
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in Virscend Education Company Limited, you should at once hand this circular, together with the accompanying form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



Virscend Education Company Limited

成實外教育有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1565)

**(I) PROPOSED GRANT OF GENERAL MANDATES
TO ISSUE SHARES AND BUY BACK SHARES;
(II) RE-ELECTION OF RETIRING DIRECTORS;
(III) AMENDMENTS TO THE ARTICLES OF ASSOCIATION
AND
ADOPTION OF AMENDED AND RESTATED ARTICLES;
AND
(IV) NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the Annual General Meeting of Virscend Education Company Limited to be held at No. 2 Meeting Room, 10th Floor of Chengdu Tianren Hotel, No. 18 Sandongqiao Road, Jinniu District, Chengdu, Sichuan Province, the PRC on Friday, 24 February 2023 at 3:00 p.m. is set out on pages 38 to 44 of this circular.

A form of proxy for use at the Annual General Meeting is also enclosed. Such form of proxy is also published on the website of the Stock Exchange (www.hkexnews.hk). Whether or not you are able to attend the Annual General Meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Hong Kong branch share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the Annual General Meeting (i.e. before 3:00 p.m. on Wednesday, 22 February 2023) or any adjournment thereof. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the Annual General Meeting (or any adjournment thereof) if they so wish and in such event, the form of proxy shall be deemed to be revoked.

29 December 2022

CONTENTS

	<i>Page</i>
DEFINITIONS	1
LETTER FROM THE BOARD	
Introduction	3
Issue Mandate to Issue Shares and Extension Mandate	4
Buy-back Mandate to Buy Back Shares	4
Re-election of Retiring Directors	5
Procedures for Shareholders to Propose a Person for Election as a Director	5
Amendments to the Articles of Association	7
Notice of Annual General Meeting	8
Form of Proxy	8
Voting by Poll	8
Recommendation	8
Responsibility Statement	9
Closure of Register of Members	9
APPENDIX I — DETAILS OF DIRECTORS PROPOSED FOR RE-ELECTION	10
APPENDIX II — EXPLANATORY STATEMENT	13
APPENDIX III — AMENDMENTS TO THE ARTICLES OF ASSOCIATION	17
NOTICE OF ANNUAL GENERAL MEETING	38

DEFINITIONS

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

“Amended and Restated Articles”	the second amended and restated articles of association of the Company incorporating and consolidating all the Proposed Amendments in relation thereto
“Annual General Meeting” or “AGM”	the annual general meeting of the Company to be held at No. 2 Meeting Room, 10th Floor of Chengdu Tianren Hotel, No. 18 Sandongqiao Road, Jinniu District, Chengdu, Sichuan Province, the PRC on 24 February 2023 at 3:00 p.m., or any adjournment thereof and notice of which is set out on pages 38 to 44 of this circular
“Articles of Association”	the articles of association of the Company adopted on 28 December 2015 and as amended from time to time
“Board”	the board of Directors
“Buy-back Mandate”	a general mandate proposed to be granted to the Directors at the Annual General Meeting to buy back Shares not exceeding 10% of the number of the issued Shares as at the date of passing of the relevant resolution granting the Buy-back Mandate
“Companies Act”	the Companies Act, Cap. 22 (Act 3 of 1961, as consolidated and revised) of the Cayman Islands as amended, supplemented or otherwise modified from time to time
“Company”	Virscend Education Company Limited (成實外教育有限公司), an exempted company incorporated in the Cayman Islands with limited liability on 13 March 2015, the Shares of which are listed on the main board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Issue Mandate”	a general mandate proposed to be granted to the Directors at the Annual General Meeting to allot, issue and/or deal with additional Shares not exceeding 20% of the number of issued Shares as at the date of passing of the relevant resolution granting the Issue Mandate

DEFINITIONS

“Latest Practicable Date”	20 December 2022, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Date”	15 January 2016, being the date on which dealings in the Shares first commenced on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“PRC”	the People’s Republic of China excluding, for the purpose of this circular, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Proposed Amendments”	the proposed amendments to the Articles of Association as set out in Appendix III to this circular (with proposed amendments marked up against the version of the Articles of Association posted on the website of the Stock Exchange)
“Securities and Futures Ordinance”	Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended from time to time
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers and Share Buy-backs, as amended from time to time
“Virscend Holdings”	Virscend Holdings Company Limited, a company incorporated in the British Virgin Islands, one of the controlling Shareholders of the Company and wholly-owned by Mr. Yan Yude, an executive Director
“%”	per cent

LETTER FROM THE BOARD



Virscend Education Company Limited

成實外教育有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1565)

Executive Directors:

Ms. Wang Xiaoying (*Chairwoman*)
Mr. Yan Yude (*Chief Executive Officer*)
Mr. Ye Jiayu
Mr. Deng Bangkai

Registered office:

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

Independent Non-executive Directors:

Mr. Sit Chiu Wing
Mr. Chan Kim Sun
Mr. Wen Ruizheng

*Headquarters and principal place of
business in the PRC:*

No. 18 Sandongqiao Road
Jinniu District
Chengdu
The PRC

*Principal place of business in
Hong Kong:*

40/F, Dah Sing Financial Centre
No.248 Queen's Road East
Wanchai
Hong Kong

29 December 2022

To the Shareholders,

Dear Sir or Madam

**(I) PROPOSED GRANT OF GENERAL MANDATES
TO ISSUE SHARES AND BUY BACK SHARES;
(II) RE-ELECTION OF RETIRING DIRECTORS;
(III) AMENDMENTS TO THE ARTICLES OF ASSOCIATION
AND
ADOPTION OF AMENDED AND RESTATED ARTICLES;
AND
(IV) NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to give you the notice of Annual General Meeting and the following proposals to be put forward at the Annual General Meeting: (a) granting of the Issue Mandate to issue Shares, the Buy-back Mandate to buy back Shares and the extension mandate; (b) the re-election of the retiring Directors; and (c) the Proposed Amendments and adoption of the Amended and Restated Articles.

LETTER FROM THE BOARD

ISSUE MANDATE TO ISSUE SHARES AND EXTENSION MANDATE

In order to ensure flexibility and give discretion to the Directors, in the event that it becomes desirable for the Company to issue any new Shares, approval is to be sought from the Shareholders, pursuant to the Listing Rules, for the Issue Mandate to issue Shares. At the Annual General Meeting, an ordinary resolution numbered 4(A) will be proposed to grant the Issue Mandate to the Directors to exercise the powers of the Company to allot, issue and deal with additional Shares not exceeding 20% of the number of issued Shares as at the date of passing of the resolution in relation to the Issue Mandate.

As at the Latest Practicable Date, 3,088,761,000 Shares have been fully paid. Subject to the passing of the ordinary resolution numbered 4(A) and on the basis that no further Shares are issued or bought back after the Latest Practicable Date and up to the date of the Annual General Meeting, the Company will be allowed to issue a maximum of 617,752,200 Shares.

