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If you have sold or transferred all your shares in Xinji Shaxi Group Co., Ltd, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other registered dealer in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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**信基沙溪集团股份有限公司**  
**XINJI SHAXI GROUP CO., LTD**

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

(Stock Code: 3603)

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

A notice convening the Annual General Meeting of the Company to be held at Conference Room, 2nd Floor, Xinjicheng Club, No. 250, Intersection of Nanda Road, Panyu District, Guangzhou, PRC on Thursday, 25 May 2023 at 11:00 a.m. is set out on pages 46 to 50 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 at [www.hkexnews.hk](http://www.hkexnews.hk) and the website of the Company at [www.xjsx.net.cn](http://www.xjsx.net.cn). 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 Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not later than 11:00 a.m. on Tuesday, 23 May 2023 (being not less than 48 hours before the time of the Annual General Meeting) or any adjournment thereof (as the case may be). 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.

25 April 2023



## DEFINITIONS

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

“Annual General Meeting” or “AGM”	the annual general meeting of the Company to be held at Conference Room, 2nd Floor, Xinjicheng Club, No. 250, Intersection of Nanda Road, Panyu District, Guangzhou, PRC on Thursday, 25 May 2023 at 11:00 a.m. to consider and, if appropriate, to approve the resolutions set out on pages 46 to 50 of this circular, or its adjournment
“Articles of Association”	the articles of association of the Company, as amended from time to time
“Board”	the board of Directors
“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”	Xinji Shaxi Group Co., Ltd (信基沙溪集团股份有限公司), a company incorporated on 27 July 2018 under the laws of the Cayman Islands as an exempted company with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 3603)
“Controlling Shareholder(s)”	has the meaning ascribed thereto in the Listing Rules and unless the context requires otherwise, refers to all controlling shareholders of the Company, namely Mr. Cheung Hon Chuen, Mr. Mei Zuoting, Mr. Zhang Weixin, Honchuen Investment Limited, Zuoting Investment Limited and Weixin Development Overseas Limited
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

## DEFINITIONS

“INED(s)”	independent non-executive Director(s)
“Issue Mandate”	a general and unconditional mandate proposed to be granted to the Directors at the Annual General Meeting to exercise the powers of the Company to allot, issue or deal with new Shares not exceeding 20 per cent of the aggregate number of issued Shares of the Company as at the date of passing the relevant resolution
“Latest Practicable Date”	17 April 2023, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Memorandum of Association” or “Memorandum”	the memorandum of association of the Company, as amended from time to time
“Nomination Committee”	the nomination committee of the Company
“PRC” or “China”	the People’s Republic of China, and for the purpose of this circular, does not include Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Proposed Amendments”	the proposed amendments to be made to the existing Memorandum and Articles of Association as set out in Appendix III of this circular
“Remuneration Committee”	the remuneration committee of the Company
“Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors at the Annual General Meeting to exercise the powers of the Company to repurchase Shares not exceeding 10 per cent of the aggregate number of issued Shares of the Company as at the date of passing of the relevant resolution
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time

## DEFINITIONS

“Share(s)”	the ordinary share(s) with par value of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the issued Share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission of Hong Kong

*If there is any inconsistency between the Chinese names of entities or enterprises established in the PRC and their English translations, the Chinese names shall prevail. The English translation of company names in Chinese or another language which are marked with “\*” and the Chinese translation of company names in English which are marked with “\*” is for identification purpose only.*

LETTER FROM THE BOARD



**信基沙溪集团股份有限公司**  
**XINJI SHAXI GROUP CO., LTD**

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

**(Stock Code: 3603)**

*Executive Directors:*

Mr. Cheung Hon Chuen

Mr. Mei Zuoting

Mr. Zhang Weixin

*Non-executive Directors:*

Mr. Yu Xuecong

Mr. Lin Lie

Ms. Wang Yixue

*Independent non-executive Directors:*

Dr. Zeng Zhaowu

Mr. Tan Michael Zhen Shan

Dr. Zheng Decheng

*Registered office:*

71 Fort Street

PO Box 500

George Town

Grand Cayman KY1-1106

Cayman Islands

*Principal place of business in Hong Kong:*

Rooms 301-303

3/F Golden Gate Commercial Building

136-138 Austin Road

Tsim Sha Tsui

Kowloon, Hong Kong

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

1st Floor, Xinjicheng Club

No. 250, Intersection of Nanda Road

Panyu District, Guangzhou

PRC

25 April 2023

*To the Shareholders*

Dear Sir and Madam,

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

**INTRODUCTION**

The purpose of this circular is to provide the Shareholders with the notice of Annual General Meeting and information in respect of the following proposals to be put forward at the Annual General Meeting, including, among others: (i) the granting of the Issue Mandate to the Directors; (ii) the granting of the Repurchase Mandate to the Directors; (iii) the re-election of the retiring Directors; and (iv) the proposed adoption of the amended and restated Memorandum and Articles of Association.

## LETTER FROM THE BOARD

### ISSUE MANDATE

In order to ensure greater flexibility and give discretion to the Directors in the event that it becomes desirable for the Company to issue new Shares, approval is to be sought from the Shareholders, pursuant to the Listing Rules, for the granting of the Issue Mandate to the Directors to issue Shares. The ordinary resolution numbered 4 will be proposed at the Annual General Meeting to grant to the Directors the Issue Mandate to exercise the powers of the Company to allot, issue and otherwise deal with new shares in the share capital of the Company up to 20 per cent of the total 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, the issued share capital of the Company comprised 1,500,000,000 Shares. Subject to the passing of the above ordinary resolution and on the basis that there is no change in the number of the issued Shares during the period between the Latest Practicable Date and the date of the Annual General Meeting, the maximum number of Shares which may be allotted, issued and otherwise dealt with pursuant to the Issue Mandate will be 300,000,000 Shares, being 20 per cent of the total number of issued Shares as at the date of passing of the resolution to approve the Issue Mandate.

The Issue Mandate will expire at the earliest of (i) the conclusion of the next annual general meeting of the Company following the Annual General Meeting; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable laws to be held; or (iii) the date upon which such authority is revoked or varied by the ordinary resolutions passed by the Shareholders at general meeting prior to the next annual general meeting of the Company.

The Directors wish to state that they have no immediate plan to issue any Shares pursuant thereto.

### REPURCHASE MANDATE

In addition, the ordinary resolution numbered 5 will be proposed at the Annual General Meeting to grant the Repurchase Mandate to the Directors to exercise the powers of the Company to repurchase issued Shares representing up to 10 per cent of the total number of issued Shares as at the date of passing of the resolution in relation to the Repurchase Mandate. As at the Latest Practicable Date, the Company did not repurchase any issued Shares. Assuming that there is no change in the number of the issued Shares during the period between the Latest Practicable Date and the date of the Annual General Meeting, the maximum number of Shares which may be repurchased pursuant to the Repurchase Mandate will be 150,000,000 Shares, being 10 per cent of the total number of issued Shares as at the date of passing of such resolution. The Repurchase Mandate will expire at the earliest of (i) the conclusion of the next annual general meeting of the Company following the Annual General Meeting; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable laws to be held; or (iii) the date upon which such authority is revoked or varied by the ordinary resolutions passed by the Shareholders at general meeting prior to the next annual general meeting of the Company.

## LETTER FROM THE BOARD

If the Company conducts a share consolidation or subdivision after the Issue Mandate or the Repurchase Mandate has been approved at the Annual General Meeting, the maximum number of Shares that may be allotted, issued and otherwise dealt with under the Issue Mandate or repurchased under the Repurchase Mandate (as the case may be) as a percentage of the total number of issued Shares immediately before and after the date of such consolidation or subdivision shall be the same.

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

Subject to the passing of the ordinary resolutions to grant the Issue Mandate and the Repurchase Mandate, the ordinary resolution numbered 6 will be proposed at the Annual General Meeting to extend the Issue Mandate by including the number of Shares repurchased under the Repurchase Mandate. The Directors wish to state that they have no immediate plan to repurchase any Shares pursuant thereto.

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

In accordance with Article 108 of the Articles of Association, Mr. Cheung Hon Chuen, Mr. Mei Zuoting and Mr. Lin Lie shall retire by rotation and shall be eligible for re-election at the Annual General Meeting.

