
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in Country Garden Holdings Company Limited, you should at once hand this circular to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer or registered institution in securities, or other agent through whom the sale or transfer was effected, for transmission to the purchaser(s) or the transferee(s).

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

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



COUNTRY GARDEN HOLDINGS COMPANY LIMITED

碧桂園控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2007)

(1) PROPOSED ADOPTION OF NEW MEMORANDUM AND ARTICLES OF ASSOCIATION; (2) CONNECTED TRANSACTION — PROPOSED AMENDMENTS TO THE NON-COMPETITION UNDERTAKINGS; AND (3) NOTICE OF THE EXTRAORDINARY GENERAL MEETING

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



A letter from the Board is set out on pages 8 to 29 of this circular. A letter from the Independent Board Committee is set out on pages 30 to 31 of this circular and a letter from the Independent Financial Adviser containing its advice and recommendation to the Independent Board Committee and the Independent Shareholders is set out on pages 32 to 54 of this circular.

A notice convening the EGM to be held at Victoria Room, 2/F, Mandarin Oriental Hong Kong, 5 Connaught Road Central, Hong Kong on Wednesday, 22 December 2021 at 10:30 a.m. is set out on pages 100 to 102 of this circular. A form of proxy for use at the EGM is also enclosed with this circular.

Whether or not you intend to attend the EGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Share Registrar, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjourned meeting thereof should you so wish and in such event, the form of proxy previously submitted shall be deemed to be revoked.

PRECAUTIONARY MEASURES FOR THE EXTRAORDINARY GENERAL MEETING

Please see pages 1 to 2 of this circular for measures being taken to try to prevent and control the spread of the Coronavirus at the EGM, including :

- compulsory temperature checks and health declarations
- compulsory wearing of surgical face masks
- compliance with the contact tracing requirements under the applicable laws and regulations
- no distribution of corporate gifts and refreshments
- appropriate seating arrangement in line with the relevant laws and regulations in Hong Kong

Any person who does not comply with the precautionary measures may be denied entry into the EGM venue. Attendees must wear a surgical face mask and Shareholders may appoint the Chairman of the meeting as their proxy to vote on the relevant resolutions at the EGM instead of attending the EGM in person.

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PRECAUTIONARY MEASURES FOR THE EXTRAORDINARY GENERAL MEETING

In view of the ongoing novel Coronavirus (COVID-19) epidemic and recent requirements for prevention and control of its spread, the Company will implement the following preventive measures at the EGM to protect attending Shareholders, staff and other stakeholders from the risk of infection:

- (i) Appropriate seating arrangement in line with the relevant laws and regulations in Hong Kong.
- (ii) Compulsory body temperature checks will be conducted on every Shareholder, proxy and other attendees at the entrance of the EGM venue. Any person with a body temperature of over 37.4 degrees Celsius may be denied entry into the EGM venue or be required to leave the EGM venue.
- (iii) All Shareholders, proxies and other attendees are required to comply with the contact tracing requirements under the applicable laws and regulations and in addition, complete and submit at the entrance of the EGM venue a declaration form confirming their names, contact details and body condition, and state whether in the preceding 21 days to their best knowledge they (1) have travelled outside of Hong Kong; (2) are subject to any HKSAR Government prescribed quarantine requirement; (3) had close contact with any confirmed cases or close contact with any person under quarantine or with recent travel history; or (4) have flu-like symptoms, fever or pneumonia etc.. Any person who responds positively to any of these questions may be denied entry into the EGM venue or be required to leave the EGM venue.
- (iv) Attendees must wear a surgical face mask inside the EGM venue at all times, and to maintain a safe distance between seats.
- (v) No refreshments will be served, and there will be no corporate gifts.
- (vi) No eating in the EGM venue.
- (vii) Please leave the EGM venue as soon as possible after the EGM.

To the extent permitted under law, the Company reserves the right to deny entry into the EGM venue or require any person to leave the EGM venue in order to ensure the safety of the attendees at the EGM.

In the interest of all stakeholders' health and safety, the Company reminds all Shareholders that physical attendance in person at the EGM is not necessary for the purpose of exercising voting rights. As an alternative, strongly recommended by using a form of proxy with voting instructions inserted, Shareholders, particularly those who are subjected to quarantine, may appoint the Chairman of the EGM as their proxy to vote on the relevant resolutions at the EGM instead of attending the EGM in person.

The form of proxy is attached to this circular for Shareholders who opt to receive physical circulars. Alternatively, the form of proxy can be downloaded from the website of the Stock

PRECAUTIONARY MEASURES FOR THE EXTRAORDINARY GENERAL MEETING

Exchange (<http://www.hkexnews.hk>) and the “Investor Relations — Announcement and Circulars” section of the website of the Company (<http://www.countrygarden.com.cn>). If you are not a registered Shareholder (if your Shares are held via banks, brokers, custodians or the Hong Kong Securities Clearing Company Limited), you should consult directly with your banks or brokers or custodians (as the case may be) to assist you in the appointment of proxy.

If Shareholders have any questions about the relevant resolutions, or about the Company or any matters for communication with the Board, they are welcome to contact the Company via investor relations department as follows:

Investor Relations Department
Email: ir@countrygarden.com.cn
Tel: +86 757 6683 2635

If Shareholders have any questions relating to the EGM, please contact Tricor Investor Services Limited, the Share Registrar, as follows:

Tricor Investor Services Limited
Level 54, Hopewell Centre
183 Queen’s Road East
Hong Kong
E-mail: is-enquiries@hk.tricorglobal.com
Tel: +852 2980 1333
Fax: +852 2890 9350

DEFINITIONS

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

“Announcement”	the announcement of the Company dated 21 July 2021 in relation to the proposed adoption of the new Memorandum and Articles of Association and the proposed amendments to the Non-Competition Undertakings (including the termination of the Original Deeds of Non-Competition and the entering into of the New Deeds of Non-Competition and the transactions contemplated thereunder)
“Articles of Association”	articles of association of the Company
“associates”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors of the Company
“CG Services”	Country Garden Services Holdings Company Limited (碧桂園服務控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the main board of the Stock Exchange (Stock Code: 6098)
“close associates”	has the meaning ascribed thereto under the Listing Rules
“Company”	Country Garden Holdings Company Limited (碧桂園控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the main board of the Stock Exchange (Stock Code: 2007)
“Competing Business Opportunity Review Mechanism”	has the meaning ascribed to it under the section headed “(2) Connected Transaction — Proposed Amendments to the Non-Competition Undertakings — (f) <i>The Company’s Pre-emptive Right to Purchase Restricted Business Operated by the New Covenantors or Their Close Associates</i> ” in the “Letter from the Board” of this circular
“connected person”	has the meaning ascribed thereto under the Listing Rules
“Declined Competing Business Opportunity”	has the meaning ascribed to it under the section headed “(2) Connected Transaction — Proposed Amendments to the Non-Competition Undertakings — (d) <i>Declined Competing Business Opportunity</i> ” in the “Letter from the Board” of this circular
“Director(s)”	the director(s) of the Company

DEFINITIONS

“Disposal Business”	has the meaning ascribed to it under the section headed “(2) Connected Transaction — Proposed Amendments to the Non-Competition Undertakings — (f) <i>The Company’s Pre-emptive Right to Purchase Restricted Business Operated by the New Covenantors or Their Close Associates</i> ” in the “Letter from the Board” of this circular
“EGM”	the extraordinary general meeting of the Company to be held at Victoria Room, 2/F, Mandarin Oriental Hong Kong, 5 Connaught Road Central, Hong Kong on 22 December 2021 at 10:30 a.m., at which resolutions will be proposed to consider, and, if thought fit, to approve the proposed adoption of the new Memorandum and Articles of Association and the proposed amendments to the Non-Competition Undertakings (including the termination of the Original Deeds of Non-Competition and the entering into of the New Deeds of Non-Competition and the transactions contemplated thereunder), or any adjournment thereof
“Exempted Business”	has the meaning ascribed to it under the section headed “(2) Connected Transaction — Proposed Amendments to the Non-Competition Undertakings — (b) <i>Scope of the Restricted Business</i> ” in the “Letter from the Board” of this circular
“Group”	the Company and its subsidiaries from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board”	has the meaning ascribed to it under the section headed “(2) Connected Transaction — Proposed Amendments to the Non-Competition Undertakings — (c) <i>Referred Competing Business Opportunity</i> ” in the “Letter from the Board” of this circular
“Independent Board Committee”	an independent committee of the Board comprising all the independent non-executive Directors, namely Mr. LAI Ming, Joseph, Mr. SHEK Lai Him, Abraham, Mr. TONG Wui Tung, Mr. HUANG Hongyan and Mr. TO Yau Kwok
“Independent Financial Adviser” or “Goldlink Capital”	Goldlink Capital (Corporate Finance) Limited, a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the proposed amendments to the Non-Competition Undertakings

DEFINITIONS

“Independent Shareholders”	(i) (in the case of the ordinary resolution to approve the termination of the Original Deeds of Non-Competition) the Shareholders other than the Original Covenantors and their associates; and (ii) (in the case of the ordinary resolution to approve the New Deeds of Non-Competition and the transactions contemplated thereunder) the Shareholders other than the associates of Ms. Yang and Mr. Yeung
“Latest Practicable Date”	29 November 2021, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information for inclusion in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time
“Memorandum and Articles of Association”	Memorandum of Association and Articles of Association
“Memorandum of Association”	memorandum of association of the Company
“Mr. Yeung”	Mr. YEUNG Kwok Keung, the chairman of the Board and an executive Director
“Ms. Yang”	Ms. YANG Huiyan, the co-chairman of the Board, an executive Director and the controlling Shareholder
“New Covenantor(s)”	Mr. Yeung and Ms. Yang
“New Deeds of Non-Competition”	(i) the deed of non-competition and indemnity dated 21 July 2021 entered into between the Company and Ms. Yang and (ii) the deed of non-competition and indemnity dated 21 July 2021 entered into between the Company and Mr. Yeung
“Non-Competition Undertakings”	has the meaning ascribed to it under the section headed “(2) Connected Transaction — Proposed Amendments to the Non-Competition Undertakings — The Original Deeds of Non-Competition” in the “Letter from the Board” of this circular
“Offer”	has the meaning ascribed to it under the section headed “(2) Connected Transaction — Proposed Amendments to the Non-Competition Undertakings — (e) <i>The Group’s Project for Sale</i> ” in the “Letter from the Board” of this circular
“Original Covenantors”	Mr. Yeung, Ms. Yang, the Then Existing Shareholders, Qingyuan Country Garden Co. and Qingyuan Cultural Co.

DEFINITIONS

“Original Deeds of Non-Competition”	(i) the deed of non-competition dated 29 March 2007 entered into among Ms. Yang, the Then Existing Shareholders, Qingyuan Country Garden Co., Qingyuan Cultural Co. and the Company and (ii) the deed of non-competition dated 29 March 2007 entered into between Mr. Yeung and the Company, pursuant to which each of the Original Covenantors gave the Non-Competition Undertakings to the Company
“PRC”	the People’s Republic of China, for the purpose of this circular, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Pre-emptive Right”	has the meaning ascribed to it under the section headed “(2) Connected Transaction — Proposed Amendments to the Non-Competition Undertakings — (f) <i>The Company’s Pre-emptive Right to Purchase Restricted Business Operated by the New Covenantors or Their Close Associates</i> ” in the “Letter from the Board” of this circular
“Project for Sale”	has the meaning ascribed to it under the section headed “(2) Connected Transaction — Proposed Amendments to the Non-Competition Undertakings — (e) <i>The Group’s Project for Sale</i> ” in the “Letter from the Board” of this circular
“Qingyuan Country Garden Co.”	Qingyuan Country Garden Property Development Co., Ltd.* (清遠碧桂園物業發展有限公司), a limited liability company established in the PRC on 12 November 2001
“Qingyuan Cultural Co.”	Qingyuan Country Cultural Development Co., Ltd.* (清遠市故鄉里文化發展有限公司), a limited liability company established in the PRC on 17 August 2005
“Referred Competing Business Opportunity”	has the meaning ascribed to it under the section headed “(2) Connected Transaction — Proposed Amendments to the Non-Competition Undertakings — (c) <i>Referred Competing Business Opportunity</i> ” in the “Letter from the Board” of this circular
“Restricted Business”	has the meaning ascribed to it under the section headed “(2) Connected Transaction — Proposed Amendments to the Non-Competition Undertakings — (b) <i>Scope of the Restricted Business</i> ” in the “Letter from the Board” of this circular

DEFINITIONS

“Sale Offer”	has the meaning ascribed to it under the section headed “(2) Connected Transaction — Proposed Amendments to the Non-Competition Undertakings — (f) <i>The Company’s Pre-emptive Right to Purchase Restricted Business Operated by the New Covenantors or Their Close Associates</i> ” in the “Letter from the Board” of this circular
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) of HK\$0.10 each in the issued share capital of the Company (or of such other nominal amount as shall result from a sub-division, consolidation, reclassification, or reconstruction of the share capital of the Company, from time to time)
“Share Registrar”	the Company’s Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited at level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong
“Shareholder(s)”	registered holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning ascribed thereto under the Listing Rules
“Then Existing Shareholders”	Mr. YANG Erzhu (楊貳珠), Mr. SU Rubo (蘇汝波), Mr. ZHANG Yaoyuan (張耀垣) and Mr. OU Xueming (區學銘), then Shareholders when the Original Deeds of Non-Competition were executed on 29 March 2007 before the Shares were listed on the main board of the Stock Exchange
“%”	per cent

* *For identification purposes only*



COUNTRY GARDEN HOLDINGS COMPANY LIMITED

碧桂園控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2007)

Executive Directors:

Mr. YEUNG Kwok Keung (*Chairman*)
Ms. YANG Huiyan (*Co-Chairman*)
Mr. MO Bin (*President*)
Ms. YANG Ziyang
Mr. YANG Zhicheng
Mr. SONG Jun
Mr. SU Baiyuan

Non-executive Director:

Mr. CHEN Chong

Independent Non-executive Directors:

Mr. LAI Ming, Joseph
Mr. SHEK Lai Him, Abraham
Mr. TONG Wui Tung
Mr. HUANG Hongyan
Mr. TO Yau Kwok

Registered office:

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

Principal place of business in the PRC:

Country Garden Centre
No. 1 Country Garden Road
Beijiao Town
Shunde District
Foshan
Guangdong Province 528312
The PRC

Principal place of business in Hong Kong:

Suite 1702, 17/F.
Dina House, Ruttonjee Centre
11 Duddell Street
Central
Hong Kong

6 December 2021

To the Shareholders

Dear Sir or Madam,

- (1) PROPOSED ADOPTION OF NEW MEMORANDUM AND
ARTICLES OF ASSOCIATION;
(2) CONNECTED TRANSACTION —
PROPOSED AMENDMENTS TO THE
NON-COMPETITION UNDERTAKINGS;
AND
(3) NOTICE OF THE EXTRAORDINARY GENERAL MEETING**

LETTER FROM THE BOARD

INTRODUCTION

Reference is made to the Announcement in relation to the proposed adoption of the new Memorandum and Articles of Association and the proposed amendments to the Non-Competition Undertakings (including the termination of the Original Deeds of Non-Competition and the entering into of the New Deeds of Non-Competition and the transactions contemplated thereunder).

The purpose of this circular is to provide you with, among other things, (i) particulars relating to the proposed amendments to the Memorandum and Articles of Association; (ii) further information on the proposed amendments to the Non-Competition Undertakings (including the termination of the Original Deeds of Non-Competition and the entering into of the New Deeds of Non-Competition and the transactions contemplated thereunder); (iii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the proposed amendments to the Non-Competition Undertakings; (iv) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the proposed amendments to the Non-Competition Undertakings; and (v) other information as required to be disclosed under the Listing Rules.

(1) PROPOSED ADOPTION OF NEW MEMORANDUM AND ARTICLES OF ASSOCIATION

The Board is pleased to announce that, in order to (i) provide flexibility to the Company in relation to the conduct of general meetings; (ii) bring the Memorandum and Articles of Association in line with the relevant requirements of the applicable laws of the Cayman Islands and the Listing Rules; and (iii) make other consequential and housekeeping amendments, and in view of the number of proposed changes, the Board proposes to seek approval of the Shareholders by special resolution at the EGM to amend the existing Memorandum and Articles of Association by way of adoption of the new Memorandum and Articles of Association.

A summary of the major changes brought about by the adoption of the new Memorandum and Articles of Association are set out below:

1. to allow all general meetings (including, *inter alia*, an annual general meeting, an extraordinary general meeting, any adjourned meeting or postponed meeting) to be held as a physical meeting in any part of the world and at one or more locations, or as a hybrid meeting or an electronic meeting;

LETTER FROM THE BOARD

2. to include the definitions of “Act”, “announcement”, “electronic communication”, “electronic means”, “electronic meeting”, “hybrid meeting”, “Meeting Location”, “physical meeting” and “Principal Meeting Place” to align the relevant provisions in the new Memorandum and Articles of Association with the applicable laws of the Cayman Islands and the Listing Rules, and making corresponding changes to the relevant articles;
3. to provide that the respective period of (i) the closure of the register(s) of members for inspection and (ii) the suspension for the registration of transfers of shares may be extended with the approval of the Shareholders provided that such period shall not be extended beyond sixty (60) days in any year;
4. to remove the restriction on the record date to determine the Shareholders’ entitlement to any dividend, distribution, allotment or issue;
5. to include additional details to be specified in a notice of general meeting in light of the allowing of general meetings to be held at one or more meeting locations, or as a hybrid meeting or an electronic meeting;
6. to provide that the chairman of the general meeting may, with the consent of the general meeting at which a quorum is present or at his absolute discretion under certain prescribed circumstances, adjourn the meeting from time to time (or indefinitely), from place to place(s) and/or from one form to another (a physical meeting, a hybrid meeting or an electronic meeting);
7. to provide for the proceedings of general meetings which are held at one or more locations, or as a hybrid meeting or an electronic meeting, and the powers of the Board and the chairman of the general meeting in relation thereto;
8. to allow the Directors to postpone or make changes to a general meeting when they in their absolute discretion consider it is inappropriate, impracticable, unreasonable or undesirable to hold the general meeting on or at the scheduled date or time or place or in the scheduled form, for example, in case of bad weather conditions or other similar events, and making corresponding changes to the relevant articles;
9. to allow for votes to be cast by the Shareholders electronically as the Directors or the chairman of the general meeting may determine;
10. to allow instruments of proxy to be returned to the Company by electronic means;
11. to empower the Board to capitalise certain reserves of the Company to pay up the Shares to be allotted pursuant to any share incentive scheme or employee benefit scheme;
12. to provide for more physical and electronic channels for the giving or issue of any notice or document by or on behalf of the Company (including any “corporate communication” within the meaning ascribed thereto in the Listing Rules);

LETTER FROM THE BOARD

13. to clarify that a notice, document or publication is deemed to have been served on the day on which it first appears on the Company's website to which the recipient may have access or the day on which the notice of availability is deemed to have been delivered to such person, whichever is later, and if such notice, document or publication is issued as an advertisement in a newspaper, it shall be deemed to have been served on the day on which the advertisement first so appears;
14. to remove the provision which provides that in the event of winding-up of the Company in Hong Kong, every Shareholder who is not for the time being in Hong Kong shall be bound to serve notice in writing on the Company appointing some person resident in Hong Kong upon whom summonses and other notices, process or orders under the winding up may be served;
15. to clarify that a former Director can also be indemnified for his actions in relation to the affairs of the Company during the time he was a Director; and
16. to make other housekeeping amendments, including making consequential amendments in line with the above amendments to the existing Memorandum and Articles of Association.