In addition, subject to a separate approval of the ordinary resolution numbered 4(C), the number of Shares purchased by the Company under ordinary resolution numbered 4(B) will also be added to extend the Issue Mandate as mentioned in ordinary resolution numbered 4(A) provided that such additional value shall represent up to 10% of the number of issued Shares as at the date of passing the resolutions in relation to the Issue Mandate and Buy-back Mandate. The Directors wish to state that they have no immediate plans to issue any new Shares pursuant to the Issue Mandate.

BUY-BACK MANDATE TO BUY BACK SHARES

In addition, an ordinary resolution numbered 4(B) will be proposed at the Annual General Meeting to approve the granting of the Buy-back Mandate to the Directors to exercise the powers of the Company to buy back Shares representing up to 10% of the number of issued Shares as at the date of passing of the resolution in relation to the Buy-back Mandate.

As at the Latest Practicable Date, 3,088,761,000 Shares were in issue. Subject to the passing of the ordinary resolution numbered 4(B) and on the basis that no further Shares are issued or bought back after the Latest Practicable Date and up to the date of the Annual General Meeting, the Company will be allowed to repurchase a maximum of 308,876,100 Shares pursuant to the Buy-back Mandate.

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

The Buy-back Mandate and the Issue Mandate would expire at the earliest of: (a) the conclusion of the next annual general meeting of the Company; or (b) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or the applicable laws of Cayman Islands to be held; or (c) revocation or variation by an ordinary resolution of the Shareholders in a general meeting prior to the next annual general meeting of the Company.

LETTER FROM THE BOARD

RE-ELECTION OF RETIRING DIRECTORS

In accordance with article 84(1) of the Articles of Association, 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.

Accordingly, Mr. Yan Yude and Mr. Deng Bangkai being the executive Directors and Mr. Chan Kim Sum being an independent non-executive Director will hold office as the Directors until the Annual General Meeting and being eligible, offered themselves for re-election at the Annual General Meeting.

The Nomination Committee of the Company has reviewed the structure and composition of the Board, the confirmations and disclosure given by the Directors, the qualification, skills and experience, time commitment and contribution of the retiring Directors with reference to the nomination principles and criteria set out in the Company's Board Diversity Policy and Director Nomination Policy and the Company's corporate strategy and the independence of the independent non-executive Directors. All independent non-executive Directors, in particular Mr. Chan Kim Sum who has served the Board as independent non-executive Director since 28 December 2015, have made an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Board is satisfied that, taking into account, *inter alia*, the valuable independent judgement, advice and objective views contributed by the independent non-executive Directors, they are of such character, integrity and experience commensurate with office of independent non-executive Director. The Board is not aware of any circumstance that might influence the independence of Mr. Chan.

Details of the above retiring Directors who are subject to re-election at the Annual General Meeting are set out in Appendix I to this circular in accordance with the relevant requirements of the Listing Rules.

PROCEDURES FOR SHAREHOLDERS TO PROPOSE A PERSON FOR ELECTION AS A DIRECTOR

Article 85 of the Articles of Association provides that:

“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 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

LETTER FROM THE BOARD

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.”

For the purpose of the Articles of Association:

- (i) “Member” means a duly registered holder from time to time of the shares in the capital of the Company;
- (ii) “Notice” means a written notice unless otherwise specifically stated and as further defined in the Articles of Association; and
- (iii) “Registration Office” means, 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.

Accordingly, if a Shareholder wishes to nominate a person to stand for election as a Director, the following documents must be validly served on the secretary of the Company, namely (i) his/her notice of intention to propose a resolution at the general meeting; and (ii) a notice signed by the nominated candidate of the candidate’s willingness to be appointed together with (A) that candidate’s information as required to be disclosed under Rule 13.51(2) of the Listing Rules and such other information, as set out in the below heading “Required information of the candidate(s) nominated by Shareholders”, and (B) the candidate’s written consent to the publication of his/her personal data.

Required information of the candidate(s) nominated by Shareholders

In order to enable Shareholders to make an informed decision on their election of Directors, the above described notice of intention to propose a resolution by a Shareholder should be accompanied by the following information of the nominated candidate(s):

- (a) full name and age;
- (b) positions held with the Company and its subsidiaries (if any);
- (c) experience including (i) other directorships held in the past three years in public companies of which the securities are listed on any securities market in Hong Kong and overseas, and (ii) other major appointments and professional qualifications;
- (d) current employment and such other information (which may include business experience and academic qualifications) of which Shareholders should be aware of, pertaining to the ability or integrity of the candidate;
- (e) length or proposed length of service with the Company;

LETTER FROM THE BOARD

- (f) relationships with any Directors, senior management, substantial shareholders or controlling shareholders (as defined in the Listing Rules) of the Company, or an appropriate negative statement;
- (g) interests in the Shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong), or an appropriate negative statement;
- (h) a declaration made by the nominated candidate in respect of the information required to be disclosed pursuant to Rule 13.51(2)(h) to (w) of the Listing Rules, or an appropriate negative statement to that effect where there is no information to be disclosed pursuant to any of such requirements nor there are any other matters relating to that nominated candidate's standing for election as a Director that should be brought to Shareholders' attention; and
- (i) contact details.

The Shareholder proposing the candidate will be required to read out aloud the proposed resolution at the general meeting.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

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 Annual General Meeting to amend the Articles of Association for the purpose of, among others, (i) bringing the Articles of Association in line with amendments made to the Listing Rules and applicable laws of the Cayman Islands; and (ii) making certain miscellaneous and housekeeping amendments to the Articles of Association for the purpose of clarifying existing practice and making consequential amendments in line with the amendments. Details of the Proposed Amendments are set out in Appendix III of this circular.

The Company has been advised by its legal advisers that the Amended and Restated Articles conform to the requirements of the Listing Rules and do not contravene the laws of the Cayman Islands, respectively. The Company also confirms that there is nothing unusual about the Amended and Restated Articles for a company listed on the Stock Exchange.

The Board proposes to put forward to the Shareholders for approval at the Annual General Meeting a special resolution to adopt the Proposed Amendments and the Amended and Restated Articles. The proposed adoption of the Proposed Amendments and the Amended and Restated Articles are subject to the passing of a special resolution.

LETTER FROM THE BOARD

NOTICE OF ANNUAL GENERAL MEETING

Set out on pages 38 to 44 of this circular is the notice of the Annual General Meeting at which, ordinary resolutions will be proposed to Shareholders to consider and approve, among other things, the granting of the Issue Mandate to issue Shares and the Buy-back Mandate to buy back Shares, the re-election of the retiring Directors, and the Proposed Amendments and the adoption of the Amended and Restated Articles.

FORM OF PROXY

A form of proxy is enclosed for use at the Annual General Meeting. Such form of proxy is also published on the website of the Stock Exchange (www.hkexnews.hk). Whether or not you intend to attend the Annual General Meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Hong Kong branch share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time fixed for holding the Annual General Meeting (i.e. before 3:00 p.m. on Wednesday, 22 February 2023) or any adjournment thereof. Completion and delivery of the form of proxy shall not preclude a Shareholder from attending and voting in person at the Annual General Meeting if they so wish and in such event the form of proxy shall be deemed to be revoked.