### **Procedure and Process for Nomination of INEDs**

The Nomination Committee will recommend to the Board for the appointment of an INED in accordance with the following procedures and processes:

- i. The Nomination Committee will, giving due consideration to the current composition and size of the Board, develop a list of desirable skills, perspectives and experience at the outset to focus the search effort;
- ii. The Nomination Committee may consult any source it considers appropriate in identifying or selecting suitable candidates, such as referrals from existing Directors, advertising, recommendations from a third party agency firm and proposals from the Shareholders with due consideration given to the criteria which include but are not limited to:
  - (a) diversity in the aspects, amongst others, of gender, age, cultural and educational background, professional experience, skills, knowledge and length of service;
  - (b) commitment for responsibilities of the Board in respect of available time and relevant interest;
  - (c) qualifications, including accomplishment and experience in the relevant industries in which the Group's business is involved;

## LETTER FROM THE BOARD

- (d) independence;
  - (e) reputation for integrity;
  - (f) potential contributions that the individual can bring to the Board; and
  - (g) plan(s) in place for the orderly succession of the Board.
- iii. The Nomination Committee may adopt any process it considers appropriate in evaluating the suitability of the candidates, such as interviews, background checks, presentations and third party reference checks;
  - iv. Upon considering a candidate suitable for the directorship, the Nomination Committee will hold a meeting and/or by way of written resolutions to, if thought fit, approve the recommendation to the Board for appointment;
  - v. The Nomination Committee will provide the relevant information of the selected candidate to the Remuneration Committee for consideration of the remuneration package of such selected candidate;
  - vi. The Nomination Committee will thereafter make recommendation to the Board in relation to the proposed appointment, and the Remuneration Committee will make recommendation to the Board on the policy and structure for remuneration;
  - vii. The Board may arrange for the selected candidate to be interviewed by the members of the Board who are not members of the Nomination Committee and the Board will thereafter deliberate and decide the appointment as the case may be; and
  - viii. All appointment of INEDs will be confirmed by the filing of the consent to act as a Director of the relevant INED (or any other similar filings requiring the relevant INED to acknowledge or accept the appointment as a Director, as the case may be) to be filed with the relevant regulatory authorities, if required.

### **Recommendation of the Nomination Committee**

The Nomination Committee had assessed and reviewed the annual written confirmation of independence of each of the INEDs for the year ended 31 December 2022 based on the independence criteria as set out in Rule 3.13 of the Listing Rules and confirmed that all of them remain independent. In addition, the Nomination Committee had evaluated the performance of each of the retiring Directors for the year ended 31 December 2022 and found their performance satisfactory. Therefore, the Nomination Committee nominated the retiring Directors to the Board for it to propose to the Shareholders for re-election at the AGM.

## LETTER FROM THE BOARD

Accordingly, with the recommendation of the Nomination Committee, the Board has proposed that, all the retiring Directors, namely Mr. Cheung Hon Chuen, Mr. Mei Zuoting and Mr. Lin Lie, to stand for re-election as Directors at the AGM by way of separate resolutions.

Brief biographical details of the above retiring Directors proposed for 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.

### **PROPOSED ADOPTION OF AMENDED AND RESTATED MEMORANDUM AND ARTICLES OF ASSOCIATION**

Reference is made to the announcement of the Company dated 30 March 2023.

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 set out in Appendix 3 of the Listing Rules.

The Board proposed to amend the existing Memorandum and Articles of Association to (i) bring the Memorandum and Articles of Association in line with the amendments made to the Listing Rules; (ii) enable the Company to convene and hold electronic or hybrid general meetings of the Shareholders and provide provisions regulating the conduct and proceedings of such general meetings; (iii) reflect the prevailing requirements under the applicable laws of the Cayman Islands; and (iv) incorporate certain corresponding and housekeeping amendments to the existing Memorandum and Articles of Association. 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 Proposed Amendments conform to the requirements of the Listing Rules and are not inconsistent with the laws of the Cayman Islands, respectively. The Company also confirms that there is nothing unusual about the Proposed Amendments for a company listed on the Stock Exchange.

The proposed adoption of the new amended and restated Memorandum and Articles of Association incorporating and consolidating the Proposed Amendments is subject to the passing of a special resolution at the AGM. The Proposed Amendments are prepared in the English language and the Chinese translation is for reference only. In case there are any inconsistencies between the English version and the Chinese version, the English version shall prevail.

## LETTER FROM THE BOARD

### CLOSURE OF REGISTER OF MEMBERS

For the purpose of ascertaining the Shareholders' entitlement to attend and vote at the Annual General Meeting, the register of members of the Company will be closed from Monday, 22 May 2023 to Thursday, 25 May 2023, both days inclusive, during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the Annual General Meeting, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Friday, 19 May 2023.

### NOTICE OF ANNUAL GENERAL MEETING

Set out on pages 45 to 49 of this circular is the notice of Annual General Meeting at which, inter alia, ordinary resolutions will be proposed to the Shareholders to consider and approve, among others, (i) the granting of the Issue Mandate to the Directors; (ii) the granting of the Repurchase Mandate to the Directors; (iii) the re-election of the retiring Directors. A special resolution will be proposed to the Shareholders to consider and approve the adoption of the amended and restated Memorandum and Articles of Association.

### FORM OF PROXY

A form of proxy for use at the Annual General Meeting is enclosed. Such form of proxy is also published on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the website of the Company at [www.xjxx.net.cn](http://www.xjxx.net.cn). 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 Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 11:00 a.m. on Tuesday, 23 May 2023 (being not less than 48 hours before the time of the Annual General Meeting) or any adjournment thereof (as the case may be). Completion and delivery of the form of proxy will not preclude you from attending and voting in person at the Annual General Meeting or any adjournment thereof if you so wish.

### VOTING BY WAY OF POLL

Pursuant to Rule 13.39(4) of the Listing Rules and article 72 of the Articles of Association, any vote of shareholders at a general meeting must be taken by 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 show of hands. Accordingly, each of the proposed resolutions set out in the notice of Annual General Meeting will be taken by way of poll, and the Company will announce the poll results in the manner prescribed under Rule 13.39(5) of the Listing Rules.

On a poll, every Shareholder present in person or by proxy or (being a corporation) by its duly authorised representative shall have one vote for each Share registered in his/her/its name in the register. A Shareholder entitled to more than one vote needs not use all his/her/its votes or cast all the votes he/she/it uses in the same way.

## LETTER FROM THE BOARD

### RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, 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 contained in this circular misleading.

### RECOMMENDATION

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

Yours faithfully  
By order of the Board  
**Xinji Shaxi Group Co., Ltd**  
**Cheung Hon Chuen**  
*Chairman*

*The following are the particulars of the Directors proposed to be re-elected at the Annual General Meeting and which are required to be disclosed under the Listing Rules.*

## EXECUTIVE DIRECTORS

### Mr. Cheung Hon Chuen

Mr. Cheung Hon Chuen, aged 57, has been an executive Director since 2018. He is also the chairman of the Board and the chief executive officer of our Group. He is primarily responsible for formulating strategic direction and overseeing the management and business operation of our Group. He is one of the founders of our Group, one of our Controlling Shareholders, and the president of each of our operating subsidiaries in the PRC since their respective date of incorporation. Mr. Cheung is the industry leader and industry development vane for China hospitality supplies industry. In 2006, he established the Guangdong Hotel Supplies Industry Association\* (廣東省酒店用品行業協會) and was the chairman of the association from June 2006 to February 2013. He further established China Hotel Supplies Association (“CHSA”) in June 2013 and has been the chairman of CHSA since then. CHSA is a state-level industrial association of companies in hospitality supplies industry authorised by the Ministry of Civil Affairs of the PRC (中華人民共和國民政部). Currently, it has over 2,000 members in China.

Under article 108 of the Articles of Association, Mr. Cheung is subject to retirement by rotation and re-election at the AGM. The Director’s emoluments of Mr. Cheung for the year ended 31 December 2022 amounted to RMB210,000.

His Director’s emoluments are to be determined by the Board after the recommendation from the Remuneration Committee by reference to his time commitment and responsibilities, the Company’s performance and the prevailing market conditions.

As at the Latest Practicable Date, Mr. Cheung is deemed to have an interest in 782,910,000 Shares, representing approximately 52.2% of the issued share capital of the Company, within the meaning of Part XV of the SFO. Pursuant to the concert parties agreement dated 28 December 2018 (“CP Agreement”) entered into between Mr. Cheung, Mr. Mei Zuoting and Mr. Zhang Weixin, they confirmed they are acting in concert to consolidate their control over the Group through Honchuen Investment Limited, Zuoting Investment Limited and Weixin Development Overseas Limited.

Save as disclosed above, Mr. Cheung (i) does not have any other interest in the Shares within the meaning of Part XV of the SFO; (ii) does not hold any other directorships in any public companies the securities of which are listed on any securities market in Hong Kong or overseas in the past three years; and (iii) does not have any other relationship with any Directors, senior management, substantial Shareholders or Controlling Shareholders of the Company.

Save as disclosed above, there is no information concerning Mr. Cheung is required to be disclosed pursuant to Rule 13.51(2)(h) to Rule 13.51(2)(v) of the Listing Rules and there is no other matter that needs to be brought to the attention of the Shareholders in respect of the proposed re-election of the Director.

**Mr. Mei Zuoting**

Mr. Mei Zuoting, aged 68, has been an executive Director since 2019. He is primarily responsible for overseeing the management and business operation of our Group. He is one of the founders of our Group and one of our Controlling Shareholders.

Mr. Mei obtained a diploma of Master of Business Administration (long distance course) from University of Northern Virginia (non-accredited) in the United States in June 2009.

Under article 108 of the Articles of Association, Mr. Mei is subject to retirement by rotation and re-election at the AGM. The Director's emoluments of Mr. Mei for the year ended 31 December 2022 amounted to RMB200,000.

His Director's emoluments are to be determined by the Board after the recommendation from the Remuneration Committee by reference to his time commitment and responsibilities, the Company's performance and the prevailing market conditions.