The proposed adoption of the new Memorandum and Articles of Association is subject to the approval of the Shareholders by way of a special resolution at the EGM.

The full particulars of the proposed amendments to the existing Memorandum and Articles of Association brought about by the adoption of the new Memorandum and Articles of Association (marked-up against the existing Articles of Association) is set out in Appendix I to this circular. The new Memorandum and Articles of Association is written in English. There is no official Chinese translation in respect thereof. Therefore, the Chinese version of the new Memorandum and Articles of Association is purely a translation only. Should there be any discrepancy, the English version shall prevail.

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

LETTER FROM THE BOARD

(2) CONNECTED TRANSACTION — PROPOSED AMENDMENTS TO THE NON-COMPETITION UNDERTAKINGS

The Original Deeds of Non-Competition

Reference is made to the Original Deeds of Non-Competition entered into on 29 March 2007 among the Company and the Original Covenantors in connection with the listing of the Shares of the Company on the Stock Exchange back in 2007, pursuant to which the Original Covenantors gave various non-competition undertakings to the Company (the “**Non-Competition Undertakings**”), including, among others, that they will not, and will procure their respective close associates not to, directly or indirectly engage in businesses which will or may compete with the land or property businesses and related businesses carried on or to be carried on by the Group.

Proposed Amendments to the Non-Competition Undertakings

Over 14 years have passed since the Company and the Original Covenantors entered into the Original Deeds of Non-Competition, during which (i) the business scope of the Group has changed, as (a) the Group has expanded its business scope beyond its core property business to cover new businesses such as robotics, robotic catering and modern agriculture, and (b) the core property business of the Group now does not include property management services business (which is within the scope of the Original Deeds of Non-Competition), as the Company has spun-off and separately listed such business through the listing of CG Services on the main board of the Stock Exchange in 2018, and so there is a need to redefine the scope of non-competition to generally catch businesses from time to time engaged in by the Group and to avoid unnecessary restriction and confusion in relation to business the Group has ceased to operate in; and (ii) the Then Existing Shareholders have ceased to be the management or substantial Shareholders of the Company, and Qingyuan Country Garden Co. and Qingyuan Cultural Co. are no longer held by Ms. Yang and the Then Existing Shareholders.

In view of the above, the Directors consider it desirable to amend the Non-Competition Undertakings to, among others, (i) redefine and broaden the scope of the restricted business; (ii) enhance the procedures of referral of new business opportunities relating to any Restricted Business by the New Covenantors or their close associates to the Company; and (iii) exclude those Original Covenantors who are no longer the management or substantial Shareholder of the Company or close associates of the controlling Shareholder from being bound by the New Deeds of Non-Competition. Therefore, subject to the approval of the Independent Shareholders at the EGM, the Company proposes to terminate the Original Deeds of Non-Competition with the Original Covenantors and enter into the conditional New Deeds of Non-Competition with Mr. Yeung and Ms. Yang as the New Covenantors on 21 July 2021.

LETTER FROM THE BOARD

The major amendments to the Non-Competition Undertakings pursuant to the New Deeds of Non-Competition are summarised as follows:

(a) The Covenantors

The Original Covenantors were Ms. Yang, Mr. Yeung, the Then Existing Shareholders, Qingyuan Country Garden Co. and Qingyuan Cultural Co.. It is proposed that, other than Ms. Yang and Mr. Yeung who will be the New Covenantors under the New Deeds of Non-Competition, the Then Existing Shareholders, Qingyuan Country Garden Co. and Qingyuan Cultural Co. be released from the Non-Competition Undertakings for the following reasons:

- (i) Prior to the listing of the Shares of the Company on the Stock Exchange back in 2007, the Then Existing Shareholders together held 48% interest in the issued share capital of the Company. As at the date of the New Deeds of Non-Competition (being the date of the Announcement), however, the Then Existing Shareholders have ceased to be the management or substantial Shareholders of the Company and were not in a position to influence the Group. For further details, please refer to the section headed “*INFORMATION ON THE PARTIES*”.

The Company considers the release of the Then Existing Shareholders from the Non-Competition Undertakings to be consistent with its interest, because:

- (A) the purpose of a newly-listed company entering into non-competition deeds with its controlling shareholder is to guard against the controlling shareholder engaging in and favouring his personal business to the detriment of the listed company. The principle is that a controlling shareholder should not be in a position of conflict. It follows that a controlling shareholder who ceases to be so should be released from non-competition undertakings. This is the modern practice;
- (B) the Then Existing Shareholders have long ceased to be substantial Shareholders. Nor are they involved in the management of the Group or in a position to influence the business of the Group. It is neither the original intention of the Company, nor is it fair or reasonable, for them to continue to be indefinitely bound by the relevant Original Deed of Non-Competition;
- (C) the New Deeds of Non-Competition and the proposed release of the Then Existing Shareholders from the relevant Original Deed of Non-Competition will be put to a vote by Independent Shareholders; and

LETTER FROM THE BOARD

- (D) the Then Existing Shareholders have all retired. In reality, they are highly unlikely to engage in any business in competition with the Group.
- (ii) Prior to the listing of the Shares of the Company on the Stock Exchange back in 2007, Qingyuan Country Garden Co. and Qingyuan Cultural Co. were held as to 52% by Ms. Yang and 48% by the Then Existing Shareholders, and were hence close associates of them. Qingyuan Country Garden Co. had a single business project, namely the Qingyuan Holiday Islands (清遠假日半島) in Qingyuan, Guangdong (the “**QHI Project**”), which comprised a relatively modest number of villas, townhouses and low-rise apartments on a piece of land in a countryside area, distanced from urbanisation. Qingyuan Cultural Co., on the other hand, operated a cultural park which had been built to be a scenic spot and as a facility to the QHI Project. It had minimal assets. The principal activities of these two companies have remained the same since 2007 and up till the Latest Practicable Date.

In 2007, Ms. Yang and the Then Existing Shareholders decided in the interest of the Company to exclude Qingyuan Country Garden Co. and Qingyuan Cultural Co. from the Group in the listing because:

- (A) the scope of activities of the two companies were limited;
- (B) the Company’s majority shareholder and also the then majority shareholder of the two companies, Ms. Yang, had decided to allocate and donate her income from Qingyuan Country Garden Co. to supporting the Foshan Shunde Guohua Memorial Middle School* (佛山市順德區國華紀念中學) and other charitable causes; and
- (C) it was only in a technical sense, by virtue of the nature of the principal business of property development, that Qingyuan Country Garden Co. was in competition with the Company, when in fact the said company had a single project which was quite different from the Company’s main property development business in Qingyuan.

Nevertheless, Ms. Yang and the two companies still provided undertakings to the Company prior to listing to reflect Ms. Yang’s charitable intentions, by restricting her use of dividends from Qingyuan Country Garden Co. for charitable purpose and overseeing the operation of the two companies.

Following listing of the Shares, in November 2007, Ms. Yang outright transferred her majority 52% interests in the two companies to Foshan Shunde Guohua Memorial Middle School* (佛山市順德區國華紀念中學), which reflected the fact that she had committed to donate her

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income from the two companies for charitable purpose. In 2017, as all the Then Existing Shareholders would like to retire from both the Group and the two companies, Mr. Yeung's sister Ms. YANG Meirong, through her majority-owned company, agreed to take up their shareholdings so they could exit the business and to ensure that the holder of the 48% interest in the two companies will be ad idem about running those companies essentially for a charitable purpose. Notwithstanding the transfers, the limited scope of the activities of the two companies and the fact that these companies have never engaged in any business which competed with the Group have not been changed since 2007.

Since Qingyuan Country Garden Co. and Qingyuan Cultural Co. were no longer held by Ms. Yang and the Then Existing Shareholders, they ceased to be close associates of Ms. Yang and the Then Existing Shareholders as at the date of the New Deeds of Non-Competition (being the date of the Announcement).

In light of the above, it is proposed that the Then Existing Shareholders, Qingyuan Country Garden Co. and Qingyuan Cultural Co. be excluded from being covenantors of the New Deeds of Non-Competition.

For the avoidance of doubt, the amendments to the Non-Competition Undertakings will not exonerate the Original Covenantors from any previous non-compliance with the terms of the Original Deeds of Non-Competition.

(b) Scope of the Restricted Business

The New Deeds of Non-Competition propose to redefine and broaden the scope of the restricted business, such that the New Covenantors have unconditionally and irrevocably undertaken and warranted that they will not, and will procure any of their respective close associates (other than members of the Group) not to, participate in or operate any business which directly or indirectly competes or may compete with business from time to time engaged in by the Group, other than:

- (i) the Group's business (as the Company is by definition a close associate of Ms. Yang, such exclusion is necessary to make it clear that Ms. Yang's holding of interest in the business of the Group in itself will not render any New Covenantors in breach of the New Deeds of Non-Competition);
- (ii) investment which is not in the nature of a "business", including financial investment, passive investment, purchase of financial products, purchase of properties for self-occupation or personal investment and other investments that do not involve operating any business;

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- (iii) business which the Group has newly engaged in that was not a Restricted Business (as hereinafter defined) and the New Covenantors or their close associates have hitherto carried on or participated in or been interested in (as it is considered fair and reasonable to exclude a business that the New Covenantors or their close associates have already been involved in before the Group subsequently engages in the same business, because there was no competition with the Group when the New Covenantors or their close associates first involved in the said business, and such business was not yet Restricted Business); and
- (iv) any business segment or market which the Group will not invest in, after the management of the Company has so proposed to the Independent Board (as hereinafter defined) having considered the relevant factors and provided all reasonably necessary information to them (including the reasons of not investing in particular business segment or market and the current situation and the future development trend of such business segment or market), and after the Independent Board (as hereinafter defined) has so approved after taking into account the relevant factors and the view of the professional advisers (if considered appropriate)

((ii) to (iv) collectively, the “**Exempted Business**”) (the “**Restricted Business**”),

or hold any interests or rights in any companies or businesses (other than the Group and the Exempted Business) which directly or indirectly so competes or may compete with the business of the Group except where the relevant New Covenantor and his/her close associates directly or indirectly hold less than 5% of the total issued share capital in any company which competes with the business of the Group and have no right to appoint the majority of the board of directors thereof.

(c) Referred Competing Business Opportunity

When a new business investment or business opportunity relating to the Restricted Business is sought by or offered to the New Covenantors or their close associates (“**Referred Competing Business Opportunity**”), they shall refer such Referred Competing Business Opportunity to the Company in writing for consideration and provide all reasonably necessary details in order to enable the Company to come to an informed assessment of such Referred Competing Business Opportunity. A board committee comprising independent non-executive Directors who do not have an interest in the Referred Competing Business Opportunity (the “**Independent Board**”) shall consider whether to pursue the Referred Competing Business Opportunity with reference to various factors (including the financial impact on the Group of pursuing the Referred Competing Business Opportunity offered, whether the nature of the Referred Competing Business Opportunity is in line with the Group’s strategies and development plans, the general market conditions of the Group’s business and the potential

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impact on the Group due to the engagement in such Referred Competing Business Opportunity by the relevant New Covenantor or his/her close associates) and the view of the professional advisers (if considered appropriate). If the nature, terms or conditions of any such Referred Competing Business Opportunity has changed materially, the relevant New Covenantor or his/her close associates shall refer such revised Referred Competing Business Opportunity to the Company as if it were a new Referred Competing Business Opportunity.

The relevant New Covenantor and his/her close associates shall be entitled, but not obliged, to pursue such Referred Competing Business Opportunity when the Independent Board has declined the same or had failed to reply within 30 business days of receipt of the written notice (or such later date as the parties may otherwise agree) (the “**Notice Period**”), and any such participation in or operation of the Referred Competing Business Opportunity will not be restricted by the New Deeds of Non-Competition.

(d) Declined Competing Business Opportunity

In respect of any business investment or business opportunity relating to the Restricted Business referred or provided by a party other than the New Covenantors or their close associates but has been declined by the management of the Company (the “**Declined Competing Business Opportunity**”), any New Covenantor or his/her close associates who wishes to pursue such Declined Competing Business Opportunities shall inform the Company of such intention in writing. The Independent Board will then carry out an informed assessment of whether to allow the relevant New Covenantor or his/her close associates to pursue the same, after taking into account the relevant factors and with reference to the view of the professional advisers (if considered appropriate).

The Declined Competing Business Opportunity so pursued by the relevant New Covenantor or his/her close associates must be on the same terms as those considered and declined by the management of the Company. If there is any material change in the nature, terms or conditions of such Declined Competing Business Opportunity, the relevant New Covenantor or his/her close associates shall refer such revised Declined Competing Business Opportunity to the Company as if it were a new Referred Competing Business Opportunity.

The relevant New Covenantor and his/her close associate shall be entitled, but not obliged, to pursue such Declined Competing Business Opportunity when the Independent Board has approved the same or had failed to reply within the Notice Period, and any such participation in or operation of the Declined Competing Business Opportunity will not be restricted by the New Deeds of Non-Competition.

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(e) The Group's Project for Sale

If the Group intends to transfer or sell or allow other parties to, by any means, participate in or operate any particular business that is currently engaged in by the Group (excluding the Exempted Business) (the “**Project for Sale**”), the relevant New Covenantor or his/her close associates who wishes to acquire, participate in or operate such Project for Sale can make a written offer to the Company (the “**Offer**”) stating the indicative offer price and other terms or conditions of such acquisition, participation in or operation of the Project for Sale to facilitate an informed assessment by the Independent Board having considered and with reference to the view of the professional advisers (if considered appropriate).

Any acceptance of the Offer by the Company shall be subject to and conditional upon compliance with the applicable laws and requirements (including but not limited to the Listing Rules).

The acquisition, participation in or operation of any Project for Sale by the relevant New Covenantor and his/her close associate in compliance with the aforementioned procedures will not be restricted by the New Deeds of Non-Competition.

(f) The Company's Pre-emptive Right to Purchase Restricted Business Operated by the New Covenantors or Their Close Associates

Save for any sale of property units to individual owners for their self-occupation or investment purposes in public sales, if thereafter the relevant New Covenantor or his/her close associates intends to transfer, sell or dispose any Restricted Business participated or engaged in through the aforementioned review mechanism (the “**Competing Business Opportunity Review Mechanism**”) for the Referred Competing Business Opportunity, the Declined Competing Business Opportunity or the Project for Sale in whole or in part (the “**Disposal Business**”) to any third party for development and/or business purpose(s), before entering into any binding agreement, they must first notify the Company of such intention in writing and provide all information reasonably necessary, including the information on the Disposal Business (such as valuation report), proposed consideration to be accepted by the third party and other major terms and conditions concerning the transaction with the third party (if any) (the “**Sale Offer**”) to the Company to facilitate an informed assessment by the Independent Board of whether to exercise the pre-emptive right of purchasing the Disposal Business on the same terms and conditions (the “**Pre-emptive Right**”) having considered and with reference to the view of the professional advisers (if considered appropriate).

Any transfer or acquisition of the Disposal Business by the Company shall be subject to and conditional upon compliance with the applicable laws and requirements (including but not limited to the Listing Rules). If there is any material change in the nature or consideration, terms or conditions in respect of

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the Disposal Business between the relevant New Covenantor or his/her close associates and the third party, they shall make a new Sale Offer to the Company as if it were a new transaction.

The relevant New Covenantor and his/her close associate shall be entitled but not obliged to transfer, sell or dispose the Disposal Business to the relevant third party on the terms and conditions set out in the Sale Offer after the Independent Board had notified the relevant New Covenantor of its decision not to exercise the Pre-emptive Right or if the Independent Board had failed to respond to the Sale Offer within the Notice Period.

(g) Director's Fiduciary Duties

When the relevant New Covenantor is a Director, the New Deeds of Non-Competition clarifies that each of his/her or his/her close associates':

- (1) participation or engagement in Restricted Business through the Competing Business Opportunity Review Mechanism;
- (2) participation or engagement in (i) business other than the Restricted Business; (ii) business that the Group had ceased to operate in or ceased business that the Group has no intention to resume operation in the future; or (iii) any business that is within the scope of the Exempted Business;
- (3) holding of any investment or interest that is within the scope of the Exempted Business; and
- (4) holding of interest or right in companies or businesses (other than the Group and the Exempted Business) which directly or indirectly so competes or may compete with the business of the Group where the relevant New Covenantor and his/her close associates hold less than 5% of the total issued share capital in such company and have no right to appoint the majority of the board of directors thereof,

of itself is not a breach of the New Covenantor's fiduciary duties (including the non-conflict rule) as a Director.

(h) Termination of the New Deeds of Non-Competition

The New Deeds of Non-Competition shall automatically terminate in the following situations:

- (1) (for Mr. Yeung) when he ceases to be the chairman of the Board and executive Director of the Company (as he will still be subject to the director's duties under the law that are generally applicable to all directors if he remains as a non-executive Director or a director of a subsidiary of the Group even in the absence of a deed of

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non-competition), and (for Ms. Yang) when she and her close associates, in aggregate, directly or indirectly, cease to beneficially hold 30% or more of the voting shares or securities or other interests of the issued share capital of the Company, or cease to have control over the composition of the majority of the Board (as (i) Ms. Yang gave the Non-Competition Undertakings in the capacity of a controlling Shareholder as a way to address the potential competition issue, hence such undertakings should cease to be in force when she ceases to be a controlling Shareholder and (ii) as in the case of Mr. Yeung, Ms. Yang will still be subject to the director's duties under the law that are generally applicable to all directors as long as she remains a Director even in the absence of a deed of non-competition); or

- (2) when the Shares cease to be listed and traded on the Stock Exchange, other than in the case where trading in the Shares is temporarily suspended.

Nonetheless, if Ms. Yang remains a Director, following the termination of her New Deed of Non-Competition, the scope of her director's fiduciary duties should be the same as all other Directors (except Mr. Yeung), but the participation in or operation of any Restricted Business by her or her close associates previously acquired through the Competing Business Opportunity Review Mechanism or in accordance with other provisions of the New Deeds of Non-Competition shall not be a breach of her director's fiduciary duty, as the terms of the New Deeds of Non-Competition, including the Competing Business Opportunity Review Mechanism, and therefore the participation in or operation of any Restricted Business by Ms. Yang or her close associates in accordance with the provisions of the New Deeds of Non-Competition, would have been approved by the Independent Shareholders.