VOTING BY POLL

There is no Shareholder who has any material interest in the proposed resolutions, therefore none of the Shareholders is required to abstain from voting on such resolutions.

Pursuant to Rule 13.39(4) of the Listing Rules and article 66 of the Articles of Association, any resolution put to the vote of the Shareholders at a general meeting shall be decided on a poll except where the chairman of the Annual General Meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Accordingly, each of the resolutions set out in the notice of the Annual General Meeting will be taken by way of poll.

On a poll, every Shareholder presents in person or by proxy or, in the case of a Shareholder being a corporation, by its duly authorised representative, shall have one vote for every fully paid Share of which he/she is the holder. A Shareholder entitled to more than one vote needs not use all his/her votes or cast all the votes he/she uses in the same way.

RECOMMENDATION

The Directors consider that, among others, the proposed resolutions for the granting of the Issue Mandate to issue Shares, the Buy-back Mandate to buy back Shares, the re-election of the retiring Directors and the Proposed Amendments and the adoption of the Amended and Restated Articles are in the interests of the Group and the Shareholders as a whole. The Directors therefore recommend the Shareholders to vote in favor of all the resolutions to be proposed at the Annual General Meeting.

LETTER FROM THE BOARD

RESPONSIBILITY STATEMENT

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

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 21 February 2023 to Friday, 24 February 2023, both days inclusive, in order to determine the identity of the Shareholders who are entitled to attend the AGM to be held on Friday, 24 February 2023, during which period no Share transfers will be registered. Shareholders whose names appear on the register of members of the Company on Friday, 24 February 2023 are entitled to attend and vote at the AGM. To be eligible to attend the AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Monday, 20 February 2023.

Yours faithfully
By order of the Board
Virscend Education Company Limited
Wang Xiaoying
Chairwoman

APPENDIX I DETAILS OF DIRECTORS PROPOSED FOR RE-ELECTION

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

As at the Latest Practicable Date, none of the following Directors, save as disclosed herein, had any interest in Shares within the meaning of Part XV of the Securities and Futures Ordinance.

Save as disclosed herein, none of the following Directors holds any position with the Company or any other member of the Group, or any directorships in other public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years. Save as disclosed herein, the following Directors are not otherwise related to any Directors, senior management, substantial Shareholders or controlling Shareholders (as defined in the Listing Rules) of the Company.

Save as disclosed herein, each of the following Directors has confirmed that there is no other matter in relation to the following Directors that needs to be brought to the attention of the Shareholders and there is no other information relating to the following Directors which is required to be disclosed pursuant to any of the requirements of Rule 13.51(2) of the Listing Rules.

Executive Directors

Mr. Yan Yude (嚴玉德), aged 61, was appointed as a Director on 13 March 2015 and was designated as an executive Director on 31 August 2015, and appointed as the chief executive officer of the Company with effect from 15 November 2018. Mr. Yan is also one of the controlling Shareholders and a director of certain subsidiaries of the Group. Mr. Yan has over 20 years of experience in education management and is responsible for the overall strategic development of the Group. Mr. Yan has been a director of the Group's schools since September 2000. In January 1993, Mr. Yan made the investment in Sichuan Derui Enterprise Development Co., Ltd. ("Sichuan Derui") and remained as the controlling shareholder of Sichuan Derui since then. Mr. Yan joined Sichuan Derui in 1993 after he invested into Sichuan Derui and was involved in the overall management and strategic development of Sichuan Derui. Mr. Yan obtained his graduation certificate for postgraduate studies in criminology from the Sichuan University* (四川大學) in the PRC in July 1999. Mr. Yan is the husband of Ms. Wang Xiaoying, an executive Director.

Mr. Yan has entered into a service contract with the Company for an initial fixed term of three years commencing from the Listing Date and will continue thereafter until terminated by not less than three months' notice in writing served by either party on the other, which notice shall not expire until the end of the fixed term. The current Director's fee payable to Mr. Yan is HK\$1,000,000 per year and there is no discretionary bonus paid to him. The remuneration package of Mr. Yan is determined by reference to his duty, experience, workload and time devoted to the Group.

As at the Latest Practicable Date, Mr. Yan was interested in 1,388,132,045 Shares within the meaning of Part XV of the Securities and Futures Ordinance. Mr. Yan is the sole shareholder of Virscend Holdings and is therefore deemed to be interested in the 1,320,632,045 Shares held by Virscend Holdings. Mr. Yan is also the husband of Ms. Wang Xiaoying, the chairwoman of the Board and an executive Director, and is therefore deemed to be interested in the 67,500,000 Shares indirectly held by Ms. Wang Xiaoying through Smart Ally International Limited, a company wholly-owned by Ms. Wang Xiaoying.

APPENDIX I DETAILS OF DIRECTORS PROPOSED FOR RE-ELECTION

Mr. Deng Bangkai (鄧幫凱), aged 41, was appointed as the executive Director and chief operating officer on 15 November 2018. Mr. Deng is currently responsible for the daily operations, business development, external investment, financing, M&A, and investor relations of the Group. Mr. Deng has more than 17 years of professional experience in accounting, financial management, corporate governance, and capital market transactions. Mr. Deng started his career in Ernst & Young Hua Ming LLP Shenzhen Office in August 2005 and worked in Ernst & Young UK from September 2010 to March 2012. In July 2017, Mr. Deng was appointed as Partner of Ernst & Young. Mr. Deng obtained his bachelor degree in computer science from Shanghai University of Electric Power in the PRC in June 2003 and his master of science degree with commendation in management science from University of Hertfordshire in Great Britain in October 2004. Mr. Deng is a member of the Hong Kong Institute of Certified Public Accountants and a member of The Chinese Institute of Certified Public Accountants.

Mr. Deng has entered into a service contract with the Company for an initial fixed term of three years commencing from the 15 November 2018 and will continue thereafter until terminated by not less than three months' notice in writing served by either party on the other, which notice shall not expire until the end of the fixed term. The current Director's fee payable to Mr. Deng is HK\$1,000,000 per year and there is no discretionary bonus paid to him. The remuneration package of Mr. Deng is determined by reference to his duty, experience, workload and time devoted to the Group.

As at the Latest Practicable Date, Mr. Deng was interested in 647,000 Shares by virtue of the Securities and Futures Ordinance.

Independent Non-executive Director

Mr. Chan Kim Sun (陳劍樂), aged 41, was appointed as an independent non-executive Director on 28 December 2015 and is responsible for providing independent opinion and judgement to the Board. Prior to joining the Group, between October 2004 to March 2010, Mr. Chan joined HLB Hodgson Impey Cheng Limited with his latest position as an audit manager. From August 2011 to September 2014, Mr. Chan served as the finance controller and from September 2012 to September 2014 as the company secretary of China Infrastructure Investment Limited, the shares of which are listed on the Stock Exchange (stock code: 600). Mr. Chan is currently a non-practicing member of the Hong Kong Institute of Certified Public Accountants and is a fellow of the Association of Chartered Certified Accountants. Mr. Chan graduated from the Hong Kong University of Science and Technology with a bachelor's degree in business administration majoring in accounting and finance in June 2003. Since April 2018, Mr. Chan has been an independent non-executive director of Vision International Holdings Limited, the shares of which are listed on GEM of the Stock Exchange (stock code: 8107). Since February 2021, Mr. Chan has been an independent non-executive director of Hong Kong Resources Holdings Company Limited, the shares of which are listed on the Stock Exchange (stock code: 2882). Since January 2019, Mr. Chan has been the company secretary of WMCH Global Investment Limited, the shares of which are listed on GEM of the Stock Exchange (stock code: 8208).

