electronic address) being entered in the Register as the registered holder of such share, shall have been duly given to the person from whom he derives title to such share.

(5) Every Member or a person who is entitled to receive notice from the Company under the provisions of the Statutes or these Articles may register with the Company an electronic address to which notices can be served upon him.

(6) Subject to any applicable laws, rules and regulations and the terms of these Articles, any notice, document or publication, including but not limited to the documents referred to in Articles, 151, 152 and 160 may be given in the English language only or in both the English language and the Chinese language.

~~159:161.~~ When Communications Deemed Served. Any Notice or other document:

- (a) if served or delivered by post, shall where appropriate be sent by airmail and shall be deemed to have been served or delivered on the day following that on which the envelope containing the same, properly prepaid and addressed, is put into the post; in proving such service or delivery it shall be sufficient to prove that the envelope or wrapper containing the notice or document was properly addressed and put into the post and a certificate in writing signed by the Secretary or other officer of the Company

APPENDIX II PROPOSED AMENDMENTS TO THE EXISTING MEMORANDUM
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or other person appointed by the Board that the envelope or wrapper containing the Notice or other document was so addressed and put into the post shall be conclusive evidence thereof;

- (b) if sent by electronic communication, shall be deemed to be given on the day on which it is transmitted from the server of the Company or its agent. ~~A Notice placed on the Company's website or the website of the Stock Exchange, is deemed given by the Company to a Member on the day following that on which a notice of availability is deemed served on the Member;~~
- (c) if published on the Company's website, shall be deemed to have been served on the day on which the notice, document or publication first so appears on the Company's website to which the relevant person may have access or the day on which the notice of availability is deemed to have been served or delivered to such person under these Articles, whichever is later;
- ~~(e)~~(d) if served or delivered in any other manner contemplated by these Articles, shall be deemed to have been served or delivered at the time of personal service or delivery or, as the case may be, at the time of the relevant despatch or transmission; and in proving such service or delivery a certificate in writing signed by the Secretary or other officer of the Company or other person appointed by the Board as to the act and time of such service, delivery, despatch or transmission shall be conclusive evidence thereof; and
- ~~(d)~~(e) if published as an advertisement in a newspaper or other publication permitted under these Articles, shall be deemed to have been served on the day on which the advertisement first so appears. ~~may be given to a Member either in the English language or the Chinese language, subject to due compliance with all applicable Statutes, rules and regulations.~~

~~160-162.~~ (1) Service Notwithstanding Death, Bankruptcy etc of Member. Any Notice or other document delivered or sent by post to or left at the registered address of any Member in pursuance of these Articles shall, notwithstanding that such Member is then dead or bankrupt or that any other event has occurred, and whether or not the Company has notice of the death or bankruptcy or other event, be deemed to have been duly served or delivered in respect of any share registered in the name of such Member as sole or joint holder unless his name shall, at the time of the service or delivery of the Notice or document, have been removed from the Register as the holder of the share, and such service or delivery shall for all purposes be deemed a sufficient service or delivery of such Notice or document on all persons interested (whether jointly with or as claiming through or under him) in the share.

(2) Service on Persons Entitled in Death, Bankruptcy or Incapacity of Member. A Notice may be given by the Company to the person entitled to a share in consequence of the death, mental disorder or bankruptcy of a Member by sending it through the post in a prepaid letter, envelope or wrapper addressed to him by name, or by the title of representative of the deceased, or trustee of the bankrupt, or by any like description, at the address, if any, supplied for the purpose by the person claiming to be so entitled, or (until such an address has been so supplied) by giving the notice in any manner in which the same might have been given if the death, mental disorder or bankruptcy had not occurred.

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

(3) Service on Persons Entitled by Operation of Law, Transfer etc. Any person who by operation of law, transfer or other means whatsoever shall become entitled to any share shall be bound by every Notice in respect of such share which prior to his name and address being entered on the Register shall have been duly given to the person from whom he derives his title to such share.

SIGNATURES

~~161-163.~~ Facsimile or Electronic Messages Presumed Made in Writing. For the purposes of these Articles, a facsimile or electronic transmission message purporting to come from a holder of shares or, as the case may be, a Director or alternate Director, or, in the case of a corporation which is a holder of shares from a director or the secretary thereof or a duly appointed attorney or duly authorised representative thereof for it and on its behalf, shall in the absence of express evidence to the contrary available to the person relying thereon at the relevant time be deemed to be a document or instrument in writing signed by such holder or Director or alternate Director in the terms in which it is received.

WINDING UP

~~162-164.~~ (1) Power of Board to Present Winding Up Petition. Subject to Article 164(2), ~~the~~ Board shall have power in the name and on behalf of the Company to present a petition to the court for the Company to be wound up.

(2) Special Resolution Required for Winding Up. Subject to the Act, the Company may by special A-resolution resolve that the Company be wound up by the court or be wound up voluntarily ~~shall be a special resolution.~~

~~163-165.~~ (1) Pro Rata Distribution in Liquidation. Subject to any special rights, privileges or restrictions as to the distribution of available surplus assets on liquidation for the time being attached to any class or classes of shares (i) (if the Company shall be wound up and 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 *pari passu* amongst such members in proportion to the amount paid up on the shares held by them respectively and (ii) 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 the shares held by them respectively.