As at the Latest Practicable Date, Mr. Mei is deemed to have an interest in 782,910,000 Shares, representing approximately 52.2% of the issued share capital of the Company, within the meaning of Part XV of the SFO. Pursuant to the CP Agreement entered into between Mr. Mei, Mr. Cheung Hon Chuen and Mr. Zhang Weixin, they confirmed they are acting in concert to consolidate their control over the Group through Zuoting Investment Limited, Honchuen Investment Limited and Weixin Development Overseas Limited.

Save as disclosed above, Mr. Mei (i) does not have any other interest in the Shares within the meaning of Part XV of the SFO; (ii) does not hold any other directorships in any public companies the securities of which are listed on any securities market in Hong Kong or overseas in the past three years; and (iii) does not have any other relationship with any Directors, senior management, substantial Shareholders or Controlling Shareholders of the Company.

Save as disclosed above, there is no information concerning Mr. Mei is required to be disclosed pursuant to Rule 13.51(2)(h) to Rule 13.51(2)(v) of the Listing Rules and there is no other matter that needs to be brought to the attention of the Shareholders in respect of the proposed re-election of the Director.

**Non-Executive Director**

**Mr. Lin Lie**

Mr. Lin Lie, aged 28, has served as a non-executive Director since 1 March 2020. He is primarily responsible for formulating strategic direction and development plan of our Group. He has solid experience in global investment management. Since 2017, Mr. Lin has been the president of Crescendo Greater China Limited, a company which he founded and is licensed by the Securities and Futures Commission to carry out type 4 (advising on securities) and type 9 (asset management) regulated activities, and the executive director

## APPENDIX I DETAILS OF RETIRING DIRECTORS PROPOSED FOR RE-ELECTION

of Avant Investment (HK) Limited, a global investment management company. Mr. Lin obtained his bachelor's degree in finance from the University of San Francisco in 2016.

There is a letter of appointment between the Company and Mr. Lin for a term of three years and he is subject to retirement by rotation and re-election at the AGM in accordance with article 108 of the Articles of Association.

The Director's emoluments of Mr. Lin amounted to HK\$80,000 per annum. His Director's emoluments are to be determined by the Board after recommendation from the Remuneration Committee by reference to his time commitment and responsibilities, the Company's performance and the prevailing market conditions.

Other than the above disclosure, Mr. Lin (i) does not have any interest in the Shares within the meaning of Part XV of the SFO; (ii) does not hold any other directorships in any public companies the securities of which are listed on any securities market in Hong Kong or overseas in the past three years; and (iii) does not have any other relationship with any Directors, senior management, substantial Shareholders or Controlling Shareholders of the Company.

Save as disclosed above, there is no information concerning Mr. Lin is required to be disclosed pursuant to Rule 13.51(2)(h) to Rule 13.51(2)(v) of the Listing Rules and there is no other matter that needs to be brought to the attention of the Shareholders in respect of the proposed re-election of the Director.

### **DIRECTOR'S REMUNERATION**

The total amount of the Directors' remuneration for the year ended 31 December 2022 received by each of the retiring Directors are set out in the financial statements of the Company's 2022 annual report. The Director's emoluments are to be determined by the Board after the recommendation from the Remuneration Committee by reference to the time commitment and responsibilities, the Company's performance and the prevailing market conditions.

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

## **SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,500,000,000 Shares. Subject to the passing of the resolution granting the Repurchase Mandate and on the basis that no further Shares are issued or repurchased after the Latest Practicable Date up to the date of the Annual General Meeting, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 150,000,000 Shares, which represent 10 per cent of the number of issued Shares as at the date of the Annual General Meeting, during the period ending on the earliest of (i) the conclusion of the next annual general meeting of the Company following the Annual General Meeting; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable laws to be held; or (iii) the date upon which such authority is revoked or varied by the ordinary resolutions passed by the Shareholders in general meeting prior to the next annual general meeting of the Company.

## **REASONS FOR REPURCHASES**

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

## **FUNDING OF REPURCHASES**

Repurchases of Shares will be financed out of funds legally available for the purpose and in accordance with the Articles of Association and the Companies Act. The Companies Act provides that the amount of capital repaid in connection with a share repurchase may be paid out of either the profits of the Company or the proceeds of a fresh issue of Shares made for the purposes of the repurchase or out of capital (including share premium account and capital redemption reserve) if the Company can, immediately following such payment, pay its debts as they fall due in the ordinary course of business.

## **IMPACT OF REPURCHASES**

There might be a material adverse impact on the working capital and/or gearing position of the Company (as compared with the position disclosed in the consolidated financial position of the Company as at 31 December 2022, being the date of the latest published audited financial statements of the Company) if the Repurchase Mandate were to be carried out in full at any time during the proposed repurchase period. However, the Directors do not intend to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements or the gearing position of the Company which in the opinion of the Directors are from time to time appropriate for the Company.

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

None of the Directors nor, to the best of their knowledge, having made all reasonable enquiries, any of their respective close associates, has any present intention to sell any Shares to the Company under the Repurchase Mandate in the event that the Repurchase Mandate is approved by the Shareholders.

No core connected person (as defined under the Listing Rules) of the Company 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 Repurchase Mandate is exercised.

If the Repurchase Mandate is exercised in full, the aggregate shareholding of Honchuen Investment Limited, Zuoting Investment Limited and Weixin Development Overseas Limited, which are wholly-owned by Mr. Cheung Hon Chuen, Mr. Mei Zuoting and Mr. Zhang Weixin, respectively, would be increased from approximately 52.2% to 58.0% of the issued share capital of the Company, based upon their shareholdings as at the Latest Practicable Date.

The Directors are not aware of any consequences which may give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code. The Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, give rise to an obligation to make a mandatory offer in accordance with Rule 26 of the Takeovers Code and/or result in the aggregate number of Shares held by the public Shareholders falling below the prescribed minimum percentage of 25% required by the Listing Rules.

**SHARE REPURCHASE MADE BY THE COMPANY**

During the six months prior to the Latest Practicable Date, the Company nor any of its subsidiaries has not repurchased any of its Shares (whether on the Stock Exchange or otherwise).

**UNDERTAKING**

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

**SHARE PRICES**

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

	<b>Price per Share</b>	
	<b>Highest</b>	<b>Lowest</b>
	<b>traded prices</b>	<b>traded prices</b>
	<i>HK\$</i>	<i>HK\$</i>
<b>2022</b>		
April	0.69	0.13
May	0.41	0.25
June	0.36	0.26
July	0.32	0.29
August	0.34	0.26
September	0.33	0.25
October	0.31	0.22
November	0.30	0.25
December	0.27	0.25
<b>2023</b>		
January	0.26	0.24
February	0.26	0.22
March	0.26	0.24
April (up to and including the Latest Practicable Date)	0.26	0.24

Details of the proposed amendments to the Memorandum and Articles of Association are set out as follows:

**Clause No.**      **Proposed amendments (showing changes to the existing Memorandum and Articles of Association)**

Cover

**AMENDED AND RESTATED  
MEMORANDUM  
AND  
ARTICLES  
OF  
ASSOCIATION**

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**Xinji Shaxi Group Co., Ltd**  
**信基沙溪集团股份有限公司**

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(as adopted by a Special Resolution passed on  
~~3 October 2019~~ and effective on ~~8 November~~  
~~2019~~ 25 May 2023)

~~Hong Kong Office~~  
~~2206-19 Jardine House~~  
~~1 Connaught Place~~  
Central  
Hong Kong

**Clause No.**      **Proposed amendments (showing changes to the existing Memorandum and Articles of Association)**

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Clause No. Proposed amendments (showing changes to the existing Memorandum of Association)

Cover

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

**AMENDED AND RESTATED  
MEMORANDUM OF ASSOCIATION  
OF**

**XINJI SHAXI GROUP CO., LTD  
信基沙溪集团股份有限公司**

**(~~Company~~COMPANY)**

**(adopted by a Special Resolution passed on  
~~3 October 2019 and effective on 8 November 2019~~ 25 May 2023)**

- The registered office will be ~~situatesituated~~ at the offices of Appleby Global Services (Cayman) Limited, 71 Fort Street, PO Box 500, George Town, Grand Cayman KY1-1106, Cayman Islands or at such other place in the Cayman Islands as the Directors may from time to time decide.
- If the Company is registered as an exempted company as defined in the Cayman Islands Companies ~~Law~~Act (as revised), it shall have the power, subject to the provisions of the Cayman Islands Companies ~~Law~~Act (as revised) and with the approval of a special resolution, to continue as a body incorporated under the laws of any jurisdiction outside of the Cayman Islands and to be de-registered in the Cayman Islands.

7. The authorised share capital of the Company is HK\$100,000,000 consisting of 10,000,000,000 ordinary shares of par value HK\$0.01 each with the power for the Company to increase or reduce the said share capital and to issue any part of its capital, whether original, redeemed or increased, with or without any preference, priority or special privilege or subject to any postponement of rights or to any conditions or restrictions; and so that, unless the condition of issue shall otherwise expressly declare, every issue of shares, whether declared to be preference or otherwise, shall be subject to the power hereinbefore contained.