APPENDIX I DETAILS OF DIRECTORS PROPOSED FOR RE-ELECTION

Mr. Chan has entered into a service contract with the Company for an initial fixed term of one year commencing from the Listing Date and will continue thereafter until terminated by not less than three months' notice in writing served by either party on the other, which notice shall not expire until after the fixed term. The current Director's fee payable to Mr. Chan is HK\$120,000 per year and there is no discretionary bonus paid to him. The remuneration package of Mr. Chan is determined by reference to his duty, experience, workload and time devoted to the Group.

The following is an explanatory statement required to be sent to the Shareholders under the Listing Rules in connection with the proposed Buy-back Mandate.

SHARE CAPITAL

As at the Latest Practicable Date, the number of issued Shares was 3,088,761,000 Shares of nominal value of HK\$0.01 each which have been fully paid. Subject to the passing of the resolution granting the Buy-back Mandate and on the basis that no further Shares are issued or bought back before the Annual General Meeting, the Company will be allowed to buy back a maximum of 308,876,100 Shares which represent 10% of the issued Shares during the period ending on the earlier of (i) the conclusion of the next annual general meeting of the Company; or (ii) the expiry of the period within which the next annual general meeting of the Company is required by any applicable laws or the Articles of Association to be held; or (iii) the passing of an ordinary resolution by Shareholders in general meeting of the Company revoking or varying such mandate.

REASONS FOR AND FUNDING OF SHARE BUY-BACKS

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

Buy-back of the Shares must be funded out of funds legally available for such purpose in accordance with the Articles of Association and the applicable laws of the Cayman Islands. The Directors may not buy back the Shares on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange. Subject to the foregoing, the Directors may make buy-backs with profits of the Company or out of a new issuance of shares made for the purpose of the buy-back or, if authorized by the Articles of Association and subject to the Companies Act, out of capital and, in the case of any premium payable on the buy-back, out of profits of the Company or from sums standing to the credit of the share premium account of the Company or, if authorized by the Articles of Association and subject to the Companies Act, out of capital.

The Directors have no present intention to buy back any Shares and they would only exercise the power to buy back in circumstances where they consider that the buy-back would be in the best interests of the Company. The Directors believe that if the Buy-back Mandate is exercised in full, it may have a material adverse impact on the working capital or gearing position of the Company, as compared with the positions disclosed in the audited consolidated financial statements of the Company as at 31 August 2022, being the date to which the latest published audited consolidated financial statements of the Company were made up. The Directors do not propose to exercise the Buy-back Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or its gearing levels which, in the opinion of the Directors, are from time to time appropriate for the Company.

GENERAL

None of the Directors nor, to the best of their knowledge, having made all reasonable enquiries, their respective close associates (as defined in the Listing Rules), have any present intention if the Buy-back Mandate is approved by the Shareholders, to sell any Shares to the Company.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Buy-back Mandate in accordance with the Listing Rules, the Articles of Association and the applicable laws of the Cayman Islands.

No core connected person (as defined in the Listing Rules) has notified the Company that he or she has a present intention to sell any Shares to the Company, or has undertaken not to do so, if the Buy-back Mandate is approved by the Shareholders.

TAKEOVERS CODE AND MINIMUM PUBLIC HOLDING

If as a result of a buy-back of Shares pursuant to the Buy-back Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purposes of the Takeovers Code. Accordingly, a Shareholder, or a group of Shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of increase in the Shareholder's interest, could obtain or consolidate control of the Company and thereby become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. Save as aforesaid, the Directors are not aware of any consequences which would arise under the Takeovers Code as a result of any buy-back of Shares pursuant to the Buy-back Mandate.

As at the Latest Practicable Date, as far as the Directors are aware, substantial Shareholders having interests in 10% more in the issued Shares are as follows:

Name of Shareholders	Nature of interest	Number of Shares Interested	Approximate percentage of interest in the issued share capital
Bank of China Limited	Security interest	458,876,100(L)	14.86%
Virscend Holdings ⁽¹⁾	Beneficial owner	1,320,632,045(L)	42.76%
Mr. Yan Yude ⁽¹⁾⁽²⁾	Interest in a controlled corporation and interest of spouse	1,388,132,045(L)	44.94%
Ms. Wang Xiaoying ⁽³⁾	Interest in a controlled corporation and interest of spouse	1,388,132,045(L)	44.94%

Notes:

- (1) Mr. Yan Yude is the sole shareholder and sole director of Virscend Holdings and is therefore deemed to be interested in the Shares held by Virscend Holdings.
- (2) Mr. Yan Yude is the husband of Ms. Wang Xiaoying and is therefore deemed to be interested in the Shares indirectly held by Ms. Wang Xiaoying through Smart Ally International Limited.
- (3) Ms. Wang Xiaoying is the sole shareholder and sole director of Smart Ally International Limited and is therefore deemed to be interested in the Shares held by Smart Ally International Limited. Ms. Wang Xiaoying is also the spouse of Mr. Yan Yude and is therefore deemed to be interested in the Shares indirectly held by Mr. Yan Yude through Virscend Holdings.
- (4) L represents “Long Position”.

As at the Latest Practicable Date, to the best knowledge and belief of the Directors, Mr. Yan Yude was interested in 1,388,132,045 Shares, representing approximately 44.94% in aggregate number of issued Shares. In the event that the Directors should exercise in full the Buy-back Mandate, the shareholding of Mr. Yan Yude in the Company will be increased to approximately 49.93% of the issued Shares. To the best knowledge and belief of the Directors, such increase would give rise to an obligation to make a mandatory offer under the Takeovers Code. The Directors have no present intention to buy back the Shares to the extent that will trigger the obligations under the Takeovers Code for Mr. Yan Yude to make a mandatory offer. The Directors are not aware of any other consequences which may arise under the Takeovers Code as a result of any purchase by the Company of its Shares.

The Listing Rules prohibit a company from making buy-back on the Stock Exchange if the result of the buy-back would be that less than 25% (or such other prescribed minimum percentage as determined by the Stock Exchange) of the total number of issued shares of the Company would be in public hands. The Directors do not propose to buy back Shares which would result in less than the prescribed minimum percentage of Shares in public hands.

SHARE BUY-BACK MADE BY THE COMPANY

No buy-backs of Shares has been made by the Company during the six months prior to the Latest Practicable Date (whether on the Stock Exchange or otherwise).