In summary, the New Deeds of Non-Competition will bring about the following major amendments to the Non-Competition Undertakings when compared with the Original Deeds of Non-Competition:

- (1) the covenantors will be Ms. Yang (the co-chairman of the Board, an executive Director and the controlling Shareholder) and Mr. Yeung (the chairman of the Board and an executive Director), with the Then Existing Shareholders (all ceased to be substantial Shareholders and management of the Company), Qingyuan Country Garden Co. and Qingyuan Cultural Co. (both no longer held by Ms. Yang and the Then Existing Shareholders but remain close associates of Mr. Yeung and bound by Mr. Yeung's undertakings) no longer being covenantors of the deeds;
- (2) the scope of the Restricted Business will be expanded to generally cover the businesses from time to time engaged in by the Group, instead of only its core property business;

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- (3) the New Deeds of Non-Competition have specified in detail the procedures as to how the New Covenantors or their close associates should refer new business opportunities relating to any Restricted Business to the Group and how they may take up such opportunities after the Group had declined the same, whereas the Original Deeds of Non-Competition were silent on whether the Original Covenantors could take up such opportunities after the Group had declined them;
- (4) new procedures relating to the Declined Competing Business Opportunity, the Project for Sale and the Pre-emptive Right concerning the Disposal Business are introduced; and
- (5) the New Deeds of Non-Competition have clarified (i) the extent of fiduciary duties of the New Covenantors as Directors in light of their involvement in business so competes or may compete with the businesses of the Group; and (ii) the grounds for terminating the New Deeds of Non-Competition.

Conditions Precedent

The New Deeds of Non-Competition shall come into effect upon fulfilment of the following conditions:

- (i) the proposed amendments to the Non-Competition Undertakings (including the termination of the Original Deeds of Non-Competition and the entering into of the New Deeds of Non-Competition and the transactions contemplated thereunder) having been approved by the independent non-executive Directors; and
- (ii) the Company having complied with all applicable laws and regulations (including the Listing Rules) or the requirements of any relevant authority (including the Stock Exchange) in connection with the proposed amendments to the Non-Competition Undertakings (including the termination of the Original Deeds of Non-Competition and the entering into of the New Deeds of Non-Competition and the transactions contemplated thereunder), including the requirement of obtaining the approval from the Independent Shareholders pursuant to the Listing Rules.

The conditions precedent set out in paragraphs (i) and (ii) above cannot be waived. In the event that any of the conditions precedent has not been fulfilled on or before 31 December 2021, the New Deeds of Non-Competition shall not come into effect and the Original Deeds of Non-Competition shall remain in full effect.

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Reasons for and Benefits of the Proposed Amendments to the Non-Competition Undertakings

Given the change in circumstances since the entering into of the Original Deeds of Non-Competition in 2007, to better protect the interests of the Group and the Shareholders as a whole, the Company believes that it is an appropriate time to review and amend the Non-Competition Undertakings with the primary objective to redefine and broaden the scope of the Non-Competition Undertakings given by Ms. Yang (the controlling Shareholder, an executive Director and the co-chairman of the Board) and Mr. Yeung (an executive Director and the chairman of the Board) to the Company. In addition, the adoption of the Competing Business Opportunity Review Mechanism which is now common market practice and the grant of the Pre-emptive Right to the Company in relation to business which has once been rejected or given up by the Group and subsequently invested in or developed by the New Covenantors and their close associates will allow the Group with an opportunity and the flexibility to subsequently take over such business from the New Covenantors and their close associates, if such business turns out to be profitable. The synergy between the Company and the New Covenantors in such business will be enhanced and the Group will be able to better cope with the competition in the industry, which is commercially desirable and in the interest of the Company and its Shareholders as a whole. Reasons for and benefits of the proposed amendments to the Non-Competition Undertakings are more particularly set out as follows:

- (a) As aforementioned, (i) the Company has spun-off and separately listed its property management services business through the listing of CG Services on the Stock Exchange in 2018; (ii) the Non-Competition Undertakings given by the Original Covenantors in the Original Deeds of Non-Competition are restricted to property business; and (iii) some of the Original Covenantors have ceased to be the management or substantial Shareholders of the Company. Since the listing of the Company in 2007, the Company has expanded its business scope beyond property business to cover new business segments with great development prospect such as robotics, robotic catering and modern agriculture. The Original Deeds of Non-Competition have since become outdated and the entering into of the New Deeds of Non-Competition will help align the scope of the New Deeds of Non-Competition with the existing businesses of the Group, and thereby ensure the elimination of potential competition with the Group which was not captured by the scope of the Original Deeds of Non-Competition. The scope of the Restricted Business will now be expanded to cover not only property business but also the businesses from time to time engaged in by the Group. The Company will enjoy preferential development and investment right in the Restricted Business, and the New Covenantors and their close associates cannot carry on businesses in such sectors and compete with the Group without the approval of the Independent Board.

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- (b) Since the entering into of the Original Deeds of Non-Competition, the economic structure of the PRC has changed and technological development is evolving. The Directors are of the view that the Original Deeds of Non-Competition were too stringent in that the Original Covenantors were not allowed to participate in a competing business even though the Company has already rejected the relevant opportunity when it was first presented to the Company or the Company has already withdrawn from carrying on such business. The Group will lose out on a chance to profit from such business, if they turn out to be profitable at the end, and such stringent restriction cannot meet the needs of the Company to develop its business by capturing profitable business opportunities at the right time and cope with the competition in the industry. On the other hand, the adoption of the Competing Business Opportunity Review Mechanism and the grant of the Pre-emptive Right to the Company present a new business opportunity to the Group. While the New Covenantors and their close associates may be allowed to participate in the Restricted Business through compliance with the Competing Business Opportunity Review Mechanism, such mechanism is carefully designed with check and balance. For example, in deciding whether the Company should accept the Referred Competing Business Opportunity or whether the New Covenantors or their close associates should be allowed to engage in Restricted Business through the said mechanism, the Independent Board will consider a number of factors, including whether the relevant businesses are in line with the development direction of the Company's principal businesses, whether the commercial and legal risks of the relevant projects are in line with the Company's risk policy, and whether the capital contribution involved in the pre-commercial investments is in line with the Company's investment strategy. By allowing the New Covenantors or their close associates to first obtain and develop a Restricted Business which is not currently in line with the Company's development strategy subject to carefully designed procedures and conditions, and granting a Pre-emptive Right in favour of the Company, the Company and the New Covenantors will be able to leverage on their respective strengths to form and create synergies in business development. As such, it allows the Company to reserve the right to develop such business at a later and more appropriate time without bearing excessive business risks, improve the flexibility to participate in such business opportunities, avoid being lagged behind other competitors in the industry and maximize the interests of the Company and its Shareholders as a whole.
- (c) As the New Covenantors are connected persons of the Company, any disposal of Project for Sale by the Company to any such New Covenantors or their close associates, or any acquisition of a Disposal Business from any of them following the exercise of the Pre-emptive Right, or any cooperation between the Company and the New Covenantors or their close associates to engage in such business will constitute connected transactions or continuing connected transactions of the Company under Chapter 14A of the Listing Rules, and will be subject to the approval of the independent board

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committee of the Company or, if applicable, the approval of the independent Shareholders as required under the Listing Rules, which will serve as an additional safeguard of the interests of the Company and its Shareholder as a whole.

The Directors (including the independent non-executive Directors) believe that the terms of the proposed amendments to the Non-Competition Undertakings (including the termination of the Original Deeds of Non-Competition and the entering into of the New Deeds of Non-Competition and the transactions contemplated thereunder) while not in the ordinary and usual course of business of the Group, are fair and reasonable and in the interests of the Company and its Shareholders as a whole, and is on normal commercial terms.

Corporate Governance Measures

In order to ensure and facilitate compliance with the New Deeds of Non-Competition by the New Covenantors, the Company has implemented the following measures:

- (a) the independent non-executive Directors shall review, at least once every year, the performance of the New Deeds of Non-Competition by the New Covenantors (with reference to, inter alia, confirmations by the New Covenantors that they have complied with the terms of the New Deeds of Non-Competition (including the Competing Business Opportunity Review Mechanism) to be obtained by the Company's company secretarial and compliance department every half year);
- (b) the New Covenantors shall cooperate and provide and shall procure their close associates to cooperate and provide, on best endeavour basis, information necessary for the aforementioned annual review of the performance of the New Deeds of Non-Competition;
- (c) the Company will disclose the review results of the independent non-executive Directors relating to compliance and enforcement of the New Deeds of Non-Competition in the annual reports or the announcements of the Company pursuant to the applicable laws, rules and regulations (including the Listing Rules), and shall further disclose the reasons of the decisions made by the Independent Board pursuant to the New Deeds of Non-Competition;
- (d) the New Covenantors will make a declaration in each of the Company's annual reports on the compliance with the New Deeds of Non-Competition in accordance with the principle of voluntary disclosure in the corporate governance report; and

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- (e) in the event that any of the Directors and/or their respective close associate has material interests in any matter to be discussed by the Board in relation to the compliance and enforcement of the New Deeds of Non-Competition, he/she shall not vote on the resolutions of the Board approving the matter and shall not be counted towards the quorum for the relevant voting.

INFORMATION ON THE PARTIES

The Company

The Company is one of the PRC's largest residential property developers that capitalizes on urbanization. With centralized management and standardization, the Group runs the businesses of property development, construction, interior decoration, property investment, and the development and management of hotels. The Group offers a broad range of products to cater for diverse demands, namely residential projects such as townhouses, condominiums, car parks and retail shop spaces. The Group also develops and manages hotels at some of its property projects with the aim of enhancing the properties' marketability. The Group's other businesses are robotics and modern agriculture.

Mr. Yeung

Mr. Yeung is the chairman of the Board and an executive Director, the father of Ms. Yang and Ms. Yang Ziyang, the uncle of Mr. Yang Zhicheng, and the father-in-law of Mr. Chen Chong.

Ms. Yang

Ms. Yang is the co-chairman of the Board, an executive Director and the controlling Shareholder, the daughter of Mr. Yeung, the sister of Ms. Yang Ziyang, the cousin of Mr. Yang Zhicheng, and the wife of Mr. Chen Chong. As at the Latest Practicable Date, Ms. Yang is indirectly interested in approximately 61.25% of the total issued share capital of the Company.

Mr. YANG Erzhu

Mr. YANG Erzhu was one of the co-founders and former executive directors of the Company, who has resigned as an executive Director on 19 August 2015. Mr. YANG Erzhu ceased to be a substantial Shareholder on 24 April 2007 and his indirect interest in the issued share capital of the Company has been less than 5% since 20 April 2015. As at the Latest Practicable Date, he is not a connected person of the Company and has no other interest or relationship with the Group or the New Covenantors.

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Mr. SU Rubo

Mr. SU Rubo was one of the co-founders and former executive directors of the Company, who has resigned as an executive Director on 1 April 2017. Mr. SU Rubo was not a substantial Shareholder since the listing date of the Company and his indirect interest in the issued share capital of the Company has been less than 5% since 24 April 2007. As at the Latest Practicable Date, he is not a connected person of the Company and has no other interest or relationship with the Group or the New Covenantors.

Mr. ZHANG Yaoyuan

Mr. ZHANG Yaoyuan was one of the co-founders and former executive directors of the Company, who has resigned as an executive Director on 13 December 2013. Mr. ZHANG Yaoyuan was not a substantial Shareholder since the listing date of the Company and his indirect interest in the issued share capital of the Company has been less than 5% since 24 April 2007. As at the Latest Practicable Date, he is not a connected person of the Company and has no other interest or relationship with the Group or the New Covenantors.

Mr. OU Xueming

Mr. OU Xueming was one of the co-founders and former executive directors of the Company, who has resigned as an executive Director on 1 April 2017. Mr. OU Xueming was not a substantial Shareholder since the listing date of the Company and his indirect interest in the issued share capital of the Company has been less than 5% since 24 April 2007. As at the Latest Practicable Date, he is not a connected person of the Company and has no other interest or relationship with the Group or the New Covenantors.

Qingyuan Country Garden Co.

Qingyuan Country Garden Co. is a limited liability company established in the PRC on 12 November 2001 and is principally engaged in the development of the QHI Project situated in Qingyuan which offers various types of products including villas, townhouses and low-rise apartments. Qingyuan Country Garden Co. is owned as to 52% by Foshan Shunde Guohua Memorial Middle School* (佛山市順德區國華紀念中學) and 48% by Foshan Shunde Lida Investment Co., Ltd* (佛山市順德區利達投資有限公司). Qingyuan Country Garden Co. has never held any issued share capital in the Company.

Qingyuan Cultural Co.

Qingyuan Cultural Co. is a limited liability company established in the PRC on 17 August 2005 and is principally engaged in the development of the Qingyuan Cultural Park located in Shijiao Town, Qingcheng District in Qingyuan. Qingyuan Cultural Co. is owned as to 52% by Foshan Shunde Guohua Memorial Middle School* (佛山市順德區國華紀念中學) and 48% by Foshan Shunde Lida Investment Co., Ltd* (佛山市順德區利達投資有限公司). Qingyuan Cultural Co. has never held any issued share capital in the Company.

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LISTING RULES IMPLICATIONS

As at the Latest Practicable Date, Mr. Yeung and Ms. Yang are executive Directors, and Ms. Yang is also a controlling Shareholder. Therefore, each of them is a connected person of the Company. Accordingly, the proposed amendments to the Non-Competition Undertakings (including the termination of the Original Deeds of Non-Competition and the entering into of the New Deeds of Non-Competition and the transactions contemplated thereunder) constitute a connected transaction of the Company and is subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

An Independent Board Committee comprising all the independent non-executive Directors has been formed to advise the Independent Shareholders on the proposed amendments to the Non-Competition Undertakings. Goldlink Capital has been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

Each of Mr. Yeung, Ms. Yang, Ms. YANG Ziyang, Mr. YANG Zhicheng, and Mr. CHEN Chong are considered to have an actual or potential material interest in the proposed amendments to the Non-Competition Undertakings and have abstained from voting on the relevant resolutions of the Board. Save as disclosed above, none of the Directors has a material interest in the proposed amendments to the Non-Competition Undertakings.

EGM

A notice convening the EGM to be held at Victoria Room, 2/F, Mandarin Oriental Hong Kong, 5 Connaught Road Central, Hong Kong on 22 December 2021 at 10:30 a.m. to consider and, if thought fit, approve the proposed adoption of the new Memorandum and Articles of Association and the proposed amendments to the Non-Competition Undertakings (including the termination of the Original Deeds of Non-Competition and the entering into of the New Deeds of Non-Competition and the transactions contemplated thereunder) is set out on pages 100 to 102 of this circular. A form of proxy for use at the EGM is also enclosed with this circular.

Whether or not you intend to attend the EGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Share Registrar, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjourned meeting thereof should you so wish and in such event, the form of proxy previously submitted shall be deemed to be revoked.

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The Original Covenantors and their associates will abstain from voting on the ordinary resolution to approve the termination of the Original Deeds of Non-Competition, and the associates of Ms. Yang and Mr. Yeung will abstain from voting on the ordinary resolution to approve the New Deeds of Non-Competition and the transactions contemplated thereunder as required under Rule 14A.36 of the Listing Rules.

RECOMMENDATIONS

Proposed Adoption of the New Memorandum and Articles of Association

The Board considers that the proposed amendments to the Memorandum and Articles of Association and the proposed adoption of the new Memorandum and Articles of Association are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the relevant special resolution to be proposed at the EGM.

Connected Transaction — Proposed Amendments to the Non-Competition Undertakings

Your attention is drawn to the letter of recommendation from the Independent Board Committee set out on pages 30 to 31 of this circular and the letter from the Independent Financial Adviser set out on pages 32 to 54 of this circular, which contains, among other matters, its advice to the Independent Board Committee and the Independent Shareholders in respect of the proposed amendments to the Non-Competition Undertakings (including the termination of the Original Deeds of Non-Competition and the entering into of the New Deeds of Non-Competition and the transactions contemplated thereunder) and the principal factors considered by it in arriving at its recommendation.

Having taken into account the factors as disclosed in the section headed “Reasons for and Benefits of the Proposed Amendments to the Non-Competition Undertakings” above, the Board (including the independent non-executive Directors, whose opinion is set out in the “Letter from the Independent Board Committee” in this circular) considers that the terms of the proposed amendments to the Non-Competition Undertakings (including the termination of the Original Deeds of Non-Competition and the entering into of the New Deeds of Non-Competition and the transactions contemplated thereunder) while not in the ordinary and usual course of business of the Group, are fair and reasonable and in the interests of the Company and its Shareholders as a whole, and on normal commercial terms. Accordingly, the Board recommends the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the EGM to approve the proposed amendments to the Non-Competition Undertakings (including the termination of the Original Deeds of Non-Competition and the entering into of the New Deeds of Non-Competition and the transactions contemplated thereunder).

LETTER FROM THE BOARD

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular.

By Order of the Board
Country Garden Holdings Company Limited
MO Bin
President and Executive Director

* *For identification purposes only*

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

The following is the letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the proposed amendments to the Non-Competition Undertakings (including the termination of the Original Deeds of Non-Competition and the entering into of the New Deeds of Non-Competition and the transactions contemplated thereunder), which has been prepared for the purpose of inclusion in this circular.



COUNTRY GARDEN HOLDINGS COMPANY LIMITED

碧桂園控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2007)

6 December 2021

To the Independent Shareholders

Dear Sir/Madam,

CONNECTED TRANSACTION — PROPOSED AMENDMENTS TO THE NON-COMPETITION UNDERTAKINGS

We refer to the circular dated 6 December 2021 issued by the Company (the “**Circular**”) of which this letter forms part. Terms defined in the Circular shall have the same meanings when used herein, unless the context otherwise requires.

We have been appointed as the members of the Independent Board Committee to advise you on the proposed amendments to the Non-Competition Undertakings (including the termination of the Original Deeds of Non-Competition and the entering into of the New Deeds of Non-Competition and the transactions contemplated thereunder) and whether the terms contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole. The Independent Financial Adviser, Goldlink Capital, has been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

We wish to draw your attention to the letter from the Board, as set out on pages 8 to 29 of the Circular, and the letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders which contains its opinion in respect of the proposed amendments to the Non-Competition Undertakings (including the termination of the Original Deeds of Non-Competition and the entering into of the New Deeds of Non-Competition and the transactions contemplated thereunder) as set out on pages 32 to 54 of the Circular. After taking into consideration the advice from Goldlink Capital, we concur with the views of Goldlink Capital and consider that the terms of the proposed amendments to the Non-Competition Undertakings (including the termination of the Original Deeds of Non-Competition and the entering into of the New Deeds of Non-Competition and the transactions contemplated thereunder) while not in the ordinary and usual course of business of the Group, are fair and reasonable and in the interests of the Company and its Shareholders as a whole, and on normal commercial terms.

Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the EGM to approve the proposed amendments to the Non-Competition Undertakings (including the termination of the Original Deeds of Non-Competition and the entering into of the New Deeds of Non-Competition and the transactions contemplated thereunder).

Yours faithfully
For and on behalf of

Independent Board Committee

**Mr. LAI Ming,
Joseph**

**Mr. SHEK Lai
Him, Abraham**

**Mr. TONG Wui
Tung**

**Mr. HUANG
Hongyan**

**Mr. TO Yau
Kwok**

Independent non-executive Directors

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the full text of the letter of advice dated 6 December 2021 from the Independent Financial Adviser, Goldlink Capital, to the Independent Board Committee and the Independent Shareholders in respect of the proposed amendments to the Non-Competition Undertakings (including the termination of the Original Deeds of Non-Competition and the entering into of the New Deeds of Non-Competition and the transactions contemplated thereunder) prepared for the purpose of incorporation in this circular.



Room 501–503, 5/F.,
Kai Tak Commercial Building
317–319 Des Voeux Road Central
Hong Kong

6 December 2021

To: The Independent Board Committee and the Independent Shareholders of Country Garden Holdings Company Limited

Dear Sirs,

CONNECTED TRANSACTION — PROPOSED AMENDMENTS TO THE NON-COMPETITION UNDERTAKINGS

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the proposed amendments to the Non-Competition Undertakings, details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular of the Company dated 6 December 2021 (the “**Circular**”), of which this letter forms part. Capitalized terms used in this letter shall have the same meanings as ascribed to them in the Circular unless otherwise defined or the context requires otherwise.

Reference is made to the Announcement. On 21 July 2021, the Company conditionally terminated the Original Deeds of Non-Competition with the Original Covenantors and entered into the conditional New Deeds of Non-Competition with Mr. Yeung and Ms. Yang as the New Covenantors.

As at the Latest Practicable Date, Mr. Yeung and Ms. Yang are executive Directors, and Ms. Yang is also a controlling Shareholder who controls more than 30% of the issued share capital of the Company. Therefore, each of them is a connected person of the Company as defined under the Listing Rules. Accordingly, the proposed amendments to Non-Competition Undertakings (including the termination of the Original Deeds of Non-Competition and the entering into of the New Deeds of Non-Competition and the transactions contemplated thereunder) constitute a connected transaction of the Company

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

under Chapter 14A of the Listing Rules which is subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

INDEPENDENT BOARD COMMITTEE

The Independent Board Committee, comprising all independent non-executive Directors, namely Mr. Lai Ming, Joseph, Mr. Shek Lai Him, Abraham, Mr. Tong Wui Tung, Mr. Huang Hongyan and Mr. To Yau Kwok, has been established to advise the Independent Shareholders in respect of the proposed amendments to the Non-Competition Undertakings. We, Goldlink Capital (Corporate Finance) Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

OUR INDEPENDENCE

We, Goldlink Capital (Corporate Finance) Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on the proposed amendments to the Non-Competition Undertakings. We are not connected with the directors, chief executives, and substantial shareholders of the Company or any of their respective subsidiaries or associates and are therefore considered suitable to give independent advice to the Independent Board Committee and the Independent Shareholders. In the last two years prior to the Latest Practicable Date, there was no engagement between the Company and us. Apart from normal professional fees paid or payable to us in connection with this appointment, no arrangement exists whereby we had received or will receive any fees or benefits from the Company. Accordingly, we are qualified to give independent advice in respect of the proposed amendments to the Non-Competition Undertakings.

BASIS OF OUR OPINION

In formulating our opinion and recommendation, we have relied on the accuracy of the information and representations contained in the Circular and have assumed that all information and representations made or referred to in the Circular were true at the time they were made and continue to be true as at the Latest Practicable Date. We have also relied on our discussion with the Directors and management of the Company regarding the Group, including the information and representations contained in the Circular. We have also assumed that all statements of belief, opinion and intention made by the Directors and management of the Company in the Circular were reasonably made after due enquiry. We consider that we have been provided with, and have reviewed, all currently available information and documents which are available under present circumstances to enable us to reach an informed view and to provide a reasonable basis for our opinion. We have no reason to suspect that any material facts have been omitted or withheld from the information contained or opinions expressed in the Circular nor to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors and management of the Company. We have not, however, conducted an

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

independent in-depth investigation into the business and affairs of the Group, Mr. Yeung, Ms. Yang and their respective subsidiaries or associates nor have we carried out any independent verification of the information supplied.

This letter is issued for information of the Independent Board Committee and the Independent Shareholders solely in connection with their consideration of the proposed amendments to the Non-Competition Undertakings. Except for its inclusion in the Circular, this letter is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes without our prior written consent.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion and recommendation in respect of the proposed amendments to the Non-Competition Undertakings, we have considered the following principal factors and reasons:

1. Information of the Company

The Company is one of the PRC's largest residential property developers that capitalizes on urbanization. With centralized management and standardization, the Group runs the businesses of property development, construction, interior decoration, property investment, and the development and management of hotels. The Group offers a broad range of products to cater for diverse demands, namely residential projects such as townhouses, condominiums, car parks and retail shop spaces. The Group also develops and manages hotels at some of its property projects with the aim of enhancing the properties' marketability. The Group's other businesses are robotics and modern agriculture.

2. Information of the New Covenantor(s)

Mr. Yeung

Mr. Yeung is the chairman of the Board and an executive Director, Mr. Yeung is the father of Ms. Yang, the co-chairman of the Board, an executive Director and the controlling Shareholder; the father of Ms. Yang Ziying, an executive Director; the uncle of Mr. Yang Zhicheng, an executive Director; and the father-in-law of Mr. Chen Chong, a non-executive Director.

Ms. Yang

Ms. Yang is the co-chairman of the Board, an executive Director and the controlling Shareholder, the daughter of Mr. Yeung, the chairman of the Board and an executive Director; the sister of Ms. Yang Ziying, an executive Director; the cousin of Mr. Yang Zhicheng, an executive Director; and the wife of Mr. Chen Chong, a non-executive Director. As at the Latest Practicable Date, Ms. Yang is indirectly interested in approximately 61.25% of the total issued share capital of the Company.

3. Background of the Original Deeds of Non-Competition

Reference is made to the Original Deeds of Non-Competition entered into on 29 March 2007 among the Company and the Original Covenantors in connection with the listing of the Shares of the Company on the Stock Exchange back in 2007, pursuant to which the Original Covenantors gave various non-competition undertakings to the Company (the “**Non-Competition Undertakings**”), including, among others, that they will not, and will procure their respective close associates not to, directly or indirectly engage in businesses which will or may compete with the land or property businesses and related businesses carried on or to be carried on by the Group.

4. Reasons for and benefits for the proposed amendments to the Non-Competition Undertakings

As set out in the Letter from the Board, given the change in circumstances since the entering into of the Original Deeds of Non-Competition in 2007, to better protect the interests of the Group and the Shareholders as a whole, the Company believes that it is an appropriate time to review and amend the Non-Competition Undertakings with the primary objective to redefine and broaden the scope of the Non-Competition Undertakings given by Ms. Yang (the controlling Shareholder, an executive Director and the co-chairman of the Board) and Mr. Yeung (an executive Director and the chairman of the Board) to the Company. In addition, the adoption of the Competing Business Opportunity Review Mechanism which is now common market practice and the grant of the Pre-emptive Right to the Company in relation to business which has once been rejected or given up by the Group and subsequently invested in or developed by the New Covenantors and their close associates will allow the Group with an opportunity and the flexibility to subsequently take over such business from the New Covenantors and their close associates, if such business turns out to be profitable. The synergy between the Company and the New Covenantors in such business will be enhanced and the Group will be able to better cope with the competition in the industry, which is commercially desirable and in the interests of the Company and its Shareholders as a whole. Reasons for and benefits of the proposed amendments to the Non-Competition Undertakings are more particularly set out as follows:

Redefine and broaden the scope of restricted business

As mentioned in the Letter from the Board, since the listing of the Company in 2007, the Company has expanded its business scope beyond property business to cover new business segments with great development prospect such as robotics, robotic catering and modern agriculture. The Original Deeds of Non-Competition have since become outdated and the entering into of the New Deeds of Non-Competition will help align the scope of the New Deeds of Non-Competition with the existing businesses of the Group, and thereby ensure the elimination of potential competition with the Group which was not captured by the scope of the Original Deeds of Non-Competition. The scope of the Restricted Business will be now expanded to cover not only property business, but also the businesses from time to time engaged in by the Group. The Company will

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enjoy preferential development and investment right in the Restricted Business, and the New Covenantors and their close associates cannot carry on businesses in such sectors and compete with the Group without the approval of the Independent Board.

Taking the above into consideration, we concur with the Company that the proposed amendments to the Non-Competition Undertakings are made essentially to facilitate the expansion of the original scope of restricted business to all the businesses the Group engages from time to time, including but not limited to, robotics, robotic catering and modern agriculture. The entering into the New Deeds of Non-Competition will enhance the consistency of the scope of the deeds with the current business scope of the Group and eliminate potential competition from the New Covenantors.

Further, we are of the view that the expansion of the scope of the Restricted Business could offer more protection to the Company than the Original Deeds of Non-Competition from the potential competing businesses which the New Covenantors could have engaged in and therefore is beneficial to the Company and the Shareholders as a whole.

As mentioned in the Letter from the Board, the Original Deeds of Non-Competition were entered into over 14 years ago in 2007, and the businesses of the Group and the organization structure of the Group have experienced significant changes since then. One of the significant changes being the spin-off of Country Garden Services Holdings Company Limited (6098.HK) (“**CG Services**”) in 2018, which currently is a listed property management services company operating independently from the Group. Since then, property management services were excluded from the business scope of the Group.

Despite the abovementioned material change in the business scope of the Group, no change to the Original Deeds of Non-Competition had been made. We have discussed with the management of the Company and note that i) the existing business delineation in the Original Deeds of Non-Competition does not reflect the current business scope of the Company; and ii) the Original Deeds of Non-Competition did not contain express provision for the Original Covenantors to participate in excluded business after any change in business scope of the Group. As such, we concur with the management of the Company that the purpose of the proposed amendments to the Original Deeds of Non-Competition are intended to provide clarification such that property management service is an exempted business under the New Deeds of Non-Competition. From the discussion above, we are of the view that the spin-off of CG Services is one of the reasons contributed to the proposed amendments of the Original Deeds of Non-Competition and therefore it is fair and reasonable to make the amendments.

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The Then Existing Shareholders have ceased to be the management or substantial Shareholders of the Company

As mentioned in the Letter from the Board, one of the proposed amendments to the Non-Competition Undertakings is to exclude those Original Covenantors who are no longer the management or substantial Shareholder or close associates of the controlling Shareholder from being bound by the New Deeds of Non-Competition. The Then Existing Shareholders have ceased to be the management or substantial Shareholders of the Company, which means they are no longer in a position to influence the Group and should no longer be restricted by the Non-Competition Undertakings. In addition, Qingyuan Country Garden Co. and Qingyuan Cultural Co. are no longer held by Ms. Yang and the Then Existing Shareholders and ceased to be their close associates and therefore should no longer be signatories to the New Deeds of Non-Competition.

As such, the proposed amendments to the Non-Competition Undertakings would enable the Company to clarify the counter-parties in relation thereto and we concur with the Company that it is appropriate to exclude the Then Existing Shareholders, Qingyuan Country Garden Co. and Qingyuan Cultural Co. from being covenantors of the New Deeds of Non-Competition for the reasons above.

Enhance the procedure of referral of new business opportunities

As mentioned in the Letter from the Board and after our discussion with the management of the Company, we understand that, although the Original Deeds of Non-Competition did not restrict the Original Covenantors to capture other business opportunities other than the properties related business, it remained ambiguous whether the Original Covenantors who were also a Director might still be considered to have breached the director's fiduciary duties in pursuing such new business opportunities, even they are not under the restriction under the Original Deeds of Non-Competition. Some of the business opportunities could be missed by both the Company and the Original Covenantors, it would not be beneficiary to the Company under the rapid evolvement of the economic environment and technological development in the PRC.

With the proposed amendments to the Non-Competition Undertakings, the New Covenantors and the Company would have a mechanism to review the Referred Competing Business Opportunity, the Declined Competing Business Opportunity and the Project for Sale. After discussion with the management of the Company, from the New Deeds of Non-Competition, we understand that the Company would have the option to decline the potential competing business at an early stage of a Referred Competing Business Opportunity and a Declined Competing Business Opportunity but would have a Pre-emptive Right to purchase the Disposal Business potentially at a more mature stage.

Regarding the Competing Business Opportunity Review Mechanism, we have performed research on other listed companies which updated their deeds of non-competition after a long period of time since signing and note that the below

listed companies allow their controlling shareholders to pursue business opportunities which may compete with the businesses of the listed groups, subject to their respective independent review, in their deeds of non-competition mechanisms. Those listed companies are (i) DYNAM JAPAN HOLDINGS Co., Ltd. (Stock Code: 6889); (ii) China Shenhua Energy Company Limited (Stock Code: 1088); (iii) China Eastern Airlines Corporation Limited (Stock Code: 670); (iv) China Tianrui Group Cement Company Limited (Stock Code: 1252); and (v) Asia Cement (China) Holdings Corporation (Stock Code: 743). We also performed research in the prospectuses of newly listed companies on the Main Board of the Stock Exchange for about five months prior to the Latest Practicable Date and found that many companies have the mechanism similar to the Competing Business Opportunity Review Mechanism. Please refer to the section headed “7. Other considerations” below in this letter for the precedent examples. Based on the above research, we are of the view that the Competing Business Opportunity Review Mechanism is not an uncommon practice in Hong Kong.

In view of the above, we are of the view that i) the Competing Business Opportunity Review Mechanism under the New Deeds of Non-Competition would be beneficial to the Company and Shareholders as a whole, and would enable the Company to better allocate the resources to those projects with less risk while not fully giving up the business opportunities to its competitors, whereas the New Covenantors could take up those Referred Competing Business Opportunity, the Declined Competing Business Opportunity and the Project for Sale; ii) the proposed amendments to the Non-Competition Undertakings, while not in the ordinary and usual course of business of the Group, are fair and reasonable and in the interests of the Company and its Shareholders as a whole, and is on normal commercial terms.

5. The major amendments to the Non-Competition Undertakings

The major amendments to the Non-Competition Undertakings pursuant to the New Deeds of Non-Competition are summarised and extracted for discussion as follows:

(i) The Covenantors

The Original Covenantors were Ms. Yang, Mr. Yeung, the Then Existing Shareholders, Qingyuan Country Garden Co. and Qingyuan Cultural Co.. It is proposed that, other than Ms. Yang and Mr. Yeung who will be the New Covenantors under the New Deeds of Non-Competition, the Then Existing Shareholders, Qingyuan Country Garden Co. and Qingyuan Cultural Co. be released from the Non-Competition Undertakings for the following reasons:

- (i) Prior to the listing of the Shares of the Company on the Stock Exchange back in 2007, the Then Existing Shareholders together held 48% interest in the issued share capital of the Company. As at the date of the New Deeds of Non-Competition (being the date of the Announcement),

however, the Then Existing Shareholders have ceased to be the management or substantial Shareholders of the Company and were not in a position to influence the Group.

The Company considers the release of the Then Existing Shareholders from the Non-Competition Undertakings to be consistent with its interest, because:

- (A) the purpose of a newly-listed company entering into non-competition deeds with its controlling shareholder is to guard against the controlling shareholder engaging in and favouring his personal business to the detriment of the listed company. The principle is that a controlling shareholder should not be in a position of conflict. It follows that a controlling shareholder who ceases to be so should be released from non-competition undertakings. This is the modern practice;
 - (B) the Then Existing Shareholders have long ceased to be substantial Shareholders. Nor are they involved in the management of the Group or in a position to influence the business of the Group. It is neither the original intention of the Company, nor is it fair or reasonable, for them to continue to be indefinitely bound by the relevant Original Deed of Non-Competition;
 - (C) the New Deeds of Non-Competition and the proposed release of the Then Existing Shareholders from the relevant Original Deed of Non-Competition will be put to a vote by Independent Shareholders; and
 - (D) the Then Existing Shareholders have all retired. In reality, they are highly unlikely to engage in any business in competition with the Group.
- (ii) Prior to the listing of the Shares of the Company on the Stock Exchange back in 2007, Qingyuan Country Garden Co. and Qingyuan Cultural Co. were held as to 52% by Ms. Yang and 48% by the Then Existing Shareholders, and were hence close associates of them. Qingyuan Country Garden Co. had a single business project, namely the Qingyuan Holiday Islands (清遠假日半島) in Qingyuan, Guangdong (the “**QHI Project**”), which comprised a relatively modest number of villas, townhouses and low-rise apartments on a piece of land in a countryside area, distanced from urbanisation. Qingyuan Cultural Co., on the other hand, operated a cultural park which had been built to be a scenic spot and as a facility to the QHI Project. It had minimal assets. The principal activities of these two companies have remained the same since 2007 and up till the Latest Practicable Date.

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In 2007, Ms. Yang and the Then Existing Shareholders decided in the interest of the Company to exclude Qingyuan Country Garden Co. and Qingyuan Cultural Co. from the Group in the listing because:

- (A) the scope of activities of the two companies were limited;
- (B) the Company's majority shareholder and also the then majority shareholder of the two companies, Ms. Yang, had decided to allocate and donate her income from Qingyuan Country Garden Co. to supporting the Foshan Shunde Guohua Memorial Middle School* (佛山市順德區國華紀念中學) and other charitable causes; and
- (C) it was only in a technical sense, by virtue of the nature of the principal business of property development, that Qingyuan Country Garden Co. was in competition with the Company, when in fact the said company had a single project which was quite different from the Company's main property development business in Qingyuan.

Nevertheless, Ms. Yang and the two companies still provided undertakings to the Company prior to listing to reflect Ms. Yang's charitable intentions, by restricting her use of dividends from Qingyuan Country Garden Co. for charitable purpose and overseeing the operation of the two companies.

Following listing of the Shares, in November 2007, Ms. Yang outright transferred her majority 52% interests in the two companies to Foshan Shunde Guohua Memorial Middle School* (佛山市順德區國華紀念中學), which reflected the fact that she had committed to donate her income from the two companies for charitable purpose. In 2017, as all the Then Existing Shareholders would like to retire from both the Group and the two companies, Mr. Yeung's sister Ms. YANG Meirong, through her majority-owned company, agreed to take up their shareholdings so they could exit the business and to ensure that the holder of the 48% interest in the two companies will be ad idem about running those companies essentially for a charitable purpose. Notwithstanding the transfers, the limited scope of the activities of the two companies and the fact that these companies have never engaged in any business which competed with the Group have not been changed since 2007.

Since Qingyuan Country Garden Co. and Qingyuan Cultural Co. were no longer held by Ms. Yang and the Then Existing Shareholders, they ceased to be close associates of Ms. Yang and the Then Existing Shareholders as at the date of the New Deeds of Non-Competition (being the date of the Announcement).