**Article Proposed amendments (showing changes to the existing Articles of Association)**

- 1 (a) Table “A” of the Companies ~~Law~~Act (as revised) shall not apply to the Company.
- (b) Any marginal notes, titles or lead in references to Articles and the index of the Memorandum and Articles of Association shall not form part of the Memorandum or Articles of Association and shall not affect their interpretation. In interpreting these Articles of Association, unless there be something in the subject or context inconsistent therewith:

**Companies ~~Law~~Act:** means the Companies ~~Law~~Act (as revised) of the Cayman Islands as amended from time to time and every other act, order regulation or other instrument having statutory effect (as amended from time to time) for the time being in force in the Cayman Islands applying to or affecting the Company, the Memorandum of Association and/or the Articles of Association;

**electronic record:** has the same meaning as in the Electronic Transactions Act (as revised) of the Cayman Islands as amended from time to time;

**Listing Rules:** shall mean the Rules Governing the Listing of Securities on ~~the HK Stock Exchange of Hong Kong Limited~~ (as amended from time to time);

**Registered Office:** means the registered office of the Company for the time being as required by the Companies ~~Law~~Act;

**Relevant Period:** means the period commencing from the date on which any of the securities of the Company first become listed on the HK Stock Exchange to and including the date immediately before the day on which none of such securities are so listed (and so that if at any time ~~listing~~trading of any such securities is suspended for any reason whatsoever and for any length of time, they shall nevertheless be treated, for the purpose of this definition, as listed);

**Specified Place:** means the place, if any, specified in the notice of any general meeting or adjourned meeting, at which the chairman of the meeting shall preside;

- (c) In these Articles, unless there be something in the subject or context inconsistent herewith:
- (iii) subject to the foregoing provisions of this Article, any words or expressions defined in the Companies ~~Law~~Act (except any statutory modification thereof not in force when these Articles become binding on the Company) shall bear the same meaning in these Articles, save that “company” shall where the context permits include any company incorporated in the Cayman Islands or elsewhere; ~~and~~
  - (iv) references to any statute or statutory provision shall be construed as relating to any statutory modification or re-enactment thereof for the time being in force;
  - (v) a reference to anything being done by electronic means includes its being done by means of any electronic or other communications equipment or facilities and reference to any communication being delivered or received, or being delivered or received at a particular place, includes the transmission of an electronic record to a recipient identified in such manner or by such means as the Board may from time to time approve or prescribe, either generally or for a particular purpose; and
  - (vi) any reference in these Articles to votes cast or taken at a general meeting shall include all votes taken (in such manner as may be directed by the chairman of that meeting whether by a count of votes by show of hands and/or by the use of ballot or voting papers or tickets and/or by electronic means) of the Shareholders attending in person, by corporate representative or by proxy at that meeting.

- (d) At all times during the Relevant Period, a resolution shall be a Special Resolution when it has been passed by a majority of not less than  $\frac{3}{4}$  of the votes cast by such Shareholders as, being entitled so to do, vote in person or by proxy or, in the cases of Shareholders which are corporations, by their respective duly authorised representatives at a general meeting held in accordance with these Articles and of which notice specifying the intention to propose the resolution as a special resolution has been duly given.
- (e) A resolution shall be an Ordinary Resolution when it has been passed by a simple majority of the votes cast by such Shareholders as, being entitled so to do, vote in person or, by proxy or, in the cases of Shareholders which are corporations, by their respective duly authorised representatives at a general meeting held in accordance with these Articles ~~and of which not less than 14 days' notice has been duly given.~~
- (h) Section 8 and Section 19 of the Electronic Transactions Act (as revised) of the Cayman Islands, as amended from time to time, shall not apply to these Articles to the extent it imposes obligations or requirements in addition to those set out in these Articles.
- 5 (a) If at any time the share capital of the Company is divided into different classes of Shares, all or any of the special rights attached to any class (unless otherwise provided for by the terms of issue of the Shares of that class) may, subject to the provisions of the Companies Law Act, be varied or abrogated either with the consent in writing of the holders of not less than  $\frac{3}{4}$  ~~in nominal value~~ of the voting rights of the ~~issued~~ holder of Shares of that class or with the sanction of a Special Resolution passed at a separate general meeting of the holders of the Shares of that class. To every such separate general meeting the provisions of these Articles relating to general meetings shall *mutatis mutandis* apply, but so that the necessary quorum (other than at an adjourned meeting) shall be not less than two persons holding (or, in the case of a Shareholder being a corporation, by its duly authorized representative) or representing by proxy one-third ~~in nominal value~~ of the voting rights of the issued Shares of that class, ~~that the quorum for any meeting adjourned for want of quorum shall be two Shareholders present in person (or in the case of the Shareholder being a corporation, by its duly authorised representative) or by proxy (whatever the number of Shares held by them) and that any holder of Shares of the class present in person (or in the case of the Shareholder being a corporation, by its duly authorised representative) or by proxy may demand a poll.~~

- 6 The authorised share capital of the Company on the date of the adoption of these Articles is HK\$100,000,000 ~~divided into~~ consisting of 10,000,000,000 ordinary shares of par value HK\$0.01 each.
- 8 Any new Shares shall be issued upon such terms and conditions and with such rights, privileges or restrictions attached thereto as the general meeting resolving upon the creation thereof shall direct, and if no direction be given, subject to the provisions of the Companies ~~Law~~Act and of these Articles, as the Board shall determine; and in particular such Shares may be issued with a preferential or qualified right to participate in Dividends and in the distribution of assets of the Company and with a special right or without any right of voting.
- 11 (a) All unissued Shares and other securities of the Company shall be at the disposal of the Board and it may offer, allot (with or without conferring a right of renunciation), grant options over or otherwise dispose of them to such persons, at such times, for such consideration and generally on such terms (subject to Article 9) as it in its absolute discretion thinks fit, but so that no Shares shall be issued at a discount. The Board shall, as regards any offer or allotment of Shares, comply with the provisions of the Companies ~~Law~~Act, if and so far as such provisions may be applicable thereto.
- 12 (a) The Company may at any time pay commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any Shares or procuring or agreeing to procure subscriptions (whether absolute or conditional) for any Shares, but so that the conditions and requirements of the Companies ~~Law~~Act shall be observed and complied with, and in each case the commission shall not exceed 10% of the price at which the Shares are issued.
- (b) If any Shares are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings or the provision of any plant which cannot be made profitable within a period of one year, the Company may pay interest on so much of that share capital as is for the time being paid up for the period and, subject to any conditions and restrictions mentioned in the Companies ~~Law~~Act, may charge the sum so paid by way of interest to capital as part of the cost of construction of the works or buildings, or the provisions of the plant.

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The Company may from time to time by Ordinary Resolution:

- (a) increase its share capital as provided by Article 7;
- (b) consolidate or divide all or any of its share capital into Shares of larger or smaller amount than its existing Shares; and on any consolidation of fully paid Shares into Shares of larger amount, the Board may settle any difficulty which may arise as it thinks expedient and in particular (but without prejudice to the generality of the foregoing) may as between the holders of Shares to be consolidated determine which particular Shares are to be consolidated into a consolidated Share, and if it shall happen that any person shall become entitled to fractions of a consolidated Share or Shares, such fractions may be sold by some person appointed by the Board for that purpose and the person so appointed may transfer the Shares so sold to the purchaser thereof and the validity of such transfer shall not be questioned, and so that the net proceeds of such sale (after deduction of the expenses of such sale) may either be distributed among the persons who would otherwise be entitled to a fraction or fractions of a consolidated Share or Shares rateably in accordance with their rights and interest or may be paid to the Company for the Company's benefit;
- (c) divide its unissued Shares into several classes and attach thereto respectively any preferential, deferred, qualified or special rights, privileges or conditions;
- (d) sub-divide its Shares or any of them into Shares of smaller amount than is fixed by the Memorandum of Association, subject nevertheless to the provisions of the Companies Law Act, and so that the resolution whereby any Share is sub-divided may determine that, as between the holders of the Shares resulting from such sub-division, one or more of the Shares may have any such preferred or other special rights over, or may have such deferred rights or be subject to any such restrictions as compared with the others as the Company has power to attach to unissued or new Shares;
- (e) cancel any Shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the Shares so cancelled;

- (f) make provision for the issue and allotment of Shares which do not carry any voting rights; and
  - (g) change the currency of denomination of its share capital.
- 15 (a) Subject to the Companies ~~Law~~Act, or any other law or so far as not prohibited by any law and subject to any rights conferred on the holders of any class of Shares, the Company shall have the power to purchase or otherwise acquire all or any of its own Shares (which expression as used in this Article includes redeemable Shares) provided that the manner and terms of purchase have first been authorised by an Ordinary Resolution of the Shareholders, and to purchase or otherwise acquire warrants and other securities for the subscription or purchase of its own Shares, and shares and warrants and other securities for the subscription or purchase of any shares in any company which is its Holding Company and may make payment therefor in any manner and terms authorised or not prohibited by law, including out of capital, or to give, directly or indirectly, by means of a loan, a guarantee, an indemnity, the provision of security or otherwise howsoever, financial assistance for the purpose of or in connection with a purchase or other acquisition made or to be made by any person of any Shares or warrants or other securities in the Company or any company which is a Holding Company of the Company and should the Company purchase or otherwise acquire its own Shares or warrants or other securities neither the Company nor the Board shall be required to select the Shares or warrants or other securities to be purchased or otherwise acquired rateably or in any other manner and terms as between the holders of Shares or warrants or other securities of the same class or as between them and the holders of Shares or warrants or other securities of any other class or in accordance with the rights as to Dividends or capital conferred by any class of Shares provided always that any such purchase or other acquisition or financial assistance shall only be made in accordance with the relevant code, rules or regulations issued from time to time by the HK Stock Exchange and/or the Securities and Futures Commission of Hong Kong from time to time in force.