(2) Authority of Liquidator to Distribute in Specie. If the Company shall be wound up (whether the liquidation is voluntary or by the court) the liquidator may, with the authority of a special resolution and any other sanction required by the ~~Law~~ Act, divide among the Members in specie or kind the whole or any part of the assets of the Company and whether or not the assets shall consist of properties of one kind or shall consist of properties to be divided as aforesaid of different kinds, and may for such purpose set such value as he deems fair upon any one or more class or classes of property 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, vest any part of the assets in trustees upon such trusts for the benefit of the Members as the liquidator with the like authority shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no contributory shall be compelled to accept any shares or other property in respect of which there is a liability.

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

~~(3) *Appointment of Hong Kong Process Agent for Non-Resident Member.* In the event of winding-up of the Company in Hong Kong, subject to these Articles, every Member who is not for the time being in Hong Kong shall be bound, within fourteen (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 judgements 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.~~

INDEMNITY

~~164.166.~~ (1) *Indemnity for Directors, Secretary, Officers, Auditors etc.* The Directors, Secretary and other officers and every Auditor ~~for the time being~~ of the Company at any time, whether at present or in the past, and the liquidator or trustees (if any) ~~for the time being acting or who have acted~~ in relation to any of the affairs of the Company and everyone of them, and everyone of their heirs, executors and administrators, shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them, their or any of their heirs, executors or administrators, shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, in their respective offices or trusts; and none of them shall be answerable for the acts, receipts, neglects or defaults of the other or others of them or for joining in any receipts for the sake of conformity, or for any bankers or other persons with whom any moneys or effects belonging to the Company shall or may be lodged or deposited for safe custody, or for insufficiency or deficiency of any security upon which any moneys of or belonging to the Company shall be placed out on or invested, or for any other loss, misfortune or damage which may happen in the execution of their respective offices or trusts, or in relation thereto; PROVIDED THAT this indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to any of said persons.

(2) *Waiver of Claims Against Directors by Members.* Each Member agrees to waive any claim or right of action he might have, whether individually or by or in the right of the Company, against any Director on account of any action taken by such Director, or the failure of such Director to take any action in the performance of his duties with or for the Company; PROVIDED THAT such waiver shall not extend to any matter in respect of any fraud or dishonesty which may attach to such Director.

FINANCIAL YEAR

167. Unless the Directors otherwise prescribe, the financial year of the Company shall begin on 1 January and end on 31 December in each year.

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

AMENDMENT TO MEMORANDUM AND ARTICLES OF ASSOCIATION
AND NAME OF COMPANY

~~165.~~168. *Special Resolution to Amend Articles or Memorandum, Change Name.* Subject to the Act, ~~No~~ Article shall be rescinded, altered or amended and no new Article shall be made until the same has been approved by a special resolution of the Members. A special resolution shall be required to alter the provisions of the memorandum of association or to change the name of the Company.

INFORMATION

~~166.~~169. *Members Not Entitled to Access Trade Secrets etc.* No Member shall be entitled to require discovery of or any information respecting any detail of the Company's trading or any matter which is or may be in the nature of a trade secret or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Directors it will be inexpedient in the interests of the ~~m~~Members of the Company to communicate to the public.

NOTICE OF EGM



京西重工國際有限公司
BEIJINGWEST INDUSTRIES INTERNATIONAL LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2339)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of BeijingWest Industries International Limited (the “**Company**”) will be held at 2:00 p.m. on Tuesday, 13 December 2022 at Boardroom 3-5, M/F., Renaissance Harbour View Hotel Hong Kong, 1 Harbour Road, Wan Chai, Hong Kong for the purpose of considering and, if thought fit, passing the following resolutions as ordinary resolutions of the Company:

ORDINARY RESOLUTIONS

1. “**THAT:**

- (a) the master agreement dated 19 October 2022 (the “**Mutual Technical Services Agreement**”) entered into between the Company and BeijingWest Industries Co., Ltd. (“**BWI**”), a controlling shareholder and a connected person of the Company, a copy of which is tabled at the meeting and marked “A” and initialed by the chairman of the meeting for identification purpose, in relation to the mutual provision of technical services for a period of three financial years until 31 December 2025 (as further detailed in the circular of the Company dated 17 November 2022 (the “**Circular**”), be and is hereby approved, confirmed and ratified;
- (b) the annual caps under the Mutual Technical Services Agreement as set out in the Circular for each of the three financial years ending 31 December 2025 be and are hereby approved and confirmed; and
- (c) any one director of the Company be and is hereby authorised to do all such further acts and things and to sign and execute all such documents, including under seal of the Company, where applicable, and to take all such steps which in his/her opinion may be necessary, appropriate, desirable or expedient to implement and/or give effects to the transactions contemplated under the Mutual Technical Services Agreement.”