SHARE PRICES

The highest and lowest prices at which the Shares have been traded on the Stock Exchange during the twelve months preceding the Latest Practicable Date were as follows:

Month	Highest prices HK\$	Lowest prices HK\$
2021		
December	N/A	N/A
2022		
January	N/A	N/A
February	N/A	N/A
March	N/A	N/A
April	N/A	N/A
May	0.315	0.166
June	0.365	0.170
July	0.222	0.154
August	0.197	0.130
September	0.185	0.142
October	0.173	0.136
November	0.162	0.119
December (up to and including the Latest Practicable Date)	0.265	0.125

Note: Trading in the Shares on the Stock Exchange was suspended from 9:00 a.m. on 30 November 2021 and resumed at 9:00 a.m. on 10 May 2022.

APPENDIX III AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The proposed amendments to the existing Articles of Association include:

- (1) by deleting the words “the Law” and “rules of the Designated Stock Exchange” wherever they may appear and replacing them with the words “the Act” and “Listing Rules”, respectively;
- (2) by adding “FINANCIAL YEAR” before article 165;
- (3) re-numbering of the articles following the new article 165; and
- (4) the following amendments (unless otherwise specified, clauses, paragraphs and article numbers referred to herein are clauses, paragraphs and article numbers of the Amended and Restated Articles. If the serial numbering of the clauses of the Articles of Association is changed due to the addition, deletion or re-arrangement of certain clauses made in these amendments, the serial numbering of the clauses of the Articles of Association as so amended shall be changed accordingly, including cross references):

Provisions in the Second Amended and Restated Articles of Association (only showing changes to existing Articles of Association)

- 1 The regulations in Table A in the Schedule to the Companies Law Act (As Revised) do not apply to the Company.
- 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>
“Act”	<u>the Companies Act, (2022 Revision), Cap. 22 of the Cayman Islands and any amendments thereto or re-enactments thereof for the time being in force and includes every other law incorporated therewith or substituted therefor.</u>
“Articles”	these Articles in their present form or as supplemented or amended or substituted from time to time.
“Auditor”	the auditor of the Company for the time being and may include any individual or partnership.
“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.

APPENDIX III AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Provisions in the Second Amended and Restated Articles of Association (only Article No. showing changes to existing Articles of Association)

“business day”	shall mean a day on which the Designated Stock Exchange generally is open for the business of dealing in securities in Hong Kong. For the avoidance of doubt, where the Designated 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 when the notice is given or deemed to be given and the day for which it is 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.
“close associate”	in relation to any Director, shall have the same meaning as defined in the rules of the Designated Stock Exchange (“Listing Rules”) as modified from time to time, except that for purposes of 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 that ascribed to “associate” in the Listing Rules.
“Company”	Virscend Education Company Limited 成實外教育有限公司.
“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.
“Designated Stock Exchange”	a stock exchange in respect of which the shares of the Company are listed or quoted and where such stock exchange deems such listing or quotation to be the primary listing or quotation of the shares of the Company.
“dollars” and “\$”	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.

APPENDIX III AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Article No. Provisions in the Second Amended and Restated Articles of Association (only showing changes to existing Articles of Association)

“Law”	The Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands.
“Listing Rules”	<u>the rules and regulations of the Designated Stock Exchange.</u>
“Member”	a duly registered holder from time to time of the 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.
“paid up”	paid up or credited as paid up.
“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.
“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.

APPENDIX III AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Provisions in the Second Amended and Restated Articles of Association (only Article No. showing changes to existing Articles of Association)

“special resolution” 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 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 59.

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.

“Statutes” the ~~Law Act~~ 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.

~~“Subsidiary and Holding Company” has the meanings attributed to them in the rules of the Designated Stock Exchange.~~

“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 ~~rules of the Designated Stock Exchange Listing Rules~~ from time to time) of the voting power at any general meeting of the Company.

“year” a calendar year.

2.(2) In these Articles, unless there be something within the subject or context inconsistent with such construction:

- (a) words importing the singular include the plural and vice versa;
- (b) words importing a gender include both gender and the neuter;
- (c) words importing persons include companies, associations and bodies of persons whether corporate or not;
- (d) the words:
 - (i) “may” shall be construed as permissive;
 - (ii) “shall” or “will” shall be construed as imperative;

Provisions in the Second Amended and Restated Articles of Association (only Article No. showing changes to existing Articles of Association)

- (e) expressions referring to writing shall, unless the contrary intention appears, be construed as including printing, lithography, photography and other modes of representing words or figures in a visible form, and including where the representation takes the form of electronic display, provided that both the mode of service of the relevant document or notice and the Member's election comply with all applicable Statutes, rules and regulations;
- (f) references to any law, ordinance, statute or statutory provision shall be interpreted as relating to any statutory modification or re-enactment thereof for the time being in force;
- (g) save as aforesaid words and expressions defined in the Statutes shall bear the same meanings in these Articles if not inconsistent with the subject in the context;
- (h) references to a document (including, but without limitation, a resolution in writing) being signed or executed include references to it being signed or executed under hand or under seal or by electronic signature or by any other method and references to a ~~an~~Notice or document include a ~~an~~Notice or document recorded or stored in any digital, electronic, electrical, magnetic or other retrievable form or medium and information in visible form whether having physical substance or not;
- (i) reference to a meeting shall, where the context is appropriate, include a meeting that has been postponed by the Board pursuant to Article 64;
- (j) where a Member is a corporation, any reference in these Articles to a Member shall, where the context requires, refer to a duly authorised representative of such Member; and
- (k) Section 8 and Section 19 of the Electronic Transactions Law (2003) Act 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.

3 (1) The share capital of the Company at the date on which these Articles come into effect shall be divided into shares of a par value of \$0.01 each.

APPENDIX III AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Provisions in the Second Amended and Restated Articles of Association (only Article No. showing changes to existing Articles of Association)

(2) Subject to the Law Act, the Company's Memorandum and Articles of Association and, where applicable, the Listing Rules and/or the rules and regulations of any Designated 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) Subject to compliance with the Listing Rules and the rules and regulations of the Designated 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) The Board may accept the surrender for no consideration of any fully paid share.

(5) No share shall be issued to bearer.

8 (4) Subject to the provisions of the Law Act 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) — Subject to the provisions of the Law, the rules of any Designated 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.~~

APPENDIX III AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Provisions in the Second Amended and Restated Articles of Association (only Article No. showing changes to existing Articles of Association)

- 9 ~~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. Subject to the provisions of the Act, the Listing Rules 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.~~
- 10.(a) the necessary quorum (other than at an adjourned meeting) shall be two persons (or in the case of a Member being a corporation, its duly authorized representative) holding or representing by proxy not less than one-third in nominal value of the issued shares of that class and at any adjourned meeting of such holders, two holders present in person or (in the case of a Member being a corporation) by its duly authorized representative or by proxy (whatever the number of shares held by them) shall be a quorum; and
- 12.(1) Subject to the ~~Law Act~~, these Articles, any direction that may be given by the Company in general meeting and, where applicable, the ~~rules of any Designated Stock Exchange~~Listing Rules 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.