- (b) Subject to the provisions of the Companies LawAct and the Memorandum 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, at the option of the Company or the holders thereof, be liable to be redeemed on such terms and in such manner, including out of capital, as the Board may deem fit.
- (c) The purchase or redemption of any Share shall not be deemed to give rise to the purchase or redemption of any other Share.
- (d) The holder of the Shares being purchased or redeemed shall be bound to deliver up to the Company at the Head Office or such other place as the Board shall specify the certificate(s) thereof for cancellation and thereupon the Company shall pay to him the purchase or redemption monies in respect thereof.
- ~~(c) Where the Company purchases for redemption a redeemable Share, purchases not made through the market or by tender shall be limited to a maximum price, and if purchases are by tender, tenders shall be available to all Shareholders alike.~~
- ~~(d) The purchase or redemption of any Share shall not be deemed to give rise to the purchase or redemption of any other Share.~~
- ~~(e) The holder of the Shares being purchased or redeemed shall be bound to deliver up to the Company at the Head Office or such other place as the Board shall specify the certificate(s) thereof for cancellation and thereupon the Company shall pay to him the purchase or redemption monies in respect thereof.~~
- 17 (a) The Board shall cause to be kept the Register and there shall be entered therein the particulars required under the Companies LawAct.
- (b) Subject to the provisions of the Companies LawAct, if the Board considers it necessary or appropriate, the Company may establish and maintain a principal or branch register of Shareholders at such location as the Board thinks fit and, during the Relevant Period, the Company shall keep its principal or a branch register of Shareholders in Hong Kong.

- (d) The Register may be closed at such time or for such period not exceeding in the whole 30 days in each year as the Board may determine (or such longer period as the Shareholders may by Ordinary Resolution determine, provided that such period shall not be extended beyond 60 days in any year).
- 18 (a) Every person whose name is entered as a Shareholder in the Register shall be entitled to receive within the relevant time limit as prescribed in the Companies ~~Law~~Act or as the HK Stock Exchange may from time to time determine, whichever is shorter, after allotment or lodgement of a transfer (or within such other period as the conditions of issue shall provide or is required by the applicable rules of the stock exchange of the Relevant Territory) one certificate for all his Shares, or, if he shall so request, in a case where the allotment or transfer is of a number of Shares in excess of the number for the time being forming a stock exchange board lot for the purposes of the stock exchange of the Relevant Territory on which the Shares are listed upon payment of such sum (in the case of a transfer, not exceeding in the case of any share capital listed on a stock exchange in Hong Kong, ~~HK\$2.50 or~~ such ~~other~~ sum as may from time to time be allowed or not prohibited under the Listing Rules, and in the case of any other Shares, such sum in such currency as the Board may from time to time determine to be reasonable in the territory in which the relevant Register is situated, or otherwise such other sum as the Company may by Ordinary Resolution determine) for every certificate after the first as the Board may from time to time determine, such number of certificates for Shares in stock exchange board lots or whole multiples thereof as he shall request and one for the balance (if any) of the Shares in question, provided that in respect of a Share or Shares held jointly by several persons the Company shall not be bound to issue a certificate or certificates to each such person, and the issue and delivery of a certificate or certificates to one of the joint holders shall be sufficient delivery to all such holders.

- 22 If a share certificate is defaced, lost or destroyed, it may be replaced on payment of such fee, if any, (not exceeding, in the case of any share capital listed on a stock exchange in Hong Kong, ~~HK\$2.50~~ or such other sum as may from time to time be allowed or not prohibited under the Listing Rules, and, in the case of any other capital, such sum in such currency as the Board may from time to time determine to be reasonable in the territory in which the relevant Register is situated, or such other sum as the Company may by Ordinary Resolution determine) as the Board shall from time to time determine and on such terms and conditions, if any, as to publication of notices, evidence and indemnity as the Board thinks fit and in the case of wearing out or defacement, after delivery up of the old certificate. In the case of destruction or loss, the person to whom such replacement certificate is given shall also bear and pay to the Company all costs and out-of-pocket expenses incidental to the investigation by the Company of the evidence of such destruction or loss and of such indemnity.
- 39 Subject to the Companies ~~Law~~Act, all transfers of Shares shall be effected by transfer in writing in the usual or common form or in such other form as the Board may accept provided always that it shall be in such a form prescribed by the HK Stock Exchange and may be under hand only or, if the transferor or transferee is a Clearing House (or its nominee(s)), under hand or by machine imprinted signature or by such other means of execution as the Board may approve from time to time.
- 41 (c) Notwithstanding anything contained in these Articles, the Company shall as soon as practicable and on a regular basis record in the principal Register all removals of Shares effected on any branch Register and shall at all times maintain the principal Register and all branch Registers in all respects in accordance with the Companies ~~Law~~Act.

- 62            At all times during the Relevant Period ~~other than the year of the Company's adoption of these Articles~~, the Company shall in each financial year hold a general meeting as its annual general meeting in addition to any other meeting in that year and shall specify the meeting as such in the notice calling it; ~~and not more than 15 Months (or such longer period as may be authorised by the HK Stock Exchange) shall elapse between the date of one annual general meeting of the Company and that of the next.~~ The annual general meeting must be held within six (6) months after the end of the Company's financial year (unless a longer period would not infringe the Listing Rules, if any) and shall be held in the Relevant Territory or elsewhere as may be determined by the Board and at such time and (if applicable) place as the Board shall appoint. A meeting of the Shareholders or any class thereof may be held by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence at such meetings.
- 64            The Board may, whenever it thinks fit, convene an extraordinary general meeting. Extraordinary general meetings shall also be convened on the requisition of one or more Shareholders holding, at the date of deposit of the requisition, not less than one tenth of the paid-up voting rights (on a one vote per Share basis) in the share capital of the Company having the right of voting at general meetings. Such requisition shall be made in writing to the Board or the Secretary for the purpose of requiring an extraordinary general meeting to be called by the Board and adding resolutions to the agenda of the meeting for the transaction of any business specified in such requisition. Such meeting shall be held within two Months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitioner(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitioner(s) as a result of the failure of the Board shall be reimbursed to the requisitioner(s) by the Company.

- 64A                    A general meeting may be held by means of such telephone, electronic or other communication facilities (including, without limiting the generality of the foregoing, by telephone, or by video conferencing) as to permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting. A general meeting may be held, as may be determined by the Board from time to time: (a) by physical attendance and participation by the Shareholders at the Specified Place and where applicable, one or more places; (b) wholly by means of telephone, electronic or other communication facilities as mentioned above; or (c) by physical attendance at the Specified Place and where applicable, one or more places and at the same time by means of telephone, electronic or other communication facilities as mentioned above.
- 65                    An annual general meeting of the Company shall be called by at least 21 days' notice in writing, and a general meeting of the Company, other than an annual general meeting, shall be called by at least 14 days' notice in writing. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify ~~the place;~~ (a) the day, the hourtime and date of the agenda of the meeting and particulars of the resolutions to be considered at that meeting; (b) save for a meeting held wholly by means of telephone, electronic or other communication facilities, the places of the meeting and if there is more than one meeting location, the Specified Place; (c) if the general meeting is to be held wholly or partly by means of telephone, electronic or other communication facilities, the notice shall include a statement to that effect and with details of the communication facilities for attendance and participation or how such details will be made available by the Company prior to the meeting; and, (d) in case of special business (as defined in Article 67), the general nature of that business, and shall be given, in manner hereinafter mentioned or in such other manner, if any, as may be prescribed by the Company in general meeting, to such persons as are, under these Articles, entitled to receive such notices from the Company, provided that a meeting of the Company shall notwithstanding that it is called by shorter notice than that specified in this Article be deemed to have been duly called if it is so agreed:
- (a)    in the case of a meeting called as the annual general meeting, by all the Shareholders entitled to attend and vote thereat; and

- (b) in the case of any other meeting, by a majority in number of the Shareholders having a right to attend and vote at the meeting, being a majority together holding not less than 95% of the total voting rights at the meeting of all members of the Company.

65A

The provisions of this Article shall apply if any general meeting is convened at or adjourned to more than one place.

- (a) The notice of any general meeting or adjourned meeting shall specify the Specified Place and the Board shall make arrangements for simultaneous attendance and participation in a satellite meeting at other places (whether adjoining the Specified Place or in a different and separate place or places altogether or otherwise) by the Shareholders. The Shareholders present at any such satellite meeting place in person or by proxy and entitled to vote shall be counted in the quorum for, and shall be entitled to vote at, the general meeting in question if the chairman of the general meeting is satisfied that adequate facilities are available throughout the general meeting to ensure that the Shareholders attending at all the meeting places are able to:
- (i) communicate simultaneously and instantaneously with the persons present at the other meeting place or places, whether by use of microphones, loud-speakers, audio-visual or other communications equipment or facilities; and
- (ii) have access to all documents which are required by the Companies Act and these Articles to be made available at the meeting.
- (b) The chairman of the general meeting shall be present at, and the meeting shall be deemed to take place at, the Specified Place. If it appears to the chairman of the general meeting that the facilities at the Specified Place or any satellite meeting place are or become inadequate to give all persons entitled to do so a reasonable opportunity to communicate simultaneously and instantaneously including to speak and vote at the meeting, then the chairman may, without the consent of the meeting, interrupt or adjourn the general meeting. All business conducted at that general meeting up to the time of such adjournment shall be valid.