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2. **“THAT:**

- (a) the master agreement dated 19 October 2022 (the **“Parts and Components Supply Agreement”**) entered into between the Company and BWI, a controlling shareholder and a connected person of the Company, a copy of which is tabled at the meeting and marked “B” and initialed by the chairman of the meeting for identification purpose, in relation to the supply of auto parts and components for a period of three financial years until 31 December 2025 (as further detailed in the Circular), be and is hereby approved, confirmed and ratified;
- (b) the annual caps under the Parts and Components Supply Agreement as set out in the Circular for each of the three financial years ending 31 December 2025 be and are hereby approved and confirmed; and
- (c) any one director of the Company be and is hereby authorised to do all such further acts and things and to sign and execute all such documents, including under seal of the Company, where applicable, and to take all such steps which in his/her opinion may be necessary, appropriate, desirable or expedient to implement and/or give effects to the transactions contemplated under the Parts and Components Supply Agreement.”

3. To re-elect Mr. Dong Xiaojie as director of the Company.

SPECIAL RESOLUTION

As special business, to consider and, if thought fit, pass with or without modifications, the following resolutions as a special resolution:

4. **“THAT:**

- (a) the proposed amendments to the memorandum and articles of association of the Company as set out in Appendix II to the circular of the Company dated 17 November 2022 (the **“Proposed Amendments”**) be and are hereby approved and adopted;
- (b) the new memorandum and articles of association of the Company, a copy of which is produced to this meeting marked “C” and for identification purpose signed by the chairman of this meeting, which incorporates and consolidates the Proposed Amendments, be and is hereby approved and adopted as the amended and restated memorandum and articles of association of the Company (the **“New Memorandum and Articles of Association”**), in substitution for and to the exclusion of the existing memorandum and articles of association of the Company in their entirety with immediate effect after the close of this meeting; and

NOTICE OF EGM

- (c) any one of the directors or the secretary of the Company be and is hereby authorised to do all things necessary or expedient in order to effect and implement the adoption of the New Memorandum and Articles of Association and be and is authorised to instruct the registered office provider of the Company, its Hong Kong share registrar and/or any person authorised by any such director or secretary of the Company to make relevant registrations and filings in accordance with the requirements of the applicable laws in the Cayman Islands and Hong Kong.”

By Order of the Board
BeijingWest Industries International Limited
Dong Xiaojie
Chairman

17 November 2022

Notes:

1. With respect to Resolution 3 above, Mr. Dong Xiaojie will retire from office at the above meeting pursuant to the articles of association of the Company and, being eligible, offer himself for re-election at the above meeting.
2. Any member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of him/her in accordance with the articles of association of the Company. A proxy need not be a member of the Company but must be present in person to represent the member.
3. The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorised in writing or, if the appointer is a corporation, either under its seal or under the hand of any officer, attorney or other person duly authorised to sign the same.
4. In order to be valid, the form of proxy in the prescribed form together with a power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, must be deposited at the Company’s share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as practicable but in any event not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof (as the case may be).
5. The register of members of the Company will be closed from Thursday, 8 December 2022 to Tuesday, 13 December 2022 (both days inclusive) to determine the entitlement to attend and vote at the above meeting. During such period no transfer of shares of the Company will be registered. In order to qualify for the entitlement to attend and vote at the above meeting, all transfer forms accompanied by the relevant share certificates must be lodged with the share registrar of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 p.m. on Wednesday, 7 December 2022 for registration.
6. 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 thereof (as the case may be) should they so wish, and in such an event, the form of proxy shall be deemed to be revoked.
7. Where there are joint registered holders of any share, any one of such joint holders may vote, either in person or by proxy, in respect of such shares as if he/she was solely entitled thereto, but if more than one of such joint holders are present at the meeting, whether in person or by proxy, the joint registered holder present whose name stands first on the register of members of the Company in respect of the shares shall be accepted to the exclusion of the votes of the other registered holders.
8. In case Typhoon Signal No. 8 or above is hoisted, or a Black Rainstorm Warning Signal or “extreme conditions” caused by super typhoons announced by the Government is/are in force in Hong Kong at or at any time after 6:00 a.m. on the date of the meeting, the meeting will be adjourned. The Company will post an announcement on the website of the Company (www.bwi-intl.com.hk) and the HKEXnews website (www.hkexnews.hk) to notify shareholders of the date, time and place of the adjourned meeting.

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9. In light of the current outbreak of COVID-19, shareholder(s) may consider appointing the chairman of the above meeting as its/his/her proxy to vote on the resolutions, instead of attending the above meeting in person.

10. Due to the ongoing COVID-19 pandemic, the Company will take certain precautionary measures at the venue of the meeting to ensure the safety of attendees, including (but not limited to): (i) compulsory body temperature check; (ii) compulsory wearing of face mask; (iii) limiting the number of attendees to avoid overcrowding; (iv) no refreshments will be served and no corporate gift will be distributed at the meeting; and (v) any COVID-19 related restrictions as required by the laws of Hong Kong from time to time. To the extent as permitted by law, the Company reserves the right in its absolute discretion to deny admission to the meeting venue if any person does not comply with the precautionary measures to be taken at the meeting or such person is subject to any HKSAR Government prescribed quarantine.