Provisions in the Second Amended and Restated Articles of Association (only showing changes to existing Articles of Association)

- 16 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. The seal of the Company may only be affixed or imprinted to a share certificate with the authority of the Directors, or be executed under the signature of appropriate officials with statutory authority, unless otherwise determined by the Directors. 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.
- 44 The Register and branch register of Members maintained in Hong Kong, 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 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 \$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 Designated Stock Exchange or by any electronic means in such manner as may be accepted by the Designated 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.
- 45 Subject to the ~~rules of any Designated Stock Exchange~~Listing Rules, notwithstanding 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;~~
 - (b) determining the Members entitled to receive notice of and to vote at any general meeting of the Company.

Provisions in the Second Amended and Restated Articles of Association (only Article No. showing changes to existing Articles of Association)

46 (1) 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 Designated 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.

(2) Notwithstanding the provisions of subparagraph (1) above, for so long as any shares are listed on the Designated Stock Exchange, titles to such listed shares may be evidenced and transferred in accordance with the laws applicable to and the Listing Rules that are or shall be applicable to such listed shares. The register of Members of the Company in respect of its listed shares (whether the Register or a branch register) may be kept by recording the particulars required by Section 40 of the Act in a form otherwise than legible if such recording otherwise complies with the laws applicable to and the Listing Rules that are or shall be applicable to such listed shares.

51 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 any Designated 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.

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

56 An annual general meeting of the Company shall be held in each financial year other than the financial 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 and such annual general meeting or not more than must be held within eighteen~~ six (18) months after the date~~end of adoption of these Articles,~~ the Company's financial year (unless a longer period would not infringe the rules of the Designated Stock Exchange, if any) at such time and place as may be determined by the Board.

APPENDIX III AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Provisions in the Second Amended and Restated Articles of Association (only Article No. showing changes to existing Articles of Association)

57 Each general meeting, other than an annual general meeting, shall be called an extraordinary general meeting. General meetings may be held in any part of the world as may be determined by the Board. Notwithstanding any provisions in these Articles, any general meeting or any class meeting may be held by means of such telephone, electronic or other communication facilities as to permit all persons participating in the meeting to communicate with each other, and participation in such a meeting shall constitute presence at such meeting. Unless otherwise determined by the Directors, the manner of convening and the proceedings at a general meeting set out in these Articles shall, *mutatis mutandis*, apply to a general meeting held wholly by or in-combination with electronic means.

58 The Board may whenever it thinks fit call extraordinary general meetings. Any one or more ~~Members~~ Member(s) holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company, on a one vote per share basis, 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 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.(1) An annual general meeting must be called by Notice of not less than twenty-one (21) clear days ~~and not less than twenty (20) clear business days.~~ All other general meetings (including an extraordinary general meeting) must 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 Designated Stock Exchange~~ Listing Rules, a general meeting may be called by shorter notice, subject to the ~~Law~~ Act, 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 representing not less than ninety-five per cent. (95%) of the total voting rights at the meeting of all the Members.

61 (1) 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;

Article No. Provisions in the Second Amended and Restated Articles of Association (only showing changes to existing Articles of Association)

- (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; and
- (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.~~

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

63 The chairman of the Company or if there is more than one chairman, any one of them as may be agreed amongst themselves or failing such agreement, any one of them elected by all the Directors present shall preside as chairman at every a general meeting. If at any meeting ~~the no~~ chairman, is ~~not~~ present within fifteen (15) minutes after the time appointed for holding the meeting, or is ~~not~~ willing to act as chairman, the deputy chairman of the Company or if there is more than one deputy chairman, any one of them as may be agreed amongst themselves or failing such agreement, any one of them elected by all the Directors present shall preside as chairman. If no chairman or deputy chairman is present or is willing to act as chairman of the meeting, the Directors present shall choose one of their number to act, or if one Director only is present he shall preside as chairman if willing to act. If no Director is present, or if each of the Directors present declines to take the chair, or if the chairman chosen shall retire from the chair, the Members 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 to be chairman of the meeting.

APPENDIX III AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Provisions in the Second Amended and Restated Articles of Association (only Article No. showing changes to existing Articles of Association)

64 ~~The~~Prior to the holding of a general meeting, the Board may postpone, and at a general meeting, the chairman may, ~~(without the consent of any meeting at which a quorum is present (and shall if so directed by the meeting) or shall at the direction of the meeting,~~ adjourn the meeting from time to time (or indefinitely) and from place to place ~~as the meeting shall determine,~~ but no business shall be transacted at any adjourned or postponed meeting other than the business which might lawfully have been transacted at the meeting had the adjournment or the postponement not taken place. Notice of a postponement must be given to all Members by any means as the Board may determine. 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 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.

66.(1) 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 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 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. 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 present in person (or being a corporation, is present by a duly authorized 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 poll) may be cast by such means, electronic or otherwise, as the Directors or the chairman of the meeting may determine.

73 (1) 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.

Provisions in the Second Amended and Restated Articles of Association (only Article No. showing changes to existing Articles of Association)

(2) All Members shall 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.

(3) Where the Company has knowledge that any Member is, under the ~~rules of the Designated Stock Exchange Listing Rules~~, 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.

81.(2) 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 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 shall specify the number and class of shares in respect of which each such representative 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 to vote and, where a show of hands is allowed, the right to vote individually on a show of hands.

83 (1) 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 84 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 or until their successors are elected or appointed or their office is otherwise vacated.

(2) 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) 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 general meeting of Members after his appointment and be subject to re-election at such meeting and any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following first annual general meeting of the Company after his appointment and shall then be eligible for re-election.

APPENDIX III AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Article No. Provisions in the Second Amended and Restated Articles of Association (only showing changes to existing Articles of Association)

(4) 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) 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).

(6) 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 of 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).

85 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 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 such Notices must be lodged with the Company at least fourteen (14) days prior to the date of the general meeting appointed for such election) the period for lodgment of such Notice(s) shall commence on but no earlier than the day after the despatch of the a~~ 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.

100.(1) 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:-~~

Provisions in the Second Amended and Restated Articles of Association (only Article No. showing changes to existing Articles of Association)

- (a) ~~to such~~ the Director or his close associate(s) ~~any security or indemnity~~ in respect of money lent ~~by him or any of his close associate(s)~~ or obligations incurred or undertaken by him or any of ~~his close associate(s)~~ them at the request of or for the benefit of the Company or any of its subsidiaries; or
- (b) ~~any contract or arrangement for the giving of any security or indemnity~~ to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his close associate(s) 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~~) ~~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 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; or~~
- (~~viii~~) any proposal or arrangement concerning the benefit of employees of the Company or its subsidiaries including:
- (a) the adoption, modification or operation of a ~~any employees' share scheme or any share incentive or share option scheme;~~ under which the Director or his close associate(s) may benefit; or
- (b) the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme ~~or other arrangement~~ which relates both to ~~Directors or the Director,~~ his close associate(s) and ~~the employees employee(s)~~ of the Company or of 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 ~~accorded~~ generally accorded to the class of persons to which such scheme or fund relates;
- (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.