- (c) The Board or, at any general meeting, the chairman of the meeting may from time to time make such arrangements for the purpose of managing the level of attendance at any such satellite meeting as they/he shall in their/his absolute discretion consider appropriate, and may from time to time vary any such arrangements or make new arrangements in place of them, provided that a Shareholder who is not entitled to attend, in person or by proxy, at any particular place shall be entitled so to attend at one of the other places and the entitlement of any Shareholder so to attend the meeting or adjourned meeting at such place shall be subject to any such arrangements as may be for the time being in force and by the notice of meeting or adjourned meeting stated to apply to the meeting.
- (d) If a meeting is adjourned to more than one place, notice of the adjourned meeting shall specify the details of the meeting set out in Article 65.
- (e) All persons seeking to attend and participate in a general meeting: (a) wholly by means of telephone, electronic or other communication facilities as mentioned above; or (b) by physical attendance at the Specified Place and where applicable, one or more places and at the same time by means of telephone, electronic or other communication facilities, shall be responsible for maintaining adequate facilities to enable them to do so. Subject to Article 65A (b), any inability of a person or persons to attend or to communicate simultaneously and instantaneously including to speak and vote at the meeting in a general meeting by way of electronic facilities shall not invalidate the proceedings of and/or resolutions passed at that meeting.

67

- (a) All business shall be deemed special that is transacted at an extraordinary general meeting and also all business shall be deemed special that is transacted at an annual general meeting with the exception of the following, which shall be deemed ordinary business:

67A

All Shareholders shall have the right to (a) speak at a general meeting; and (b) vote at a general meeting except where a Shareholder is required, by the Listing Rules, to abstain from voting to approve the matter under consideration.

- 69 If within 15 minutes from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of Shareholders, shall be dissolved, but in any other case it shall stand adjourned to the same day in the next week and at such time and (if applicable) place as shall be decided by the Board, and if at such adjourned meeting a quorum is not present within 15 minutes from the time appointed for holding the meeting, the Shareholder or the Shareholders present in person (or, in the case of a Shareholder being a corporation by its duly authorised representative) or by proxy and entitled to vote shall be a quorum and may transact the business for which the meeting was called.
- 71 The chairman of the meeting may, with the consent of any general meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn any meeting from time to time and/or from place to place (if any) and/or from one form to another as the meeting shall determine. Whenever a meeting is adjourned for 14 days or more, at least seven clear days' notice, specifying the place (if any), the day and the hour of the adjourned meeting shall be given in the same manner as in the case of an original meeting but it shall not be necessary to specify in such notice the nature of the business to be transacted at the adjourned meeting. Save as aforesaid, no notice of an adjournment or of the business to be transacted at any adjourned meeting needs to be given nor shall any Shareholder be entitled to any such notice. No business shall be transacted at an adjourned meeting other than the business which might have been transacted at the meeting from which the adjournment took place.
- 74 A poll shall be taken in such manner (including the use of ballot or voting papers or tickets) and at such time and (if applicable) place as the chairman of the meeting directs. No notice need to be given of a poll not taken immediately. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was required or demanded. In the event that a poll is demanded after the chairman of the meeting allows a show of hands pursuant to Article 72, the demand for a poll may be withdrawn, with the consent of the chairman of the meeting, at any time before the close of the meeting at which the poll was demanded or the taking of the poll, whichever is the earlier.

- 92 (b) Where a Shareholder is a Clearing House (or its nominee(s)), it may (subject to Article 93) authorise such person or persons as it thinks fit to act as its representative or representatives at any meeting of the Company or at any meeting of any class of Shareholders 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. A person so authorised pursuant to 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)) which he represents as that Clearing House (or its nominee(s)) could exercise as if such person were an individual Shareholder, including the right to vote ~~individually on a show of hands~~ and the right to speak.
- 96 The number of Directors shall not be less than two (2). The Company shall keep at its Registered Office a register of its directors and officers in accordance with the Companies ~~Law~~Act.
- 104 (b) Except as would, if the Company were a company incorporated in Hong Kong, be permitted by the Companies Ordinance as in force at the date of adoption of these Articles, and except as permitted under the Companies ~~Law~~Act, the Company shall not directly or indirectly:
- (i) make a loan to a Director or a director of any Holding Company of the Company or any of their respective Close Associates;
  - (ii) enter into any guarantee or provide any security in connection with a loan made by any person to a Director or a director of any Holding Company of the Company or any of their respective Close Associates; or
  - (iii) if any one or more of the Directors hold (jointly or severally or directly or indirectly) a controlling interest in another company, make a loan to that other company or enter into any guarantee or provide any security in connection with a loan made by any person to that other company.

- 112 The Board shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an additional Director but so that the number of Directors so appointed shall not exceed the maximum number determined from time to time by the Shareholders in general meeting. Any Director appointed by the Board to fill a casual vacancy or as an addition to the existing Board shall hold office only until the first annual general meeting of the Company after his appointment and be subject to re-election at such meeting. ~~Any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.~~ Any Director appointed under this Article shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at an annual general meeting.
- 114 ~~The Company~~ Shareholders may by Ordinary Resolution remove any Director (including a managing director or other executive director) before the expiration of his term of office notwithstanding anything in these Articles or in any agreement between the Company and such Director (but without prejudice to any claim which such Director may have for damages for any breach of any contract between him and the Company) and may by Ordinary Resolution elect another person in his stead. Any Director so appointed shall be subject to retirement by rotation pursuant to Article 108.
- 116 The Board may raise or secure the payment or repayment of such sum or sums in such manner and upon such terms and conditions in all respects as it thinks fit and in particular but subject to the provisions of the Companies ~~Law~~ Act, by the issue of debentures, debenture stock, bonds or other securities of the Company, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.
- 119 The Directors shall cause a proper register to be kept, in accordance with the provisions of the Companies ~~Law~~ Act, of all mortgages and charges specifically affecting the property of the Company and shall duly comply with such provisions of the Companies ~~Law~~ Act with regard to the registration of mortgages and charges as may be specified or required.

- 127           The business of the Company shall be managed by the Board who, in addition to the powers and authorities by these Articles expressly conferred upon it, may exercise all such powers and do all such acts and things as may be exercised or done or approved by the Company and are not hereby or by the Companies ~~Law~~Act expressly directed or required to be exercised or done by the Company in general meeting, but subject nevertheless to the provisions of the Companies ~~Law~~Act and of these Articles and to any regulations from time to time made by the Company in general meeting not being inconsistent with such provisions or these Articles, provided that no regulation so made shall invalidate any prior act of the Board which would have been valid if such regulation had not been made.
- 144           The Secretary shall be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit, and any Secretary so appointed may, without prejudice to his right under any contract with the Company, be removed by the Board. Anything by the Companies ~~Law~~Act or these Articles required or authorised to be done by or to the Secretary, if the office is vacant or there is for any other reason no Secretary capable of acting, may be done by or to any assistant or deputy Secretary, or if there is no assistant or deputy Secretary capable of acting, by or to any officer of the Company authorised generally or specifically on behalf of the Board.
- 145           The Secretary shall attend all meetings of the Shareholders and shall keep correct minutes of such meetings and enter the same in the proper books provided for the purpose. He shall perform such other duties as are prescribed by the Companies ~~Law~~Act and these Articles, together with such other duties as may from time to time be prescribed by the Board.
- 146           A provision of the Companies ~~Law~~Act or of these Articles requiring or authorising a thing to be done by or to a Director and the Secretary shall not be satisfied by its being done by or to the same person acting both as Director and as, or in place of the Secretary.
- 147           (a)   Subject to the Companies ~~Law~~Act, the Company shall have one or more Seals as the Board may determine, and may have a Seal for use outside the Cayman Islands. The Board shall provide for the safe custody of each Seal, and no Seal shall be used without the authority of the Board or a committee authorised by the Board in that behalf.