In light of the above, it is proposed that the Then Existing Shareholders, Qingyuan Country Garden Co. and Qingyuan Cultural Co. be excluded from being covenantors of the New Deeds of Non-Competition.

For the avoidance of doubt, the amendments to the Non-Competition Undertakings will not exonerate the Original Covenantors from any previous non-compliance with the terms of the Original Deeds of Non-Competition.

Discussion on (i) The Covenantors

As discussed with the management of the Company, we are given to understand that i) the Then Existing Shareholders have ceased to be the management or substantial Shareholders of the Company and were not in a position to influence the Group long time ago; ii) all the Then Existing Shareholders have retired and are not likely to engage in any business in competition with the Group; iii) the proposed amendments of “The Covenantors” will be put to a vote by Independent Shareholders; iv) although Qingyuan Country Garden Co. and Qingyuan Cultural Co. are no longer held by Ms. Yang and the Then Existing Shareholders, their activities will still nonetheless be subject to the New Deed of Non-Competition executed by Mr. Yeung by virtue of their being close associates of Mr. Yeung; and v) the amendments to the Non-Competition Undertakings will not exonerate the Original Covenantors from any previous non-compliance with the terms of the Original Deeds of Non-Competition.

Therefore, we are of the view that the proposed amendments of “The Covenantors” i) are not intended to release the Original Covenantors from any previous non-compliance with the terms of the Original Deeds of Non-Competition; and ii) are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

(ii) Scope of the Restricted Business

The New Deeds of Non-Competition propose to redefine and broaden the scope of the restricted business, such that the New Covenantors have unconditionally and irrevocably undertaken and warranted that they will not, and will procure any of their respective close associates (other than members of the Group) not to, participate in or operate any business which directly or indirectly competes or may compete with business from time to time engaged in by the Group, other than:

- (i) the Group’s business (as the Company is by definition a close associate of Ms. Yang, such exclusion is necessary to make it clear that Ms. Yang’s holding of interest in the business of the Group in itself will not render any New Covenantors in breach of the New Deeds of Non-Competition);

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- (ii) investment which is not in the nature of a “business”, including financial investment, passive investment, purchase of financial products, purchase of properties for self-occupation or personal investment and other investments that do not involve operating any business;
- (iii) business which the Group has newly engaged in that was not a Restricted Business (as hereinafter defined) and the New Covenantors or their close associates have hitherto carried on or participated in or been interested in (as it is considered fair and reasonable to exclude a business that the New Covenantors or their close associates have already been involved in before the Group subsequently engages in the same business, because there was no competition with the Group when the New Covenantors or their close associates first involved in the said business, and such business was not yet Restricted Business); and
- (iv) any business segment or market which the Group will not invest in, after the management of the Company has so proposed to the Independent Board (as hereinafter defined) having considered the relevant factors and provided all reasonably necessary information to them (including the reasons of not investing in particular business segment or market and the current situation and the future development trend of such business segment or market), and after the Independent Board (as hereinafter defined) has so approved after taking into account the relevant factors and the view of the professional advisers (if considered appropriate)

((ii) to (iv) collectively, the “**Exempted Business**”) (the “**Restricted Business**”),

or hold any interests or rights in any companies or businesses (other than the Group and the Exempted Business) which directly or indirectly so competes or may compete with the business of the Group except where the relevant New Covenantor and his/her close associates directly or indirectly hold less than 5% of the total issued share capital in any company which competes with the business of the Group and have no right to appoint the majority of the board of directors thereof.

Discussion on (ii) Scope of the Restricted Business

As discussed with the management of the Company, we understand that “The Group’s business” was excluded in the scope of restricted business because the New Covenantors are currently involving in the business of the Group through the Group itself, and the involvement in the business under the Group should be excluded to avoid the prima facie breach of engaging in the “Restricted Business” by the New Covenantors. Further, we are of the view that it is fair and reasonable to exclude the businesses that the New Covenantor have already been engaging in before the Company participates in such business. We have performed research in a recently listed company Sanxun Holdings Group Limited (6611.HK) (“**Sanxun**”), and note that the

non-competition undertakings do not apply when the company engages in a new business that is not previously included in the restricted businesses and at the time of commencement of such new business, any of the controlling shareholders of Sanxun has already been conducting or been involved in, or has otherwise been interested in, the relevant business. Therefore, we are of the view that the above exclusion is not uncommon, and is fair and reasonable.

We concur that the proposed amendments to the Non-Competition Undertakings would give the Company and the New Covenantors a clear scope of the Restricted Business, and such clear definition in Restricted Business and Exempted Business would enable the Company to discuss the business opportunities with the New Covenantors in a timely basis without further clarifications.

(iii) Referred Competing Business Opportunity

When a new business investment or business opportunity relating to the Restricted Business is sought by or offered to the New Covenantors or their close associates (“**Referred Competing Business Opportunity**”), they shall refer such Referred Competing Business Opportunity to the Company in writing for consideration and provide all reasonably necessary details in order to enable the Company to come to an informed assessment of such Referred Competing Business Opportunity. A board committee comprising independent non-executive Directors who do not have an interest in the Referred Competing Business Opportunity (the “**Independent Board**”) shall consider whether to pursue the Referred Competing Business Opportunity with reference to various factors (including the financial impact on the Group of pursuing the Referred Competing Business Opportunity offered, whether the nature of the Referred Competing Business Opportunity is in line with the Group’s strategies and development plans, the general market conditions of the Group’s business and the potential impact on the Group due to the engagement in such Referred Competing Business Opportunity by the relevant New Covenantor or his/her close associates) and the view of the professional advisers (if considered appropriate). If the nature, terms or conditions of any such Referred Competing Business Opportunity has changed materially, the relevant New Covenantor or his/her close associates shall refer such revised Referred Competing Business Opportunity to the Company as if it were a new Referred Competing Business Opportunity.

The relevant New Covenantor and his/her close associates shall be entitled, but not obliged, to pursue such Referred Competing Business Opportunity when the Independent Board has declined the same or had failed to reply within 30 business days of receipt of the written notice (or such later date as the parties may otherwise agree) (the “**Notice Period**”), and any such participation in or operation of the Referred Competing Business Opportunity will not be restricted by the New Deeds of Non-Competition.

(iv) Declined Competing Business Opportunity

In respect of any business investment or business opportunity relating to the Restricted Business referred or provided by a party other than the New Covenantors or their close associates but has been declined by the management of the Company (the “**Declined Competing Business Opportunity**”), any New Covenantor or his/her close associates who wishes to pursue such Declined Competing Business Opportunity shall inform the Company of such intention in writing. The Independent Board will then carry out an informed assessment of whether to allow the relevant New Covenantor or his/her close associates to pursue the same, after taking into account the relevant factors and with reference to the view of the professional advisers (if considered appropriate).

The Declined Competing Business Opportunity so pursued by the relevant New Covenantor or his/her close associates must be on the same terms as those considered and declined by the management of the Company. If there is any material change in the nature, terms or conditions of such Declined Competing Business Opportunity, the relevant New Covenantor or his/her close associates shall refer such revised Declined Competing Business Opportunity to the Company as if it were a new Referred Competing Business Opportunity.

The relevant New Covenantor and his/her close associate shall be entitled, but not obliged, to pursue such Declined Competing Business Opportunity when the Independent Board has approved the same or had failed to reply within the Notice Period, and any such participation in or operation of the Declined Competing Business Opportunity will not be restricted by the New Deeds of Non-Competition.

Discussion on (iii) Referred Competing Business Opportunity and (iv) Declined Competing Business Opportunity

We consider that the provision of the above mechanism related to Referred Competing Business Opportunity under the New Deeds of Non-Competition will provide flexibility to the Company to consider whether to pursue any Referred Competing Business Opportunity. When the Group decided to decline the Referred Competing Business Opportunity after considering the available resources and assessing the potential risk, the New Covenantors may capture such opportunities and provide an opportunity for the Company to acquire the business from the New Covenantors by exercising the Pre-emptive Right at a later stage. Moreover, if the New Covenantors are allowed to pursue the Referred Competing Business Opportunity and the Declined Competing Business Opportunity after the Company decided to decline the same, the New Covenantors may capture any Referred Competing Business Opportunity rejected and/or any Declined Competing Business Opportunity not pursued

by the Company under the terms of the New Deeds of Non-Competition which can protect the Group's interest by preventing the relevant business opportunities from being taken by its competitors.

The New Covenantor and his/her close associates could pursue the Referred Competing Business Opportunity or the Declined Competing Business Opportunity when the Independent Board has approved them to or had failed to reply within the Notice Period. In this regard, we have performed research in the newly listed companies which entered non-competition deeds with their respective controlling shareholders and note that the response time by the independent board of those newly listed companies were 30 business days or even less. Therefore, we are of the view that the 30 business days for the Independent Board to respond to the abovementioned opportunities is fair and reasonable, and is not uncommon in the market practice.

Further, after discussion with the management of the Company, we are of the view that the establishment of the Independent Board to consider whether to pursue the Referred Competing Business Opportunity or whether to allow the relevant New Covenantor or his/her close associates to pursue the Declined Competing Business Opportunity with reference to various factors, and with the input from independent advisers as and when deemed required by the Independent Board, would enable the Company to assess the potential business opportunities, to accept or decline the Referred Competing Business Opportunity, to allow or reject the New Covenantors to pursue the Declined Competing Business Opportunity in an independent and fair manner and therefore beneficial to the Company and the Shareholders as a whole.

(v) The Group's Project for Sale

If the Group intends to transfer or sell or allow other parties to, by any means, participate in or operate any particular business that is currently engaged in by the Group (excluding the Exempted Business) (the "**Project for Sale**"), the relevant New Covenantor or his/her close associates who wishes to acquire, participate in or operate such Project for Sale can make a written offer to the Company (the "**Offer**") stating the indicative offer price and other terms or conditions of such acquisition, participation in or operation of the Project for Sale to facilitate an informed assessment by the Independent Board having considered and with reference to the view of the professional advisers (if considered appropriate).

Any acceptance of the Offer by the Company shall be subject to and conditional upon compliance with the applicable laws and requirements (including but not limited to the Listing Rules).

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The acquisition, participation in or operation of any Project for Sale by the relevant New Covenantor and his/her close associate in compliance with the aforementioned procedures will not be restricted by the New Deeds of Non-Competition.

Discussion on (v) the Group's Project for Sale

We are of the view that, the mechanism related to the Group's Project for Sale will allow the New Covenantors to participate in the business the Group intends to transfer, sell or allow other parties to participate in or operate any particular business currently engaged in by the Group. Under such mechanism, the New Covenantors could help to prevent the transfer or sale of business of the Group to other competitors in the industry and the excessive risks involved, allowing the Group to focus on its core business.

(vi) The Company's Pre-emptive Right to Purchase Restricted Business Operated by the New Covenantors or Their Close Associates

Save for any sale of property units to individual owners for their self-occupation or investment purposes in public sales, if thereafter the relevant New Covenantor or his/her close associates intends to transfer, sell or dispose any Restricted Business participated or engaged in through the aforementioned review mechanism (the "**Competing Business Opportunity Review Mechanism**") for the Referred Competing Business Opportunity, the Declined Competing Business Opportunity or the Project for Sale in whole or in part (the "**Disposal Business**") to any third party for development and/or business purpose(s), before entering into any binding agreement, they must first notify the Company of such intention in writing and provide all information reasonably necessary, including the information on the Disposal Business (such as valuation report), proposed consideration to be accepted by the third party and other major terms and conditions concerning the transaction with the third party (if any) (the "**Sale Offer**") to the Company to facilitate an informed assessment by the Independent Board of whether to exercise the pre-emptive right of purchasing the Disposal Business on the same terms and conditions (the "**Pre-emptive Right**") having considered and with reference to the view of the professional advisers (if considered appropriate).

Any transfer or acquisition of the Disposal Business by the Company shall be subject to and conditional upon compliance with the applicable laws and requirements (including but not limited to the Listing Rules). If there is any material change in the nature or consideration, terms or conditions in respect of the Disposal Business between the relevant New Covenantor or his/her close associates and the third party, they shall make a new Sale Offer to the Company as if it were a new transaction.

The relevant New Covenantor and his/her close associate shall be entitled but not obliged to transfer, sell or dispose the Disposal Business to the relevant third party on the terms and conditions set out in the Sale Offer after the Independent

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Board had notified the relevant New Covenantor of its decision not to exercise the Pre-emptive Right or if the Independent Board had failed to respond to the Sale Offer within the Notice Period.

Discussion on (vi) the Company's Pre-emptive Right to Purchase Restricted Business Operated by the New Covenantors or Their Close Associates

We are of the view that, the mechanism related to Pre-emptive Right will allow the Company to decide whether to acquire the Disposal Business by exercising the Pre-emptive Right after full assessment. With the full access of relevant material including its financial and operational information of the Disposal Business by the New Covenantors, the Company will be able to conduct a more in-depth due diligence study and research in assessing the financial and business aspects of the Disposal Business and perform a detailed analysis in a later stage to have a better estimate on the possible synergy effects with the Group's existing business.

In relation to the 30 business days to respond to the Sale Offer by the Independent Board, we have performed research in the latest newly listed companies which entered into non-competition deeds with their respective controlling shareholders and note that for newly listed companies which have mechanism similar to the Competing Business Opportunity Review Mechanism, the response time by the independent board were 30 business days or even less. Therefore, we are of the view that the 30 business days for the Independent Board to respond to the Sale Offer is fair and reasonable, and is not uncommon in the market practice.

(vii) Director's Fiduciary Duties

When the relevant New Covenantor is a Director, the New Deeds of Non-Competition clarifies that each of his/her or his/her close associates':

- (1) participation or engagement in Restricted Business through the Competing Business Opportunity Review Mechanism;
- (2) participation or engagement in (i) business other than the Restricted Business; (ii) business that the Group had ceased to operate in or ceased business that the Group has no intention to resume operation in the future; or (iii) any business that is within the scope of the Exempted Business;
- (3) holding of any investment or interest that is within the scope of the Exempted Business; and
- (4) holding of interest or right in companies or businesses (other than the Group and the Exempted Business) which directly or indirectly so competes or may compete with the business of the Group where the

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relevant New Covenantor and his/her close associates hold less than 5% of the total issued share capital in such company and have no right to appoint the majority of the board of directors thereof,

of itself is not a breach of the New Covenantor's fiduciary duties (including the non-conflict rule) as a Director.

Discussion on (vii) Director's Fiduciary Duties

As further stated in the proposed amendments to the Non-Competition Undertakings, according to Rule 3.08 of the Listing Rules, Directors are obligated to fulfill fiduciary duties and duties of skill, care and diligence to a standard at least commensurate with the standard established by Hong Kong law. Although the New Deeds of Non-Competition allows the Directors to participate in business in competition with the Group after certain procedures followed and certain conditions satisfied, the fiduciary duties of Directors could possibly restrain Directors from participating competing business. To avoid the Directors' breach of the fiduciary duties, the New Deeds of Non-Competition clarifies that the New Covenantor or his/her associates' engagement in any business acquired through the Competing Business Opportunity Review Mechanism itself shall not be considered as a breach of his/her fiduciary duties as a Director. We are of the view that it will help the Company to comply with the applicable regulatory requirements.

Further, in regard of the participation or engagement in business that the Group had ceased to operate in or ceased business that the Group has no intention to resume operation in the future, as a Director, when participating in the decision making in relation to the cessation of any business by the Group, the New Covenantors are bound by their fiduciary duty of not putting their own interest before that of the Company and the Shareholders. The Directors are not allowed to influence the Group's business for their own ulterior motive. We have discussed with the management of the Company and concur that the Company is having a strong corporate governance and the New Covenantors are upholding the director's fiduciary duties. It would be evidenced by the Company having been listed for more than 14 years without significant negative news relating to the New Covenantors not fulfilling their fiduciary duties detected.

(viii) Termination of the New Deeds of Non-Competition

The New Deeds of Non-Competition shall automatically terminate in the following situations:

- (1) (for Mr. Yeung) when he ceases to be the chairman of the Board and executive Director (as he will still be subject to the director's duties under the law that are generally applicable to all directors if he remains as a non-executive Director or a director of a subsidiary of the Group even in the absence of a deed of non-competition), and (for Ms. Yang)

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when she and her close associates, in aggregate, directly or indirectly, cease to beneficially hold 30% or more of the voting shares or securities or other interests of the issued share capital of the Company, or cease to have control over the composition of the majority of the Board (as (i) Ms. Yang gave the Non-Competition Undertakings in the capacity of a controlling Shareholder as a way to address the potential competition issue, hence such undertakings should cease to be in force when she ceases to be a controlling Shareholder and (ii) as in the case of Mr. Yeung, Ms. Yang will still be subject to the director's duties under the law that are generally applicable to all directors as long as she remains as a Director even in the absence of a deed of non-competition); or

- (2) when the Shares cease to be listed and traded on the Stock Exchange, other than in the case where trading in the Shares is temporarily suspended.

Nonetheless, if Ms. Yang remains as a Director, following the termination of her New Deed of Non-Competition, the scope of her director's fiduciary duties should be the same as all other Directors (except Mr. Yeung), but the participation in or operation of any Restricted Business by her or her close associates previously acquired through the Competing Business Opportunity Review Mechanism or in accordance with other provisions of the New Deeds of Non-Competition shall not be a breach of her director's fiduciary duty, as the terms of the New Deeds of Non-Competition, including the Competing Business Opportunity Review Mechanism, and therefore the participation in or operation of any Restricted Business by Ms. Yang or her close associates in accordance with the provisions of the New Deeds of Non-Competition, would have been approved by the Independent Shareholders.

In summary, the New Deeds of Non-Competition will bring about the following major amendments to the Non-Competition Undertakings when compared with the Original Deeds of Non-Competition:

- (1) the covenantors will be Ms. Yang (the co-chairman of the Board, an executive Director and the controlling Shareholder) and Mr. Yeung (the chairman of the Board and an executive Director), with the Then Existing Shareholders (all ceased to be substantial Shareholders and management of the Company), Qingyuan Country Garden Co. and Qingyuan Cultural Co. (both no longer held by Ms. Yang and the Then Existing Shareholders but remain close associates of Mr. Yeung and bound by Mr. Yeung's undertakings) no longer being covenantors of the deeds;
- (2) the scope of the Restricted Business will be expanded to generally cover the businesses from time to time engaged in by the Group, instead of only its core property business;

- (3) the New Deeds of Non-Competition have specified in detail the procedures as to how the New Covenantors or their close associates should refer new business opportunities relating to any Restricted Business to the Group and how they may take up such opportunities after the Group had declined the same, whereas the Original Deeds of Non-Competition was silent on whether the Original Covenantors could take up such opportunities after the Group had declined them;
- (4) new procedures relating to the Declined Competing Business Opportunity, the Project for Sale and the Pre-emptive Right concerning the Disposal Business are introduced; and
- (5) the New Deeds of Non-Competition have clarified (i) the extent of fiduciary duties of the New Covenantors as Directors in light of their involvement in business so competes or may compete with the businesses of the Group; and (ii) the grounds for terminating the New Deeds of Non-Competition.