APPENDIX III AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Provisions in the Second Amended and Restated Articles of Association (only Article No. showing changes to existing Articles of Association)

- 112 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 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.(2) Directors may participate in any meeting of the Board by means of a conference telephone, electronic 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.
- 115 The Board may elect a one or more 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 no~~ chairman ~~nor any or~~ 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.
- 124 (1) The officers of the Company shall consist of ~~a~~ at least one 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~~ Directors may elect more than one chairman in such manner as the Directors may determine.
- (3) The officers shall receive such remuneration as the Directors may from time to time determine.
- 134 Dividends (including interim 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 (including interim 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~~.

Provisions in the Second Amended and Restated Articles of Association (only showing changes to existing Articles of Association)

- 136 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 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.
- 144 (1) 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.

Provisions in the Second Amended and Restated Articles of Association (only Article No. showing changes to existing Articles of Association)

(2) Notwithstanding any provisions in these Articles, the Board may resolve 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 the profit and loss account) whether or not the same is available for distribution by applying such sum in paying up unissued shares to be allotted to (i) employees (including directors) of the Company and/or its affiliates (meaning any individual, corporation, partnership, association, joint-stock company, trust, unincorporated association or other entity (other than the Company) that directly, or indirectly through one or more intermediaries, controls, is controlled by or is under common control with, the Company) upon exercise or vesting of any options or awards granted under any share incentive scheme or employee benefit scheme or other arrangement which relates to such persons that has been adopted or approved by the Members at a general meeting, or (ii) any trustee of any trust to whom shares are to be allotted and issued by the Company in connection with the operation of any share incentive scheme or employee benefit scheme or other arrangement which relates to such persons that has been adopted or approved by the Members at a general meeting.

APPENDIX III AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Provisions in the Second Amended and Restated Articles of Association (only Article No. showing changes to existing Articles of Association)

- 149 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 or to more than one of the joint holders of any shares or debentures.
- 152 (1) 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) 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
- 154 The remuneration of the Auditor shall be fixed by ~~the Company in an ordinary resolution passed at a general meeting~~ or in such manner as the Members may by ordinary resolution determine.
- 155 ~~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. 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 152(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 152(1) at such remuneration to be determined by the Members under Article 154.~~
- 159(d) may be given to a Member either in the English language only or in both the English language and the Chinese language or, with the consent of or election by any member, in the Chinese language only to such member, subject to due compliance with all applicable Statutes, rules and regulations.

Provisions in the Second Amended and Restated Articles of Association (only Article No. showing changes to existing Articles of Association)

- 161 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. The signature to any Notice or document to be given by the Company may be written, printed or in electronic form.
- 162 (1) ~~The Subject to Article 162(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) ~~A~~Unless otherwise provided by the Act, a resolution that the Company be wound up by the court or to be wound up voluntarily shall be a special resolution.
- 163 (1) 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 ~~m~~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) 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.

Provisions in the Second Amended and Restated Articles of Association (only showing changes to existing Articles of Association)

- (3) — ~~In the event of winding-up of the Company in Hong Kong, 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.~~
- 164.(1) 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~~every one of them, and ~~everyone~~every one of their heirs, executors and administrators, shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them, their or any of their heirs, executors or administrators, shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, in their respective offices or trusts; 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.
- 165 Unless otherwise determined by the Directors, the financial year of the Company shall end on the 31st of August in each year.

The Board would like to remind the Shareholders that the Amended and Restated Articles are prepared in English with no official Chinese version, and the English version of the Articles of Association shall always prevail in case of any discrepancy or inconsistency between English version and its Chinese translation. The proposed amendments are subject to the approval of the Shareholders by way of a special resolution at the Annual General Meeting.

NOTICE OF ANNUAL GENERAL MEETING



Virscend Education Company Limited

成實外教育有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1565)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of Virscend Education Company Limited (the “Company”) will be held at No. 2 Meeting Room, 10th Floor of Chengdu Tianren Hotel, No. 18 Sandongqiao Road, Jinniu District, Chengdu, Sichuan Province, the PRC on Friday, 24 February 2023 at 3:00 p.m. for the purpose of considering and, if thought fit, passing (with or without amendments) the following resolutions :

ORDINARY RESOLUTIONS

1. To receive and adopt the audited consolidated financial statements of the Company for the year ended 31 August 2022 and the reports of the directors of the Company (the “Directors”) and the auditor of the Company therein.
2. (A) To re-elect the following retiring directors of the Company:
 - (i) Mr. Yan Yude as an executive Director
 - (ii) Mr. Deng Bangkai as an executive Director
 - (iii) Mr. Chan Kim Sun as an independent non-executive Director(B) To authorise the board of Directors (the “Board”) to fix the remuneration of the Directors.
3. To re-appoint Elite Partners CPA Limited as auditor of the Company to hold office until the conclusion of the next annual general meeting of the Company and to authorise the Board to fix its remuneration for the year ending 31 August 2023.
4. To consider and, if thought fit, pass with or without modification the following resolutions as ordinary resolutions:
 - (A) “That:
 - (i) subject to paragraph (iii) below, the exercise by the directors of the Company during the Relevant Period (as defined hereinafter) of all the powers of the Company to allot, issue and/or otherwise deal with additional shares of the Company (the “Shares”) or securities convertible into shares, or options, warrants or similar rights to subscribe for shares or such convertible securities

NOTICE OF ANNUAL GENERAL MEETING

of the Company and to make or grant offers, agreements and/or options (including bonds, warrants and debentures convertible into shares of the Company) which may require the exercise of such powers, be and is hereby generally and unconditionally approved;

- (ii) the approval in paragraph (i) above shall be in addition to any other authorisation given to the directors of the Company and shall authorise the Directors during the Relevant Period (as defined hereinafter) to make or grant offers, agreements and/or options which may require the exercise of such power after the end of the Relevant Period;
- (iii) the aggregate number of shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) by the Directors during the Relevant Period (as defined hereinafter) pursuant to paragraph (i) above, otherwise than pursuant to:
 - (1) any Rights Issue (as defined hereinafter);
 - (2) the grant or exercise of any option under any share option scheme of the Company (if applicable) or any other option, scheme or similar arrangements for the time being adopted for the grant or issue to the Directors, officers and/or employees of the Company and/or any of its subsidiaries and/or other eligible participants specified thereunder of options to subscribe for Shares or rights to acquire Shares;
 - (3) any scrip dividend or similar arrangement providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company; or
 - (4) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any existing convertible notes issued by the Company or any existing securities of the Company which carry rights to subscribe for or are convertible into Shares, shall not exceed the aggregate of:
 - (a) 20% of the number of issued shares of the Company as at the date of passing this resolution; and
 - (b) (if the Board is so authorised by resolution numbered 4(C)) the aggregate number of shares of the Company bought back by the Company subsequent to the passing of resolution numbered 4(B) (up to a maximum equivalent to 10% of the number of issued shares of the Company as at the date of passing resolution numbered 4(B)),

and the approval shall be limited accordingly; and

NOTICE OF ANNUAL GENERAL MEETING

- (iv) for the purpose of this resolution:
- (a) “Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:
- (1) the conclusion of the next annual general meeting of the Company;
 - (2) the expiry of the period within which the next annual general meeting of the Company is required by any applicable laws or the articles of association of the Company to be held;
 - (3) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the directors of the Company by this resolution; and
- (b) “Rights Issue” means an offer of Shares or an issue of warrants, options or other securities giving rights to subscribe for Shares, open for a period fixed by the Directors to holders of Shares on the register of members on a fixed record date in proportion to their then holdings of such Shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or, having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the exercise or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction applicable to the Company, any recognised regulatory body or any stock exchange applicable to the Company).”