- 153
- (a) The Company in general meeting may, upon the recommendation of the Board, resolve to capitalise any sum standing to the credit of any of the Company's reserve accounts which are available for distribution (including its share premium account and capital redemption reserve fund, subject to the Companies Law Act) and to appropriate such sums to the holders of Shares on the Register at the close of business on the date of the relevant resolution (or such other date as may be specified therein or determined as provided therein) in the proportions in which such sum would have been divisible amongst them had the same been a distribution of profits by way of Dividend and to apply such sum on their behalf in paying up in full unissued Shares for allotment and distribution credited as fully paid-up to and amongst them in the proportion aforesaid.
- (b) Subject to the Companies Law Act, whenever such a resolution as aforesaid shall have been passed, the Board shall make all appropriations and applications of the reserves or profits and undivided profits resolved to be capitalised thereby, and attend to all allotments and issues of fully paid Shares, debentures, or other securities and generally shall do all acts and things required to give effect thereto. For the purpose of giving effect to any resolution under this Article, the Board may settle any difficulty which may arise in regard to a capitalisation issue as it thinks fit, and in particular may disregard fractional entitlements or round the same up or down and may determine that cash payments shall be made to any Shareholders in lieu of fractional entitlements or that fractions of such value as the Board may determine may be disregarded in order to adjust the rights of all parties or that fractional entitlements shall be aggregated and sold and the benefit shall accrue to the Company rather than to the Shareholders concerned, and no Shareholders who are affected thereby shall be deemed to be, and they shall be deemed not to be, a separate class of Shareholders by reason only of the exercise of this power. The Board may authorise any person to enter on behalf of all Shareholders interested in a capitalisation issue any agreement with the Company or other(s) providing for such capitalisation and matters in connection therewith and any agreement made under such authority shall be effective and binding upon all concerned. Without limiting the generality of the foregoing, any such agreement may provide for the acceptance by such persons of the Shares, debentures or other securities to be allotted and distributed to them respectively in satisfaction of their claims in respect of the sum so capitalised.

- 154 Subject to the Companies LawAct and these Articles, the Company in general meeting may declare Dividends in any currency but no Dividends shall exceed the amount recommended by the Board.
- 156 (a) No Dividend shall be declared or paid or shall be made otherwise than in accordance with the Companies LawAct.
- (b) Subject to the provisions of the Companies LawAct but without prejudice to paragraph (a) of this Article, where any asset, business or property is bought by the Company as from a past date (whether such date be before or after the incorporation of the Company) the profits and losses thereof as from such date may at the discretion of the Board in whole or in part be carried to revenue account and treated for all purposes as profits or losses of the Company, and be available for Dividend accordingly. Subject as aforesaid, if any Shares or securities are purchased cum Dividend or interest, such Dividend or interest may at the discretion of the Board be treated as revenue, and it shall not be obligatory to capitalise the same or any part thereof or to apply the same towards reduction of or writing down the book cost of the asset, business or property acquired.
- 171 The Board shall make or cause to be made such annual or other returns or filings as may be required to be made in accordance with the Companies LawAct.
- 172 The Board shall cause proper books of account to be kept of the sums of money received and expended by the Company, and the matters in respect of which such receipts and expenditure take place; and of the assets and liabilities of the Company and of all other matters required by the Companies LawAct necessary to give a true and fair view of the state of the Company's affairs and to show and explain its transactions. The financial year end of the Company shall be 31 December in each calendar year or as otherwise determined by the Board.
- 174 No Shareholder (not being a Director) or other person shall have any right of inspecting any account or book or document of the Company except as conferred by the Companies LawAct or ordered by a court of competent jurisdiction or authorised by the Board or the Company in general meeting.

- 175 (b) Subject to paragraph (c) below, every balance sheet of the Company shall be signed on behalf of the Board by two of the Directors and a copy of every balance sheet (including every document required by law to be comprised therein or annexed thereto) and profit and loss account which is to be laid before the Company at its annual general meeting, together with a copy of the Directors' report and a copy of the Auditors' report thereon, shall, not less than 21 days before the date of the meeting be delivered or sent by post ~~together with the notice of annual general meeting~~ to every Shareholder and every Debenture Holder of the Company and every other person entitled to receive notices of general meetings of the Company under the provisions of these Articles, provided that this Article shall not require a copy of those documents to be sent to any person of whose address the Company is not aware or to more than one of the joint holders of any Shares or Debentures, but any Shareholder or Debenture Holder to whom a copy of those documents has not been sent shall be entitled to receive a copy free of charge on application at the Head Office or the Registration Office. If all or any of the Shares or Debentures or other securities of the Company shall for the time being be (with the consent of the Company) listed or dealt in on any stock exchange or market, there shall be forwarded to such stock exchange or market such number of copies of such documents as may for the time being be required under its regulations or practice.
- 176 (a) ~~The Company shall at each annual general meeting~~ Shareholders may by Ordinary Resolution appoint one or more firms of auditors to hold office until the conclusion of the next annual general meeting on such terms and with such duties as may be agreed with the Board, but if an appointment is not made, the Auditors in office shall continue in office until a successor is appointed. A Director, officer or employee of any such Director, officer or employee shall not be appointed Auditors of the Company. The Board may fill any casual vacancy in the office of Auditors, but while any such vacancy continues the surviving or continuing Auditors (if any) may act. The remuneration of the Auditors shall be fixed by ~~or on the authority of the Company~~ the Shareholders in the annual general meeting ~~except that by Ordinary Resolution in any particular year the Company in general meeting may delegate the fixing of such remuneration to manner as the Board and the remuneration of any Auditors appointed to fill any casual vacancy may be fixed by the Board~~ Shareholders may determine.

- (b) The Shareholders may, at any general meeting convened and held in accordance with these Articles, remove the Auditors by ~~Special~~Ordinary Resolution at any time before the expiration of the term of office and shall, by Ordinary Resolution, at that meeting appoint new auditors in its place for the remainder of the term.
- 180 (a) Except where otherwise expressly stated, any notice or document to be given to or by any person pursuant to these Articles shall be in writing or, to the extent permitted by the Companies ~~Law~~Act and the Listing Rules from time to time and subject to this Article, contained in an electronic communication. A notice calling a meeting of the Board need not be in writing.
- (b) Except where otherwise expressly stated, any notice or document to be given to or by any person pursuant to these Articles (including any corporate communications within the meaning ascribed thereto under the Listing Rules) may be served on or delivered to any Shareholder either personally or by sending it through the post in a prepaid envelope or wrapper addressed to such Shareholder at his registered address as appearing in the register or by leaving it at that address addressed to the Shareholder or by any other means authorised in writing by the Shareholder concerned or (other than share certificate) by publishing it by way of advertisement in the Newspapers. In case of joint holders of a share, all notices shall be given to that one of the joint holders whose name stands first in the register and notice so given shall be sufficient notice to all the joint holders. Without limiting the generality of the foregoing but subject to the ~~Companies Law~~Act and the Listing Rules, a notice or document may be served or delivered by the Company to any Shareholder by electronic means to such address as may from time to time be authorised by the Shareholder concerned or by publishing it on a website and notifying the Shareholder concerned that it has been so published.

- 183 A notice or document may be given by the Company to the person entitled to a Share in consequence of the death, mental disorder, bankruptcy or liquidation of a Shareholder by sending it through the post in a prepaid envelope or wrapper addressed to him by name, or by the title of representative of the deceased, the trustee of the bankrupt or the liquidator of the Shareholder, or by any like description, at the address, if any, supplied for the purpose by the person claiming to be so entitled, or (until such an address has been so supplied) by giving the notice or document in any manner in which the same might have been given if the death, ~~mental~~ mental disorder, bankruptcy or winding up had not occurred.
- 188 Subject to the Companies ~~Law~~ Act, a resolution that the Company be wound up by the Court or be wound up voluntarily shall be passed by way of a Special Resolution.
- 190 If the Company shall be wound up (in whatever manner) the liquidator may, with the sanction of a Special Resolution and any other sanction required by the Companies ~~Law~~ Act, divide among the Shareholders in specie or kind the whole or any part of the assets of the Company whether the assets shall consist of property of one kind or shall consist of properties of different kinds and the liquidator may, for such purpose, set such value as he deems fair upon any one or more class or classes of property to be divided as aforesaid and may determine how such division shall be carried out as between the Shareholders or different classes of Shareholders and the Shareholders within each class. The liquidator may, with the like sanction, vest any part of the assets in trustees upon such trusts for the benefit of Shareholders as the liquidator, with the like sanction, shall think fit, but so that no Shareholder shall be compelled to accept any Shares or other assets upon which there is a liability.
- 195 The following provisions shall have effect to the extent that they are not prohibited by and are in compliance with the Companies ~~Law~~ Act:
- (a) If, so long as any of the rights attaching to any warrants issued by the Company to subscribe for Shares shall remain exercisable, the Company does any act or engages in any transaction which, as a result of any adjustments to the subscription price in accordance with the provisions applicable under the terms and conditions of the warrants, would reduce the subscription price to below the par value of a Share, then the following provisions shall apply:

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

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

- (b) Shares allotted pursuant to the provisions of this Article shall rank *pari passu* in all respects with the other Shares allotted or which ought to be allotted on the relevant exercise of the subscription rights represented by the warrant concerned. Notwithstanding anything contained in paragraph (a) of this Article, no fraction of any Share shall be allotted on exercise of the subscription rights.
- (c) The provisions of this Article as to the establishment and maintenance of the Subscription Right Reserve shall not be altered or added to in any way which would vary or abrogate, or which would have the effect of varying or abrogating, the provisions for the benefit of any warrant holder or class of warrant holders under this Article without the sanction of a Special Resolution of such warrant holder(s) or class of warrant holders.
- (d) A certificate or report by the Auditors as to whether or not the Subscription Right Reserve is required to be established and maintained and if so the amount thereof so required to be established and maintained, as to the purpose for which the Subscription Right Reserve has been used, as to the extent to which it has been used to make good losses of the Company, as to the additional nominal amount of Shares required to be allotted to exercising warrant holders credited as fully paid, and as to any other matter concerning the Subscription Right Reserve shall (in the absence of manifest error) be conclusive and binding upon the Company and all warrant holders and Shareholders.