Discussion on (viii) Termination of the New Deeds of Non-Competition

We understand that the New Deeds of Non-Competition will be terminated if (i) Mr. Yeung ceased to be an executive Director; or (ii) Ms. Yang hold less than 30% interest of the Company. To consider the fairness and reasonableness of the above termination conditions of the New Deeds of Non-Competition, we have discussed with the management of the Company and note that (i) the New Covenantors, being Mr. Yeung and Ms. Yang, are the Directors, who are required to put the interest of the Company and the Shareholders as a whole ahead of their respective personal interest as long as they are the Directors; (ii) since Mr. Yeung is not the controlling Shareholder, he provided such undertakings on a voluntary basis. When the New Deeds of Non-Competition is terminated, Mr. Yeung will still subject to the director's fiduciary duties that are generally applicable to all directors if he remains as a non-executive director or a director of a subsidiary of the Group.

Further, if Ms. Yang remains as the Director, her participation in or operation of any Restricted Business that she has acquired through the Competing Business Opportunity Review Mechanism or in accordance with other provisions of the New Deeds of Non-Competition shall not be a breach of her fiduciary duty.

We have discussed with the management of the Company and note that (i) since the Restricted Business that acquired through the Competing Business Opportunity Review Mechanism had been previously considered by the Independent Board, that means the potential conflicts should have been discussed independently before Ms. Yang may participate in such business acquired through the Competing Business Opportunity Review Mechanism, even in case that the New Deeds of Non-Competition is terminated, such

participation of the Restricted business should not be a breach of her fiduciary duty; and (ii) as long as Ms. Yang remains as a Director, her fiduciary duty is still the same with all other Directors, whether or not the New Deeds of Non-Competition is terminated.

Having considered the above, we are of the view that the termination terms of the New Deeds of Non-Competition are fair.

Summary on the major amendments

In view of the above, in particular, (i) the clear definition of the scope of the Restricted Business; (ii) the flexibility for the Company in pursuing the new business opportunities; and (iii) the Pre-emptive Right for the Group to acquire the Disposal Business and after it has been notified when the New Covenantor or his/her close associates intends to transfer, sell or dispose any Restricted Business to any third party, we are of the view that the above measures provide the Group an opportunity to better prioritize the resources of the Group, risk guard the potential competing business and access more information in pursuing the Referred Competing Business Opportunity and subsequently pursuing the Disposal Business for the Company, and therefore beneficial to the Company and the Shareholders as a whole.

6. Corporate Governance measures

In order to ensure and facilitate compliance with the New Deeds of Non-Competition by the New Covenantors, the Company has implemented the following measures:

- (a) the independent non-executive Directors shall review, at least once every year, the performance of the New Deeds of Non-Competition by the New Covenantors (with reference to, *inter alia*, confirmations by the New Covenantors that they have complied with the terms of the New Deeds of Non-Competition (including the Competing Business Opportunity Review Mechanism) to be obtained by the Company's company secretarial and compliance department every half year);
- (b) the New Covenantors shall cooperate and provide and shall procure their close associates to cooperate and provide, on best endeavour basis, information necessary for the aforementioned annual review of the performance of the New Deeds of Non-Competition;
- (c) the Company will disclose the review results of the independent non-executive Directors relating to compliance and enforcement of the New Deeds of Non-Competition in the annual reports or the announcements of the Company pursuant to the applicable laws, rules and regulations (including the Listing Rules), and shall further disclose the reasons of the decisions made by the Independent Board pursuant to the New Deeds of Non-Competition;

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- (d) the New Covenantors will make a declaration in each of the Company's annual reports on the compliance with the New Deeds of Non-Competition in accordance with the principle of voluntary disclosure in the corporate governance report; and
- (e) in the event that any of the Directors and/or their respective close associate has material interests in any matter to be discussed by the Board in relation to the compliance and enforcement of the New Deeds of Non-Competition, he/she shall not vote on the resolutions of the Board approving the matter and shall not be counted towards the quorum for the relevant voting.

We are of the view that the measures above will monitor the proper implementation of the New Deeds of Non-Competition at the operational level and ensure any new engagements of the New Covenantors in relation to the Restricted Business will adhere to the New Deeds of Non-Competition. The annual review performed by the independent non-executive Directors to assess the compliance status of the New Deeds of Non-Competition can facilitate regular communication and reporting to the Company which shall enable the operational level of the Company as well as the management of the Company to effectively monitor the compliance of the New Deeds of Non-Competition and accordingly safeguard the interests of the Company and its Shareholders. The disclosure requirement of the review results of the independent non-executive Directors and reasons of decisions made by the Independent Board will enable the Shareholders to know the basis of the business decision and increase the transparency in corporate governance. Abstain from voting from the Directors and/or their close associates who has material interests in the matters to be discussed in relation to the New Deeds of Non-Competition would eliminate the potential conflicts of interests between them and the Company.

To further assess the effectiveness of the corporate governance of the Company, we have discussed with the management of the Company about the procedures and policies in relation to the communication of past connected transactions and reviewed the documents regarding historical transactions between the controlling Shareholder and the Company, in order to understand the communication procedure when there is any potential connected transactions. We have discussed with the management of the Company and reviewed including but not limited to (i) the internal board minutes of the Group for the recent connected transactions between the controlling Shareholder and the Company; (ii) the internal auditing report of the Group regarding the pricing policy on the continuing connected transactions; (iii) the internal memorandum of the Company of the notice of potential connected transactions; and (iv) the internal training record provided to the staff of the Company and the training material in relation to the Listing Rules.

From the documents we have obtained from the Company, we are not aware there is significant corporate governance failure to monitor the transactions between the controlling Shareholder and the Company.

7. Other considerations

As above-mentioned, the Original Deeds of Non-Competition were entered into over 14 years ago, the practice in Hong Kong in connection with managing competition between a Hong Kong listed issuer and its controlling shareholders has evolved ever since.

Updating the non-competition deed

It is not uncommon for listed companies to update the non-competition deed after listing, most of them considered similar reasons as those considered by the Company such as, (i) the change of business scope of the listed companies such as spin-off of subsidiaries, merger and acquisitions of new business and disposal of business; (ii) the change in competition landscape in the industry; and (iii) to keep up with the evolving non-competition undertakings made by the listed companies and their controlling shareholders, etc.

We have reviewed the market announcements recently made in relation to the above, namely, Colour Life Services Group Co., Limited (1778.HK), Guangdong Yueyun Transportation Company Limited (3399.HK), Beijing Capital Land Ltd. (2868.HK), China Shenhua Energy Company Limited (1088.HK), China Eastern Airlines Corporation Limited (0670.HK), Beijing Urban Construction Design & Development Group Co., Limited (1599.HK), GCL-Poly Energy Holdings Limited (3800.HK).

Terms of and mechanism under the non-competition deeds

Currently, it is not uncommon that a controlling shareholder of a company listed on the Stock Exchange be permitted, under the non-competition arrangement between itself and the listed issuer, to pursue new business opportunities after certain procedures are followed and certain conditions satisfied. Further, we have performed research in the prospectuses of newly listed companies on the Main Board of the Stock Exchange for about five months prior to the Latest Practicable Date and note that it is not uncommon to have the mechanism similar to the Competing Business Opportunity Review Mechanism, (i) to request the relevant controlling shareholders to present or offer any relevant new business opportunities to the listed companies; and (ii) to provide the controlling shareholders' right to pursue the new business opportunities while the issuer decided to decline such new business opportunities. References could be made to the prospectuses of UJU HOLDING LIMITED (1948.HK), Beijing Capital Jiaye Property Services Co., Limited (2210.HK), Tam Jai International Co. Limited (2217.HK), Sanxun Holdings Group Limited (6611.HK), Kangqiao Service Group Limited (2205.HK), Dexin Services Group Limited (2215.HK), YesAsia Holdings Limited (2209.HK), Yuexiu Services Group Limited (6626.HK), Morimatsu International Holdings Company Limited (2155.HK), Chaoju Eye Care Holdings Limited (2219.HK) and Landsea Green Life Service Company Limited (1965.HK).

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Therefore, we are of the view that the Competing Business Opportunity Review Mechanism allowing the New Covenantors to pursue the Referred Competing Business Opportunity, the Declined Competing Business Opportunity and/or the Project for Sale if the Company decides to decline the same is in line with market practice.

Based on the above, we are of the opinion that the proposed amendments to the Non-Competition Undertakings and the terms of the New Deeds of Non-Competition while not in the ordinary and usual course of business of the Group, are fair and reasonable on normal commercial terms, and are in the interests of the Company and the Shareholders as a whole.

RECOMMENDATION

Having considered the above principal factors and reasons, we are of the opinion that the proposed amendments to the Non-Competition Undertakings (including the termination of the Original Deeds of Non-Competition and the entering into of the New Deeds of Non-Competition and the transactions contemplated thereunder) and the terms of the New Deeds of Non-Competition while not in the ordinary and usual course of business of the Group, are fair and reasonable on normal commercial terms, and are in the interests of the Company and the Shareholders as a whole. Accordingly, we advise the Independent Board Committee to recommend, and we ourselves recommend, the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the EGM to approve the proposed amendments to the Non-Competition Undertakings.

* *For identification purposes only*

Yours faithfully,
For and on behalf of
Goldlink Capital (Corporate Finance) Limited
Vincent Lok Ka Fai
Managing Director

Mr. Vincent Lok Ka Fai is a responsible officer of Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities. Mr. Lok has more than 10 years of experience in corporate finance and investment banking industry.

The following are the proposed amendments to the existing Memorandum and Articles of Association brought about by the adoption of the new Memorandum and Articles of Association. Unless otherwise specified, clauses, paragraphs and article numbers referred to herein are clauses, paragraphs and article numbers of the existing Memorandum and Articles of Association.

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

2. The Registered Office of the Company shall be at the offices of ~~Coda~~ Conyers Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands.
3. Subject to the following provisions of this Memorandum, the objects for which the Company is established are unrestricted ~~and shall include, but without limitation:~~
 - (a) to act and to perform all the functions of a holding company in all its branches and to coordinate the policy and administration of any subsidiary company or companies wherever incorporated or carrying on business or of any group of companies of which the Company or any subsidiary company is a member or which are in any manner controlled directly or indirectly by the Company; and
 - (b) to act as an investment company and for that purpose to subscribe, acquire, hold, dispose, sell, deal in or trade upon any terms, whether conditionally or absolutely, shares, stock, debentures, debenture stock, annuities, notes, mortgages, bonds, obligations and securities, foreign exchange, foreign currency deposits and commodities, issued or guaranteed by any company wherever incorporated, or by any government, sovereign, ruler, commissioners, public body or authority, supreme, municipal, local or otherwise, by original subscription, tender, purchase, exchange, underwriting, participation in syndicates or in any other manner and whether or not fully paid up, and to meet calls thereon.
4. Subject to the following provisions of this Memorandum, the Company shall have and be capable of exercising all the functions of a natural person of full capacity irrespective of any question of corporate benefit, as provided by Section 27(2) of ~~the Companies Act (As Revised)~~ Law.
8. The authorised share capital of the Company is HK\$380,000 ~~10,000,000,000~~ divided into 3,800,000 ~~100,000,000,000~~ shares of a nominal or par value of HK\$0.1 each.
9. The Company may exercise the power contained in the Companies ~~Law~~ Act (As Revised) to deregister in the Cayman Islands and be registered by way of continuation in another jurisdiction.

Article No. Proposed amendments (showing changes to the existing Articles of Association)

- 1. The regulations in Table A in the Schedule to the ~~Law~~Companies Act (As Revised) do not apply to the Company.
- 2. (1) In these Articles, unless the context otherwise requires, the words standing in the first column of the following table shall bear the meaning set opposite them respectively in the second column.

WORD	MEANING
<u>“Act”</u>	<u>the Companies Act, Cap. 22 (Act 3 of 1961, as consolidated and revised from time to time) of the Cayman Islands.</u>
<u>“announcement”</u>	<u>an official publication of a Notice or document of the Company, including a publication, subject to and to such extent permitted by the Listing Rules, by electronic communication or by advertisement published in the newspapers or in such manner or means ascribed and permitted by the Listing Rules and applicable laws.</u>
“business day”	shall mean a day on which the Designated Stock Exchange generally is open for the business of dealing in securities in Hong Kong. For the avoidance of doubt, where the Designated Stock Exchange is closed for the business of dealing in securities in Hong Kong on a business day for the reason of a N number 8 or higher T typhoon S signal, B black R rainstorm W warning or other similar event, such day shall for the purposes of these Articles be counted as a business day.
“clear business days”	in relation to the period of a n Notice that period starting from the next business day following the day on which it is given, and excluding the day for which it is given (including, in the case of a n Notice for a meeting, the date of the meeting).
“clear days”	in relation to the period of a n Notice that period excluding the day when the n Notice is given or deemed to be given and the day for which it is given (including, in the case of a n Notice for a meeting, the date of the meeting) or on which it is to take effect.

Article No. Proposed amendments (showing changes to the existing Articles of Association)

WORD	MEANING
“dollars” and “\$”	dollars, the legal currency of Hong Kong.
<u>“electronic communication”</u>	<u>a communication sent, transmitted, conveyed and received by wire, by radio, by optical means or by other electron magnetic means in any form through any medium.</u>
<u>“electronic means”</u>	<u>include sending or otherwise making available to the intended recipients of the communication an electronic communication.</u>
<u>“electronic meeting”</u>	<u>a general meeting held and conducted wholly and exclusively by virtual attendance and participation by Members and/or proxies by means of electronic facilities.</u>
<u>“HK\$”</u>	<u>Hong Kong dollars, the legal currency of Hong Kong.</u>
<u>“hybrid meeting”</u>	<u>a general meeting convened for the (i) physical attendance by Members and/or proxies at the Principal Meeting Place and where applicable, one or more Meeting Locations and (ii) virtual attendance and participation by Members and/or proxies by means of electronic facilities.</u>
“Law”	The Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands.
<u>“Meeting Location”</u>	<u>shall have the meaning given to it in Article 64A.</u>
<u>“physical meeting”</u>	<u>a general meeting held and conducted by physical attendance and participation by Members and/or proxies at the Principal Meeting Place and/or where applicable, one or more Meeting Locations.</u>
<u>“Principal Meeting Place”</u>	<u>shall have the meaning given to it in Article 59(2).</u>
<u>“Statutes”</u>	<u>the Law Act and every other law of the Legislature of the Cayman Islands for the time being in force applying to or affecting the Company, its memorandum of association and/or these Articles.</u>

Article No. Proposed amendments (showing changes to the existing Articles of Association)

WORD	MEANING
“ S ubsidiary C ompanies” and H olding	shall have has the meanings attributed to them in the Listing Rules.
“substantial shareholder”	a person who is entitled to exercise, or to control the exercise of, <u>ten per cent. (10%)</u> or more (or such other percentage as may be prescribed by the Listing Rules from time to time) of the voting power at any general meeting of the Company.

- (2) In these Articles, unless there be something within the subject or context inconsistent with such construction:
 - (e) expressions referring to writing shall, unless the contrary intention appears, be construed as including printing, lithography, photography and other modes of representing or reproducing words or figures in a legible and non-transitory form or, to the extent permitted by and in accordance with the Statutes and other applicable laws, rules and regulations, any visible substitute for writing (including an electronic communication), or modes of representing or reproducing words partly in one visible form and partly in another visible form, and including where the representation takes the form of electronic display, provided that both the mode of service of the relevant document or ~~n~~Notice and the Member’s election comply with all applicable Statutes, rules and regulations (including the Listing Rules);
 - (f) references to any law, ordinance, ~~s~~Statute or statutory provision shall be interpreted as relating to any statutory modification or re-enactment thereof for the time being in force;
 - (h) references to a document (including, but without limitation, a resolution in writing) being signed or executed include references to it being signed or executed under hand or under ~~s~~Seal or by electronic signature or by electronic communication or by any other method (if expressly provided for in these Articles) and references to a ~~n~~Notice or document include a ~~n~~Notice or document recorded or stored in any digital, electronic, electrical, magnetic or other retrievable form or medium and information in visible form whether having physical substance or not;

**Article Proposed amendments (showing changes to the existing Articles of Association)
No.**

- (i) Section 8 and Section 19 of the Electronic Transactions Law Act (2003 As Revised) of the Cayman Islands, as amended from time to time, shall not apply to these Articles to the extent it imposes obligations or requirements in addition to those set out in these Articles;
- (j) references to a meeting shall mean a meeting convened and held in any manner permitted by these Articles and any Member or Director (including, without limitation, the chairman of the meeting) attending and participating at a meeting by means of electronic facilities shall be deemed to be present at that meeting for all purposes of the Statutes and these Articles, and attend, participate, attending, participating, attendance and participation shall be construed accordingly;
- (k) references to a person's participation in the business of a general meeting include without limitation and as relevant the right (including, in the case of a corporation, through a duly authorised representative) to speak or communicate, vote, be represented by a proxy and have access in hard copy or electronic form to all documents which are required by the Statutes and all other applicable laws, rules and regulations or these Articles to be made available at the meeting, and participate and participating in the business of a general meeting shall be construed accordingly;
- (l) references to electronic facilities include, without limitation, online platform(s), website addresses, webinars, webcast, video or any form of conference call systems (telephone, video, web or otherwise);
- (m) where a Member is a corporation, any reference in these Articles to a Member shall, where the context requires, refer to a duly authorised representative of such Member; and
- (n) nothing in these Articles precludes the holding and conducting of a general meeting in such a way that persons who are not present together at the same place or places may by electronic means attend and participate in it.

- Article No. Proposed amendments (showing changes to the existing Articles of Association)**
3. (1) The share capital of the Company at the date on which these Articles come into effect shall be divided into shares of a par value of HK\$0.10 each.
- (2) Subject to the LawAct, the Company's memorandum of association and these Articles and, where applicable, the Listing Rules and/or the rules of any competent regulatory authority, the Company shall have the power to purchase or otherwise acquire its own shares and such power shall be exercisable by the Board in such manner, upon such terms and subject to such conditions as it in its absolute discretion thinks fit and any determination by the Board of the manner of purchase shall be deemed authorised by these Articles for purposes of the LawAct. The Company is hereby authorised to make payments in respect of the purchase of its shares out of capital or out of any other account or fund which can be authorised for this purpose in accordance with the LawAct.
- (4) The Board may accept the surrender for no consideration of any fully paid share.
- (5) No share shall be issued to bearer.
4. The Company may from time to time by ordinary resolution in accordance with the LawAct alter the conditions of its memorandum of association to:
- (c) divide its shares into several classes and without prejudice to any special rights previously conferred on the holders of existing shares attach thereto respectively any preferential, deferred, qualified or special rights, privileges, conditions or such restrictions which in the absence of any such determination by the Company in general meeting, as the Directors may determine provided always that where the Company issues shares which do not carry voting rights, the words "non-voting" shall appear in the designation of such shares and where the equity capital includes shares with different voting rights, the designation of each class of shares, other than those with the most favourable voting rights, must include the words "restricted voting" or "limited voting";
- (d) sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the Company's memorandum of association (subject, nevertheless, to the LawAct), and may by such resolution determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may have any such preferred, deferred or other rights or be subject to any such restrictions as compared with the other or others as the Company has power to attach to unissued or new shares;
6. The Company may from time to time by special resolution, subject to any confirmation or consent required by the LawAct, reduce its share capital or any capital redemption reserve or other undistributable reserve in any manner permitted by law.