(B) “That:

- (i) subject to paragraph (ii) of this resolution, the exercise by the Directors during the Relevant Period (as defined hereinafter) of all the powers of the Company to buy back Shares on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange on which the Shares may be listed and which is recognised for this purpose by the Securities and Futures Commission and the Stock Exchange under the Code on Share Buy-backs and, subject to and in accordance with all applicable laws and the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”), be and is hereby generally and unconditionally approved;

NOTICE OF ANNUAL GENERAL MEETING

- (ii) the aggregate number of the shares to be bought back pursuant to the approval in paragraph (i) of this resolution shall not exceed 10% of the number of issued shares of the Company as at the date of passing of this resolution, and the said approval shall be limited accordingly;
- (iii) subject to the passing of each of the paragraphs (i) and (ii) of this resolution, any prior approvals of the kind referred to in paragraphs (i) and (ii) of this resolution which had been granted to the Directors and which are still in effect be and are hereby revoked; and
- (iv) for the purpose of this resolution:

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

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the expiry of the period within which the next annual general meeting of the Company is required by any applicable laws or the articles of association of the Company to be held; and
- (c) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution.”

- (C) **“That** conditional upon the resolutions numbered 4(A) and 4(B) set out in this notice being passed, the general mandate granted to the Directors to exercise the powers of the Company to allot, issue and/or otherwise deal with new Shares and to make or grant offers, agreements and options which might require the exercise of such powers pursuant to the resolution numbered 4(A) set out in this notice be and is hereby extended by the addition to the number of the issued Shares which may be allotted or agreed conditional or unconditionally to be allotted by the Directors pursuant to such general mandate of an amount representing the number of the issued Shares bought back by the Company under the authority granted pursuant to resolution numbered 4(B) set out in this notice, provided that such extended amount shall represent up to 10% of the number of issued Shares as at the date of passing of the said resolutions.”

NOTICE OF ANNUAL GENERAL MEETING

SPECIAL RESOLUTION

5. To consider and, if thought fit, to pass (with or without amendments) the following resolution as special resolution:

“**THAT:**

- (a) the proposed amendments (the “**Proposed Amendments**”) to the existing articles of association of the Company, the details of which are set forth in Appendix III to the circular of the Company dated 29 December 2022 (the “**Circular**”), be and are hereby approved;
- (b) the second amended and restated articles of association of the Company (incorporating the Proposed Amendments) (the “**Amended and Restated Articles**”) in the form of the document marked “A” and produced to this meeting and for the purpose of identification initialed by the chairman of the meeting, be and is hereby approved and adopted in substitution for, and to the exclusion of, the existing articles of association of the Company with immediate effect; and
- (c) any one director, secretary or registered office provider of the Company be and is hereby authorised to do all such acts and things and execute all such documents, deeds and make all such arrangements that he/she shall, in his absolute discretion, deem necessary or expedient to give effect to the Proposed Amendments and the adoption of the Amended and Restated Articles and to make relevant registrations and filings in accordance with the relevant requirements of the applicable laws, rules and regulations in the Cayman Islands and Hong Kong.”

By order of the Board
Virscend Education Company Limited
Wang Xiaoying
Chairwoman

Hong Kong, 29 December 2022

As at the date of this notice, the executive directors of the Company are Ms. Wang Xiaoying, Mr. Ye Jiayu, Mr. Yan Yude and Mr. Deng Bangkai; and the independent non-executive directors are Mr. Sit Chiu Wing, Mr. Chan Kim Sun and Mr. Wen Ruizheng.

Registered office:

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

*Headquarters and principal place
of business in the PRC:*

No. 18 Sandongqiao Road
Jinniu District
Chengdu
The PRC

Principal place of business in Hong Kong:

40/F, Dah Sing Financial Centre
No. 248 Queen’s Road East
Wanchai
Hong Kong

NOTICE OF ANNUAL GENERAL MEETING

Notes:

- (i) Resolution numbered 4(C) will be proposed to the shareholders for approval provided that resolutions numbered 4(A) and 4(B) are passed by the shareholders of the Company.
- (ii) A shareholder entitled to attend and vote at the above meeting is entitled to appoint one or (in respect of a shareholder who is a holder of two or more shares) more proxies to attend, speak and vote in his/her stead. The proxy does not need to be a shareholder of the Company.
- (iii) Where there are joint registered holders of any shares, any one of such persons may vote at the above meeting (or at any adjournment of it), either personally or by proxy, in respect of such shares as if he/she were solely entitled thereto but if more than one of such joint holders are present at any meeting, the vote of the senior holder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other joint holders and, for this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding.
- (iv) In order to be valid, the completed form of proxy must be deposited at the Hong Kong branch share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority (such certification to be made by either a notary public or a solicitor qualified to practice in Hong Kong), at least 48 hours before the time appointed for holding the above meeting (i.e. before 3:00 p.m. on Wednesday, 22 February 2023) or any adjournment thereof (as the case may be). The completion and return of the form of proxy shall not preclude shareholders of the Company from attending and voting in person at the above meeting (or any adjourned meeting thereof) if they so wish and in such event, the instrument appointing a proxy shall be deemed to be revoked.
- (v) The register of members of the Company will be closed from Tuesday, 21 February 2023 to Friday, 24 February 2023, both days inclusive, in order to determine the identity of the shareholders who are entitled to attend the AGM to be held on Friday, 24 February 2023, during which period no share transfers will be registered. Shareholders whose names appear on the register of members of the Company on Friday, 24 February 2023 are entitled to attend and vote at the AGM. To be eligible to attend the AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Monday, 20 February 2023.
- (vi) In respect of resolutions numbered 2(A) above, Mr. Yan Yude, Mr. Deng Bangkai and Mr. Chan Kim Sum shall retire and being eligible, offered themselves for re-election at the above meeting. Details of the above retiring directors are set out in Appendix I to the circular dated 29 December 2022.

NOTICE OF ANNUAL GENERAL MEETING

(vii) In respect of the resolution numbered 4(A) above, the directors of the Company wish to state that they have no immediate plans to issue any new shares of the Company referred therein. Approval is being sought from the shareholders of the Company as a general mandate for the purposes of the Listing Rules.

(viii) In respect of resolution numbered 4(B) above, the directors of the Company wish to state that they will exercise the powers conferred by the general mandate to buy back shares of the Company in circumstances which they deem appropriate and for the benefits of shareholders of the Company. The explanatory statement containing the information necessary to enable shareholders to make an informed decision on whether to vote for or against the ordinary resolution to approve the purchase by the Company of its own shares is set out in Appendix II to the circular dated 29 December 2022.