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The following provisions shall have effect at any time and from time to time provided that they are not prohibited by or inconsistent with the Companies Law Act:

- (a) The Company may by Ordinary Resolution convert any fully paid Shares into stock, and may from time to time by like resolution reconvert any stock into fully paid Shares of any denomination.

- (b) The holders of stock may transfer the same or any part thereof in the same manner, and subject to the same regulations as and subject to which the Shares from which the stock arose might prior to conversion have been transferred or as near thereto as circumstances admit, but the Board may from time to time, if it thinks fit, fix the minimum amount of stock transferable and restrict or prohibit the transfer of fractions of that minimum, but so that such minimum shall not exceed the nominal amount of the Shares from which the stock arose. No warrants to bearer shall be issued in respect of any stock.
- (c) The holders of stock shall, according to the amount of the stock held by them, have the same rights, privileges and advantages as regards Dividends, participation in assets on a winding up, voting at meetings, and other matters, as if they held the Shares from which the stock arose, but no such rights, privileges or advantages (except participation in the Dividends and profits and in the assets on winding up of the Company) shall be conferred by an amount of stock which would not, if existing in Shares, have conferred such rights, privileges or advantages.
- (d) Such of the provisions of these Articles as are applicable to fully paid Shares shall apply to stock, and the words "Share" and "Shareholder" herein shall include "stock" and "stockholder" and "member".

NOTICE OF ANNUAL GENERAL MEETING



**信基沙溪集团股份有限公司**  
**XINJI SHAXI GROUP CO., LTD**

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

**(Stock Code: 3603)**

NOTICE IS HEREBY GIVEN THAT the annual general meeting of Xinji Shaxi Group Co., Ltd (the “**Company**”) will be held at Conference Room, 2nd Floor, Xinjicheng Club, No. 250, Intersection of Nanda Road, Panyu District, Guangzhou, PRC on Thursday, 25 May 2023 at 11:00 a.m. to consider and, if thought fit, pass the following resolutions:

1. To receive, consider and adopt the audited consolidated financial statements of the Company and its subsidiaries and the reports of the directors and the independent auditor of the Company for the year ended 31 December 2022.
2.
  - (a) To re-elect Mr. Cheung Hon Chuen as an executive director of the Company;
  - (b) To re-elect Mr. Mei Zuoting as an executive director of the Company;
  - (c) To re-elect Mr. Lin Lie as a non-executive director of the Company; and
  - (d) To authorise the board of directors of the Company to fix the remuneration of the directors of the Company.
3. To re-appoint PricewaterhouseCoopers, Certified Public Accountants, as the independent auditor of the Company until the conclusion of the next annual general meeting of the Company and authorise the Board to fix their remuneration.

To consider and, if thought fit, to pass (with or without amendments) the following resolutions as ordinary resolutions:

4. “**That:**
  - (i) subject to paragraph (iii) below, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue or otherwise deal with additional shares in the capital of the Company or securities convertible into shares, or options, warrants or similar rights to subscribe for shares or such convertible securities of the Company and to make or grant offers, agreements and/or options (including bonds, warrants and debentures convertible into shares of the Company) which may require the exercise of such powers be and is hereby generally and unconditionally approved;

## NOTICE OF ANNUAL GENERAL MEETING

- (ii) the approval in paragraph (i) above shall be in addition to any other authorisation given to the directors of the Company and shall authorize the directors of the Company during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and/or options which may require the exercise of such power after the end of the Relevant Period;
- (iii) the aggregate number of shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) by the directors of the Company during the Relevant Period (as hereinafter defined) pursuant to paragraph (i) above, otherwise than pursuant to (1) a Rights Issue (as hereinafter defined); or (2) the grant or exercise of any option under the option scheme of the Company 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 of shares or rights to acquire shares of the Company; or (3) any scrip dividend or similar arrangements providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company in force from time to time; or (4) any issue of shares in the Company 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 of the Company, shall not exceed the aggregate of 20 per cent of the number of issued shares of the Company as at the date of passing this resolution and the said approval shall be limited accordingly;
- (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 expiration of the period within which the next annual general meeting of the Company is required by any applicable law or the articles of association of the Company to be held; or
    - (3) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company at general meeting; and
  - (b) **“Rights Issue”** means an offer of shares in the capital of the Company, or offer or issue of warrants, options or other securities giving rights to subscribe for shares open for a period fixed by the

## NOTICE OF ANNUAL GENERAL MEETING

directors of the Company to holders of shares in the capital of the Company whose names appear on the register of members on a fixed record date in proportion to their holdings of shares (subject to such exclusion or other arrangements as the directors of the Company 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).”

5. **“That:**

- (i) subject to paragraph (ii) below, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase shares of the Company on The Stock Exchange of Hong Kong Limited or on any other stock exchange on which the shares of the Company may be listed and recognised for this purpose by the Securities and Futures Commission and The Stock Exchange of Hong Kong Limited under the Code on Share Repurchases and, subject to and in accordance with all applicable laws and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), be and is hereby generally and unconditionally approved;
- (ii) the aggregate number of issued shares of the Company, which may be repurchased pursuant to the approval in paragraph (i) above shall not exceed 10 per cent 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 of the Company 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 expiration of the period within which the next annual general meeting of the Company is required by any applicable law or the articles of association of the Company to be held; or

## NOTICE OF ANNUAL GENERAL MEETING

- (c) the revocation or variation of the authority given under this resolution by ordinary resolution of the shareholders of the Company at general meeting.”

6. **“That:**

conditional upon the resolutions numbered 4 and 5 set out in the notice convening this meeting being passed, the general mandate granted to the directors of the Company to exercise the powers of the Company to allot, issue and otherwise deal with additional shares of the Company and to make or grant offers, agreements and options which might require the exercise of such powers pursuant to the ordinary resolution numbered 4 set out in the notice convening this meeting be and is hereby extended by the addition to the number of issued shares of the Company which may be allotted by the directors of the Company pursuant to such general mandate an amount representing the number of issued shares of the Company repurchased by the Company under the authority granted pursuant to ordinary resolution numbered 5 set out in the notice convening this meeting, provided that such amount shall not exceed 10 per cent of the number of issued shares of the Company as at the date of passing of the said resolutions.”

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

**“That:**

- (i) the proposed amendments (the **“Proposed Amendments”**) to the existing amended and restated memorandum of association and articles of association of the Company (the **“Memorandum and Articles of Association”**), the details of which are set out in Appendix III to the circular of the Company dated 25 April 2023 (the **“Circular”**), be and are hereby approved;
- (ii) the new amended and restated memorandum of association and articles of association of the Company (the **“Amended and Restated Memorandum and Articles of Association”**), which contains all the Proposed Amendments and a copy of which has been produced to this meeting marked “A” and initialled by the chairman of the meeting for the purpose of identification, be and is hereby approved and adopted in substitution for, and to the exclusion of, the existing Memorandum and Articles of Association with immediate effect after the close of this meeting; and

## NOTICE OF ANNUAL GENERAL MEETING

- (iii) any director or company secretary of the Company be and are hereby authorised to do all such acts, deeds and things and execute all such documents and make all such arrangements that he/she shall, in his/her absolute discretion, deem necessary or expedient to give effect to the Proposed Amendments and the adoption of the Amended and Restated Memorandum and Articles of Association.”

By order of the Board  
**Xinji Shaxi Group Co., Ltd**  
**Cheung Hon Chuen**  
*Chairman*

Guangzhou, PRC, 25 April 2023

*Registered office:*

71 Fort Street  
PO Box 500  
George Town  
Grand Cayman KY1-1106  
Cayman Islands

*Principal place of business in Hong Kong:*

Rooms 301-303  
3/F Golden Gate Commercial Building  
136-138 Austin Road  
Tsim Sha Tsui  
Kowloon, Hong Kong

*Notes:*

1. Any shareholder entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not be a member of the Company.
2. Where there are joint registered holders of any shares of the Company, any one of such persons may vote at the meeting, 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 persons be present at the meeting personally or by proxy, then one of the said persons so present whose name stands first on the register of members in respect of such shares of the Company shall alone be entitled to vote in respect thereof.
3. A form of proxy for use at the meeting is enclosed. In order to be valid, the form of proxy together with a power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours before the time appointed for holding the annual general meeting or any adjournment thereof.
4. Completion and return of the form of proxy will not preclude a member from attending and voting in person at the annual general meeting or any adjournment thereof if he/she so wish, and in such event, the authority of the member's proxy shall be deemed to be revoked.
5. For the purpose of determining members who are qualified for attending the annual general meeting, the register of members of the Company will be closed from Monday, 22 May 2023 to Thursday, 25 May 2023, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to be eligible to attend and vote at the annual general meeting, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Friday, 19 May 2023.

*As at the date of this circular, the Board comprises Mr. Cheung Hon Chuen as chairman and executive Director; Mr. Mei Zuoting and Mr. Zhang Weixin as executive Directors; Mr. Yu Xuecong, Mr. Lin Lie and Ms. Wang Yixue as non-executive Directors; and Dr. Zeng Zhaowu, Mr. Tan Michael Zhen Shan and Dr. Zheng Decheng as independent non-executive Directors.*