Article No. Proposed amendments (showing changes to the existing Articles of Association)

8. (1) Subject to the provisions of the ~~Law Act~~ and the Company's memorandum of association and these Articles and any direction that may be given by the Company in general meeting and to any special rights conferred on the holders of any shares or class of shares, any share in the Company (whether forming part of the present capital or not) may be issued with or have attached thereto such preferred, deferred, qualified or other special rights or restrictions whether in regard to dividend, voting, return of capital or otherwise as the Board may determine.
- (2) Subject to the provisions of the ~~Law Act~~, the Listing Rules and the Company's memorandum of association and these Articles, and to any special rights conferred on the holders of any shares or attaching to any class of shares, shares may be issued on the terms that they may be, or at the option of the Company or the holder are, liable to be redeemed on such terms and in such manner, including out of capital, as the Board may deem fit.
9. Where the Company purchases for redemption a redeemable share, purchases not made through the market or by tender shall be limited to a maximum price as may from time to time be determined by the Company in general meeting, either generally or with regard to specific purchases. If purchases are by tender, tenders shall be available to all Members alike.
10. Subject to the ~~Law Act~~ and without prejudice to Article 8, all or any of the special rights for the time being attached to the shares or any class of shares may, unless otherwise provided by the terms of issue of the shares of that class, from time to time (whether or not the Company is being wound up) be varied, modified or abrogated either with the consent in writing of the holders of not less than three-fourths in nominal value of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting all the provisions of these Articles relating to general meetings of the Company shall, *mutatis mutandis*, apply, but so that:
- (a) the necessary quorum (other than at an adjourned meeting) shall be two persons (or in the case of a Member being a corporation, its duly authorized representative) holding or representing by proxy not less than one-third in nominal value of the issued shares of that class and at any adjourned meeting of such holders, two holders present in person or ~~(in the case of a Member being a corporation) its duly authorized representative or~~ by proxy (whatever the number of shares held by them) shall be a quorum; and

**Article Proposed amendments (showing changes to the existing Articles of Association)
No.**

12. (1) Subject to the ~~Law~~Act, these Articles, any direction that may be given by the Company in general meeting and, where applicable, the Listing Rules and without prejudice to any special rights or restrictions for the time being attached to any shares or any class of shares, the unissued shares of the Company (whether forming part of the original or any increased capital) shall be at the disposal of the Board, which may allot, offer, grant options over or otherwise dispose of them to such persons, at such times and for such consideration and upon such terms and conditions as the Board may in its absolute discretion determine but so that no shares shall be issued at a discount to their nominal value. Neither the Company nor the Board shall be obliged, when making or granting any allotment of, offer of, options over or disposal of shares, to make, or make available, any such allotment, offer, grant of options over or disposal of shares to Members or others with registered addresses in any particular territory or territories being a territory or territories where, in the absence of a registration statement or other special formalities, this would or might, in the opinion of the Board, be unlawful or impracticable or that based on legal opinions provided by legal advisers, the Board considers it necessary or expedient not to allot, offer, grant options over or otherwise dispose of the shares to such Members on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place. Members affected as a result of the foregoing sentence shall not be, or be deemed to be, a separate class of ~~m~~Members for any purpose whatsoever.
13. The Company may in connection with the issue of any shares exercise all powers of paying commission and brokerage conferred or permitted by the ~~Law~~Act. Subject to the ~~Law~~Act, the commission may be satisfied by the payment of cash or by the allotment of fully or partly paid shares or partly in one and partly in the other.
15. Subject to the ~~Law~~Act and these Articles, the Board may at any time after the allotment of shares but before any person has been entered in the Register as the holder, recognise a renunciation thereof by the allottee in favour of some other person and may accord to any allottee of a share a right to effect such renunciation upon and subject to such terms and conditions as the Board considers fit to impose.

**Article Proposed amendments (showing changes to the existing Articles of Association)
No.**

16. Every share certificate shall be issued under the Seal or a facsimile thereof or with the Seal printed thereon and shall specify the number and class and distinguishing numbers (if any) of the shares to which it relates, and the amount paid up thereon and may otherwise be in such form as the Directors may from time to time determine. The Seal may only be affixed or imprinted to a share certificate with the authority of the Directors, or be executed under the signature of appropriate officials with statutory authority, unless otherwise determined by the Directors. No certificate shall be issued representing shares of more than one class. The Board may by resolution determine, either generally or in any particular case or cases, that any signatures on any such certificates (or certificates in respect of other securities) need not be autographic but may be affixed to such certificates by some mechanical means or may be printed thereon.
17. (2) Where a share stands in the names of two or more persons, the person first named in the Register shall as regards service of ~~the~~ Notices and, subject to the provisions of these Articles, all or any other matters connected with the Company, except the transfer of the shares, be deemed the sole holder thereof.
19. Share certificates shall be issued within the relevant time limit as prescribed by the Law Act or as the Designated Stock Exchange may from time to time determine, whichever is the shorter, after allotment or, except in the case of a transfer which the Company is for the time being entitled to refuse to register and does not register, after lodgment of a transfer with the Company.
22. The Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys (whether presently payable or not) called or payable at a fixed time in respect of that share. The Company shall also have a first and paramount lien on every share (not being a fully paid share) registered in the name of a Member (whether or not jointly with other Members) for all amounts of money presently payable by such Member or his estate to the Company whether the same shall have been incurred before or after ~~the~~ Notice to the Company of any equitable or other interest of any person other than such Member, and whether the period for the payment or discharge of the same shall have actually arrived or not, and notwithstanding that the same are joint debts or liabilities of such Member or his estate and any other person, whether a Member or not. The Company's lien on a share shall extend to all dividends or other moneys payable thereon or in respect thereof. The Board may at any time, generally or in any particular case, waive any lien that has arisen or declare any share exempt in whole or in part, from the provisions of this Article.

**Article Proposed amendments (showing changes to the existing Articles of Association)
No.**

23. Subject to these Articles, the Company may sell in such manner as the Board determines any share on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable, or the liability or engagement in respect of which such lien exists is liable to be presently fulfilled or discharged nor until the expiration of fourteen (14) clear days after a ~~an~~ Notice in writing, stating and demanding payment of the sum presently payable, or specifying the liability or engagement and demanding fulfilment or discharge thereof and giving ~~an~~ Notice of the intention to sell in default, has been served, in the manner in which Notices may be sent to Members as provided in these Articles, on the registered holder for the time being of the share or the person entitled thereto by reason of ~~his~~ such holder's death; ~~or~~ bankruptcy or winding up.
25. Subject to these Articles and to the terms of allotment, the Board may from time to time make calls upon the Members in respect of any moneys unpaid on their shares (whether on account of the nominal value of the shares or by way of premium), and each Member shall (subject to being given at least fourteen (14) clear days' Notice specifying the time and place of payment) pay to the Company as required by such ~~an~~ Notice the amount called on his shares. A call may be extended, postponed or revoked in whole or in part as the Board determines but no Member shall be entitled to any such extension, postponement or revocation except as a matter of grace and favour.
30. On the trial or hearing of any action or other proceedings for the recovery of any money due for any call, it shall be sufficient to prove that the name of the Member sued is entered in the Register as the holder, or one of the holders, of the shares in respect of which such debt accrued, that the resolution making the call is duly recorded in the minute book, and that ~~an~~ Notice of such call was duly given to the Member sued, in pursuance of these Articles; and it shall not be necessary to prove the appointment of the Directors who made such call, nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.
33. The Board may, if it thinks fit, receive from any Member willing to advance the same, and either in money or money's worth, all or any part of the moneys uncalled and unpaid or instalments payable upon any shares held by him and upon all or any of the moneys so advanced (until the same would, but for such advance, become presently payable) pay interest at such rate (if any) as the Board may decide. The Board may at any time repay the amount so advanced upon giving to such Member not less than one (1) month's Notice of its intention in that behalf, unless before the expiration of such ~~an~~ Notice the amount so advanced shall have been called up on the shares in respect of which it was advanced. Such payment in advance shall not entitle the holder of such share or shares to participate in respect thereof in a dividend subsequently declared.

- Article No. Proposed amendments (showing changes to the existing Articles of Association)**
35. When any share has been forfeited, ~~an~~ Notice of the forfeiture shall be served upon the person who was before forfeiture the holder of the share. No forfeiture shall be invalidated by any omission or neglect to give such Notice.
39. A declaration by a Director or the Secretary that a share has been forfeited on a specified date shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share, and such declaration shall (subject to the execution of an instrument of transfer by the Company if necessary) constitute a good title to the share, and the person to whom the share is disposed of shall be registered as the holder of the share and shall not be bound to see to the application of the consideration (if any), nor shall his title to the share be affected by any irregularity in or invalidity of the proceedings in reference to the forfeiture, sale or disposal of the share. When any share shall have been forfeited, ~~an~~ Notice of the declaration shall be given to the Member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such ~~an~~ Notice or make any such entry.
44. The Register and branch register of Members, as the case may be, shall be open to inspection for at least two (2) hours during business hours by Members without charge or by any other person, upon a maximum payment of HK\$2.50 or such lesser sum specified by the Board, at the Office or such other place at which the Register is kept in accordance with the ~~Law~~ Act or, if appropriate, upon a maximum payment of HK\$1.00 or such lesser sum specified by the Board at the Registration Office. The Register including any overseas or local or other branch register of Members may, after ~~an~~ Notice has been given by advertisement in newspapers in accordance with the requirements of any Designated Stock Exchange or by any electronic means in such manner as may be accepted by the Designated Stock Exchange to that effect, be closed for inspection at such times or for such periods not exceeding in the whole thirty (30) days in each year as the Board may determine and either generally or in respect of any class of shares. The period of thirty (30) days may be extended in respect of any year if approved by the Members by ordinary resolution provided that such period shall not be extended beyond sixty (60) days in any year.
45. Subject to the Listing Rules, notwithstanding any other provision of these Articles the Company or the Directors may fix any date as the record date for:
- (a) ~~determining the Members entitled to receive any dividend, distribution, allotment or issue; and such record date may be on, or at any time not more than thirty (30) days before or after, any date on which such dividend, distribution, allotment or issue is declared, paid or made; and~~
- (b) determining the Members entitled to receive ~~an~~ Notice of and to vote at any general meeting of the Company.

- Article No. Proposed amendments (showing changes to the existing Articles of Association)**
46. (1) Subject to these Articles, any Member may transfer all or any of his shares by an instrument of transfer in the usual or common form or in a form prescribed by the Designated Stock Exchange or in any other form approved by the Board and may be under hand or, if the transferor or transferee is a clearing house or its nominee(s), by hand or by machine imprinted signature or by such other manner of execution as the Board may approve from time to time.
- (2) Notwithstanding the provisions of subparagraph (1) above, for so long as any shares are listed on the Designated Stock Exchange, titles to such listed shares may be evidenced and transferred in accordance with the laws applicable to and the Listing Rules that are or shall be applicable to such listed shares. The register of Members of the Company in respect of its listed shares (whether the Register or a branch register) may be kept by recording the particulars required by Section 40 of the Act in a form otherwise than legible if such recording otherwise complies with the laws applicable to and the Listing Rules that are or shall be applicable to such listed shares.
48. (4) Unless the Board otherwise agrees (which agreement may be on such terms and subject to such conditions as the Board in its absolute discretion may from time to time determine, and which agreement the Board shall, without giving any reason therefor, be entitled in its absolute discretion to give or withhold), no shares upon the Register shall be transferred to any branch register nor shall shares on any branch register be transferred to the Register or any other branch register and all transfers and other documents of title shall be lodged for registration, and registered, in the case of any shares on a branch register, at the relevant Registration Office, and, in the case of any shares on the Register, at the Office or such other place at which the Register is kept in accordance with the ~~Law~~Act.
49. Without limiting the generality of the last preceding Article, the Board may decline to recognise any instrument of transfer unless:
- (c) the instrument of transfer is lodged at the Office or such other place at which the Register is kept in accordance with the ~~Law~~Act or the Registration Office (as the case may be) accompanied by the relevant share certificate(s) and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer (and, if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do); and
50. If the Board refuses to register a transfer of any share, it shall, within two (2) months after the date on which the transfer was lodged with the Company, send to each of the transferor and transferee ~~a~~Notice of the refusal.

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51. The registration of transfers of shares or of any class of shares may, after ~~the~~ Notice has been given by announcement or by electronic communication or by advertisement in any newspapers or by any other means in accordance with the requirements of any Designated Stock Exchange to that effect be suspended at such times and for such periods (not exceeding in the whole thirty (30) days in any year) as the Board may determine. The period of thirty (30) days may be extended in respect of any year if approved by the Members by ordinary resolution provided that such period shall not be extended beyond sixty (60) days in any year.
53. Any person becoming entitled to a share in consequence of the death or bankruptcy or winding-up of a Member may, upon such evidence as to his title being produced as may be required by the Board, elect either to become the holder of the share or to have some person nominated by him registered as the transferee thereof. If he elects to become the holder he shall notify the Company in writing either at the Registration Office or Office, as the case may be, to that effect. If he elects to have another person registered he shall execute a transfer of the share in favour of that person. The provisions of these Articles relating to the transfer and registration of transfers of shares shall apply to such ~~the~~ Notice or transfer as aforesaid as if the death or bankruptcy of the Member had not occurred and the ~~the~~ Notice or transfer were a transfer signed by such Member.
55. (2) The Company shall have the power to sell, in such manner as the Board thinks fit, any shares of a Member who is untraceable, but no such sale shall be made unless:
- (a) all cheques or warrants in respect of dividends of the shares in question, being not less than three (3) in total number, for any sum payable in cash to the holder of such shares in respect of them sent during the relevant period in the manner authorised by the Articles have remained uncashed;
 - (c) the Company, ~~if so required by the Listing Rules,~~ has given ~~the~~ Notice of its intention to sell such shares to, and caused advertisement both in ~~newspapers~~ daily newspaper and in a newspaper circulating in the area of the last known address of such Member or any person entitled to the share under Article 54 and where applicable, in each case in accordance with the requirements of, ~~the Designated Stock Exchange to be made of its intention to sell such shares in the manner required by the Designated Stock Exchange,~~ and a period of three (3) months or such shorter period as may be allowed by the Designated Stock Exchange has elapsed since the date of such advertisement and the Designated Stock Exchange has been notified of such intention.

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No.**

56. An annual general meeting of the Company shall be held in each year (within a period of not more than fifteen (15) months after the holding of the last preceding annual general meeting unless a longer period would not infringe the Listing Rules, if any) ~~at such time and place as may be determined by the Board.~~
57. Each general meeting, other than an annual general meeting, shall be called an extraordinary general meeting. ~~General~~ All general meetings (including annual general meeting, any adjourned meeting or postponed meeting) may be held as in such manner either (a) a physical meeting in any part of the world and at one or more locations as provided in Article 64A, or (b) as a hybrid meeting, or (c) as an electronic meeting, as may be determined by the Board in its absolute discretion.
58. The Board may whenever it thinks fit call extraordinary general meetings. Any one or more Members holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Secretary of the Company, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition. If within ~~twenty one~~ twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may ~~do so in the same manner~~ convene a physical meeting at only one location which will be the Principal Meeting Place (as defined in Article 59(2), and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.
59. (1) An annual general meeting must be called by Notice of not less than twenty-one (21) clear days and not less than twenty (20) clear business days. All other general meetings (including an extraordinary general meeting) must be called by Notice of not less than fourteen (14) clear days and not less than ten (10) clear business days. Notwithstanding the foregoing, if permitted by the Listing Rules, a general meeting may be called by shorter ~~an~~ Notice, subject to the ~~Law~~ Act, if it is so agreed:
- (a) in the case of a ~~meeting called as an annual general meeting~~, by all the Members entitled to attend and vote thereat; and
- (b) in ~~the any other case of any other meeting~~, by a majority in number of the Members having the right to attend and vote at the meeting, being a majority together representing not less than ninety-five per cent. (95%) of the total voting rights at the meeting of all the Members.

Article No. Proposed amendments (showing changes to the existing Articles of Association)

- (2) The ~~Notice~~ shall specify (a) the time and date of the meeting, (b) save for an electronic meeting, the place of the meeting and if there is more than one meeting location as determined by the Board pursuant to Article 64A, the principal place of the meeting (the “Principal Meeting Place”), (c) if the general meeting is to be a hybrid meeting or an electronic meeting, the Notice shall include a statement to that effect and with details of the electronic facilities for attendance and participation by electronic means at the meeting (which electronic platform may vary from time to time and from meeting to meeting as the Board, in its sole discretion, may see fit) or where such details will be made available by the Company prior to the meeting, and (d) particulars of resolutions to be considered at the meeting ~~and, in case of special business (as defined in Article 61(1)), the general nature of the business.~~ The ~~Notice~~ convening an annual general meeting shall specify the meeting as such. Notice of every general meeting shall be given to all Members other than to such Members as, under the provisions of these Articles or the terms of issue of the shares they hold, are not entitled to receive such ~~Notices~~ from the Company, to all persons entitled to a share in consequence of the death or bankruptcy or winding-up of a Member and to each of the Directors and the Auditors.

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

61. (1) All business shall be deemed special that is transacted at an extraordinary general meeting, and also all business that is transacted at an annual general meeting, with the exception of:
- (d) appointment of Auditors (where special ~~Notice~~ of the intention for such appointment is not required by the ~~Law~~Act) and other officers; and
 - (e) the fixing of the remuneration of the Auditors, and the voting of remuneration or extra remuneration to the Directors.;
 - (f) ~~the granting of any mandate or authority to the Directors to offer, allot, grant options over or otherwise dispose of the unissued shares in the capital of the Company representing not more than twenty per cent. (20%) of the number of its existing issued shares and the number of any securities repurchased pursuant to paragraph (g) of this Article; and~~
 - (g) ~~the granting of any mandate or authority to the Directors to repurchase securities of the Company.~~

Article No. Proposed amendments (showing changes to the existing Articles of Association)

- (2) No business other than the appointment of a chairman of a meeting shall be transacted at any general meeting unless a quorum is present at the commencement of the business. Two (2) Members entitled to vote and present (including attendance by electronic means) in person or by proxy ~~or (in the case of a Member being a corporation) by its duly authorised representative~~ shall form a quorum for all purposes. ~~Members shall not be permitted to participate in any meeting of Members or any class thereof by means of a conference telephone, electronic or other communications equipment, unless present in person or by proxy or, in the case of a Member being a corporation, by its duly authorised representative at the venue of the meeting.~~
62. If within thirty (30) minutes (or such longer time not exceeding one hour as the chairman of the meeting may determine to wait) after the time appointed for the meeting a quorum is not present, the meeting, if convened on the requisition of Members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week at the same time and (where applicable) same place(s) or to such time and (where applicable) such place(s) and in such form and manner referred to in Article 57 as the chairman of the meeting (or in default, the Board) may absolutely determine. If at such adjourned meeting a quorum is not present within half an hour from the time appointed for holding the meeting, the meeting shall be dissolved.
63. The chairman of the Company or if there is more than one chairman, any one of them as may be agreed amongst themselves or failing such agreement, any one of them elected by all the Directors present shall preside as chairman at a general meeting. If at any meeting no chairman of the Company, is present within fifteen (15) minutes after the time appointed for holding the meeting, or is willing to act as chairman of the meeting, the deputy chairman of the Company or if there is more than one deputy chairman, any one of them as may be agreed amongst themselves or failing such agreement, any one of them elected by all the Directors present shall preside as chairman at the meeting. If no chairman or deputy chairman of the Company is present or is willing to act as chairman of the meeting, the Directors present shall choose one of their number to act, or if one Director only is present he shall preside as chairman if willing to act. If no Director is present, or if each of the Directors present declines to take the chair, or if the chairman chosen shall retire from the chair, the Members present in person or ~~(in the case of a Member being a corporation) by its duly authorised representative or~~ by proxy and entitled to vote shall elect one of their number to be chairman of the meeting.

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No.**

64. Subject to Article 64C, ¶the chairman of the meeting may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time (or indefinitely) and/or from place to place(s) and/or from one form to another (physical meeting, hybrid meeting or electronic meeting) as the meeting shall determine, but no business shall be transacted at any adjourned meeting other than the business which might lawfully have been transacted at the meeting had the adjournment not taken place. When a meeting is adjourned for fourteen (14) days or more, at least seven (7) clear days' ¶Notice of the adjourned meeting shall be given specifying the time and place of the adjourned meeting details set out in Article 59(2) but it shall not be necessary to specify in such ¶Notice the nature of the business to be transacted at the adjourned meeting and the general nature of the business to be transacted. Save as aforesaid, it shall be unnecessary to give ¶Notice of an adjournment.
- 64A.
- (1) The Board may, at its absolute discretion, arrange for persons entitled to attend a general meeting to do so by simultaneous attendance and participation by means of electronic facilities at such location or locations ("Meeting Location(s)"). Any Member or any proxy attending and participating in such way or any Member or proxy attending and participating in an electronic meeting or a hybrid meeting by means of electronic facilities is deemed to be present at and shall be counted in the quorum of the meeting.
 - (2) All general meetings are subject to the following and, where appropriate, all references to a "Member" or "Members" in this sub-paragraph (2) shall include a proxy or proxies respectively:
 - (a) where a Member is attending a Meeting Location and/or in the case of a hybrid meeting, the meeting shall be treated as having commenced if it has commenced at the Principal Meeting Place;
 - (b) Members present in person or by proxy at a Meeting Location and/or Members attending and participating in an electronic meeting or a hybrid meeting by means of electronic facilities shall be counted in the quorum for and entitled to vote at the meeting in question, and that meeting shall be duly constituted and its proceedings valid provided that the chairman of the meeting is satisfied that adequate electronic facilities are available throughout the meeting to ensure that Members at all Meeting Locations and Members participating in an electronic meeting or a hybrid meeting by means of electronic facilities are able to participate in the business for which the meeting has been convened;

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- (c) where Members attend a meeting by being present at one of the Meeting Locations and/or where Members participating in an electronic meeting or a hybrid meeting by means of electronic facilities, a failure (for any reason) of the electronic facilities or communication equipment, or any other failure in the arrangements for enabling those in a Meeting Location other than the Principal Meeting Place to participate in the business for which the meeting has been convened or in the case of an electronic meeting or a hybrid meeting, the inability of one or more Members or proxies to access, or continue to access, the electronic facilities despite adequate electronic facilities having been made available by the Company, shall not affect the validity of the meeting or the resolutions passed, or any business conducted there or any action taken pursuant to such business provided that there is a quorum present throughout the meeting; and
- (d) if any of the Meeting Locations is not in the same jurisdiction as the Principal Meeting Place and/or in the case of a hybrid meeting, the provisions of these Articles concerning the service and giving of Notice for the meeting, and the time for lodging proxies, shall apply by reference to the Principal Meeting Place; and in the case of an electronic meeting, the time for lodging proxies shall be as stated in the Notice for the meeting.

64B. The Board and/or, at any general meeting, the chairman of the meeting may from time to time make arrangements for managing attendance and/or participation and/or voting at the Principal Meeting Place and/or any Meeting Location(s) and/or participation and/or voting in an electronic meeting or a hybrid meeting by means of electronic facilities (whether involving the issue of tickets or some other means of identification, passcode, seat reservation, electronic voting or otherwise) as it shall in its absolute discretion consider appropriate, and may from time to time change any such arrangements, provided that a Member who, pursuant to such arrangements, is not entitled to attend, in person or by proxy, at any Meeting Location shall be entitled so to attend at one of the other Meeting Locations or through electronic facilities; and the entitlement of any Member so to attend the meeting or adjourned meeting or postponed meeting at such Meeting Location(s) or through electronic facilities shall be subject to any such arrangement as may be for the time being in force and by the Notice of meeting or adjourned meeting or postponed meeting stated to apply to the meeting.

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64C. If it appears to the chairman of the general meeting that:

- (a) the electronic facilities at the Principal Meeting Place or at such other Meeting Location(s) at which the meeting may be attended have become inadequate for the purposes referred to in Article 64A(1) or are otherwise not sufficient to allow the meeting to be conducted substantially in accordance with the provisions set out in the Notice of the meeting; or
- (b) in the case of an electronic meeting or a hybrid meeting, electronic facilities being made available by the Company have become inadequate; or
- (c) it is not possible to ascertain the view of those present or to give all persons entitled to do so a reasonable opportunity to communicate and/or vote at the meeting; or
- (d) there is violence or the threat of violence, unruly behaviour or other disruption occurring at the meeting or it is not possible to secure the proper and orderly conduct of the meeting;

then, without prejudice to any other power which the chairman of the meeting may have under these Articles or at common law, the chairman of the meeting may, at his absolute discretion, without the consent of the meeting, and before or after the meeting has started and irrespective of whether a quorum is present, interrupt or adjourn the meeting (including adjournment for indefinite period) and the chairman of the meeting may change the meeting to another date and/or time and/or place and/or change the electronic facilities and/or change the form of the meeting (a physical meeting, an electronic meeting or a hybrid meeting) without approval from the Members. All business conducted at the meeting up to the time of such adjournment shall be valid.

64D. The Board and, at any general meeting, the chairman of the meeting may make any arrangement and impose any requirement or restriction the Board or the chairman of the meeting, as the case may be, considers appropriate to ensure the security and orderly conduct of a meeting (including, without limitation, requirements for evidence of identity to be produced by those attending the meeting, the searching of their personal property and the restriction of items that may be taken into the meeting place, determining the number and frequency of and the time allowed for questions that may be raised at a meeting). Members shall also comply with all requirements or restrictions imposed by the owner of the premises and/or the electronic facilities at which the meeting is held. Any decision made under this Article shall be final and conclusive and a person who refuses to comply with any such arrangements, requirements or restrictions may be refused entry to the meeting or ejected (physically or electronically) from the meeting.

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- 64E. If, after the sending of Notice of a general meeting but before the meeting is held, or after the adjournment of a meeting but before the adjourned meeting is held (whether or not Notice of the adjourned meeting is required), the Directors, in their absolute discretion, consider that it is inappropriate, impracticable, unreasonable or undesirable for any reason to hold the general meeting on the date or at the time or place and/or by means of electronic facilities specified in the Notice calling the meeting, they may change or postpone the meeting to another date and/or time and/or place and/or change the electronic facilities and/or change the form of the meeting (physical meeting, electronic meeting or hybrid meeting) without approval from the Members. Without prejudice to the generality of the foregoing, the Directors shall have the power to provide in every Notice calling a general meeting the circumstances in which a postponement of the relevant general meeting may occur automatically without further Notice, including without limitation where a number 8 or higher typhoon signal, black rainstorm warning or other similar event is in force at any time on the day of the meeting. This Article shall be subject to the following:
- (a) when a meeting is so postponed, the Company shall endeavour to post a Notice of such postponement on the Company's website as soon as practicable (provided that failure to post such a Notice shall not affect the automatic postponement of a meeting);
 - (b) when only the form of the meeting or electronic facilities specified in the Notice are changed, the Board shall notify the Members of details of such change in such manner as the Board may determine;
 - (c) when a meeting is postponed or changed in accordance with this Article, subject to and without prejudice to Article 64, unless already specified in the original Notice of the meeting, the Board shall fix the date, time, place (if applicable) and electronic facilities (if applicable) for the postponed or changed meeting and shall notify the Members of such details in such manner as the Board may determine; further all proxy forms shall be valid (unless revoked or replaced by a new proxy) if they are received as required by these Articles not less than forty-eight (48) hours before the time of the postponed meeting; and
 - (d) Notice of the business to be transacted at the postponed or changed meeting shall not be required, nor shall any accompanying documents be required to be recirculated, provided that the business to be transacted at the postponed or changed meeting is the same as that set out in the original Notice of general meeting circulated to the Members.

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- 64F. All persons seeking to attend and participate in an electronic meeting or a hybrid meeting shall be responsible for maintaining adequate facilities to enable them to do so. Subject to Articles 64C and 64H, any inability of a person or persons to attend or participate in a general meeting by way of electronic facilities shall not invalidate the proceedings of and/or resolutions passed at that meeting.
- 64G. Without prejudice to other provisions in Articles 64A to 64F, a physical meeting may also 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 in person at such meeting.
- 64H. Without prejudice to Articles 64A to 64G, and subject to the Statutes and the Listing Rules and any other applicable laws, the Board may resolve to enable persons entitled to attend an electronic meeting to do so by simultaneous attendance by means of electronic facilities with no Member necessarily in physical attendance and without any particular Meeting Location being designated. Each Member or its proxy shall be counted in the quorum for, and entitled to vote at, the electronic meeting in question, and that general meeting shall be duly constituted and its proceedings valid if the chairman of the electronic meeting is satisfied that adequate facilities are available throughout the electronic meeting to ensure that Members attending the electronic meeting who are not present together at the same place may, by means of electronic facilities, attend and speak or communicate and vote at it.
66. (1) Subject to any special rights or restrictions as to voting for the time being attached to any shares by or in accordance with these Articles, at any general meeting on a poll every Member present in person or by proxy ~~or, in the case of a Member being a corporation, by its duly authorised representative~~ shall have one vote for every fully paid share of which he is the holder but so that no amount paid up or credited as paid up on a share in advance of calls or instalments is treated for the foregoing purposes as paid up on the share. A resolution put to the vote of a meeting shall be decided by way of a poll save that in the case of a physical meeting, the chairman of the meeting may in good faith, allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands in which case every Member present in person (or being a corporation, is present by a duly authorized representative), or by proxy(ies) shall have one vote provided that where more than one proxy is appointed by a Member which is a clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands. For purposes of this Article, procedural and administrative matters are those that (i) are not on the agenda of the general meeting or in any supplementary circular that may be issued by the Company to its Members; and (ii) relate to the chairman's duties to maintain the orderly conduct of the meeting and/or allow the business of the meeting to be properly and effectively dealt with, whilst allowing all Members a reasonable opportunity to express their views. Votes (whether on a show of hands or by way of poll) may be cast by such means, electronic or otherwise, as the Directors or the chairman of the meeting may determine.

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- (2) In the case of a physical meeting ~~W~~where a show of hands is allowed, before or on the declaration of the result of the show of hands, a poll may be demanded:
 - (a) by at least three (3) Members present in person or by proxy ~~or in the case of a Member being a corporation by its duly authorised representative~~ for the time being entitled to attend and vote at the meeting; or
 - (b) by a Member or Members present in person or by proxy ~~or in the case of a Member being a corporation by its duly authorised representative~~ and representing not less than one-tenth of the total voting rights of all Members having the right to vote at the meeting; or
 - (c) by a Member or Members present in person or by proxy ~~or in the case of a Member being a corporation by its duly authorised representative~~ and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all shares conferring that right.

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

- 70. All questions submitted to a meeting shall be decided by a simple majority of votes except where a greater majority is required by these Articles or by the ~~Law~~Act. In the case of an equality of votes, the chairman of such meeting shall be entitled to a second or casting vote in addition to any other vote he may have.
- 72. (1) A Member who is a patient for any purpose relating to mental health or in respect of whom an order has been made by any court having jurisdiction for the protection or management of the affairs of persons incapable of managing their own affairs may vote, by his receiver, committee, *curator bonis* or other person in the nature of a receiver, committee or *curator bonis* appointed by such court, and such receiver, committee, *curator bonis* or other person may vote by proxy, and may otherwise act and be treated as if he were the registered holder of such shares for the purposes of general meetings, provided that such evidence as the Board may require of the authority of the person claiming to vote shall have been deposited at the Office, head office or Registration Office, as appropriate, not less than forty-eight (48) hours before the time appointed for holding the meeting, or adjourned meeting, or postponed meeting, as the case may be.

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(2) Any person entitled under Article 53 to be registered as the holder of any shares may vote at any general meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that forty-eight (48) hours at least before the time of the holding of the meeting or adjourned meeting or postponed meeting, as the case may be, at which he proposes to vote, he shall satisfy the Board of his entitlement to such shares, or the Board shall have previously admitted his right to vote at such meeting in respect thereof.

74. If:

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

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

76. The instrument appointing a proxy shall be in writing and if the Board in its absolute discretion determines, may be contained in an electronic communication, and (i) if in writing but not contained in an electronic communication, under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same; or (ii) in the case of an appointment contained in an electronic communication, submitted by or on behalf of the appointor, subject to such terms and conditions and authenticated in such manner as the Board may in its absolute discretion determine. In the case of an instrument of proxy purporting to be signed on behalf of a corporation by an officer thereof it shall be assumed, unless the contrary appears, that such officer was duly authorised to sign such instrument of proxy on behalf of the corporation without further evidence of the facts.

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77. (1) The Company may, at its absolute discretion, provide an electronic address for the receipt of any document or information relating to proxies for a general meeting (including any instrument of proxy or invitation to appoint a proxy, any document necessary to show the validity of, or otherwise relating to, an appointment of proxy (whether or not required under these Articles) and Notice of termination of the authority of a proxy). If such an electronic address or electronic means of submission is provided, the Company shall be deemed to have agreed that any such document or information (relating to proxies as aforesaid) may be sent by electronic means to that electronic address or by such electronic means of submission, subject to any other limitations or conditions specified by the Company when providing the electronic address or electronic means of submission. Without limitation, the Company may from time to time determine that any such electronic address or electronic means of submission may be used generally for such matters or specifically for particular meetings or purposes and, if so, the Company may provide different electronic addresses or electronic means of submission for different purposes. The Company may also impose any conditions on the transmission of and its receipt of such electronic communications including, for the avoidance of doubt, imposing any security or encryption arrangements as may be specified by the Company. If any document or information required to be sent to the Company under this Article is sent to the Company by electronic means, such document or information is not treated as validly delivered to or deposited with the Company if the same is not received by the Company at its designated electronic address or via its electronic means of submission in accordance with this Article or if no electronic address or electronic means of submission is so designated by the Company for the receipt of such document or information.
- ~~77.~~ (2) The instrument appointing a proxy and (if required by the Board) the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, shall be delivered to such place or one of such places (if any) as may be specified for that purpose in or by way of note to or in any document accompanying the ~~the~~ Notice convening the meeting (or, if no place is so specified at the Registration Office or the Office, as may be appropriate), or if the Company has provided an electronic address or electronic means of submission in accordance with the preceding paragraph, shall be received at the electronic address or electronic means of submission specified, not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting or postponed meeting at which the person named in the instrument proposes to vote. No instrument appointing a proxy shall be valid after the expiration of twelve (12) months from the date named in it as the date of its execution, except at an adjourned meeting or postponed meeting in cases where the meeting was originally held within twelve (12) months from such date. Delivery of an instrument appointing a proxy shall not preclude a Member from attending and voting ~~in person~~ at the meeting convened and in such event, the instrument appointing a proxy shall be deemed to be revoked.

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78. Instruments of proxy shall be in any common form or in such other form as the Board may approve (provided that this shall not preclude the use of the two-way form) and the Board may, if it thinks fit, send out with the ~~the~~ Notice of any meeting forms of instrument of proxy for use at the meeting. The instrument of proxy shall be deemed to confer authority to vote on ~~any amendment of a resolution (or amendment thereto)~~ put to the meeting for which it is given as the proxy thinks fit. The instrument of proxy shall, unless the contrary is stated therein, be valid as well for any adjournment or postponement of the meeting as for the meeting to which it relates. The Board may decide, either generally or in any particular case, to treat a proxy appointment as valid notwithstanding that the appointment or any of the information required under these Articles has not been received in accordance with the requirements of these Articles. Subject to aforesaid, if the proxy appointment and any of the information required under these Articles is not received in the manner set out in these Articles, the appointee shall not be entitled to vote in respect of the shares in question.~~of the meeting as for the meeting to which it relates.~~
79. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the instrument of proxy or of the authority under which it was executed, provided that no intimation in writing of such death, insanity or revocation shall have been received by the Company at the Office or the Registration Office (or such other place as may be specified for the delivery of instruments of proxy in the ~~the~~ Notice convening the meeting or other document sent therewith) two (2) hours at least before the commencement of the meeting or adjourned meeting or postponed meeting, at which the instrument of proxy is used.
82. A resolution in writing signed (in such manner as to indicate, expressly or impliedly, unconditional approval) by or on behalf of all persons for the time being entitled to receive ~~the~~ Notice of and to attend and vote at general meetings of the Company shall, for the purposes of these Articles, be treated as a resolution duly passed at a general meeting of the Company and, where relevant, as a special resolution so passed. Any such resolution shall be deemed to have been passed at a meeting held on the date on which it was signed by the last Member to sign, and where the resolution states a date as being the date of his signature thereof by any Member the statement shall be *prima facie* evidence that it was signed by him on that date. Such a resolution may consist of several documents in the like form, each signed by one or more relevant Members.

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83. (1) Unless otherwise determined by the Company in general meeting, the number of Directors shall not be less than two (2). There shall be no maximum number of Directors unless otherwise determined from time to time by the Members in general meeting. The Directors shall be elected or appointed in the first place by the subscribers to the memorandum of association or by a majority of them and thereafter in accordance with Article 84 called for such purpose and who shall hold office for such term as the Members may determine or, in the absence of such determination, in accordance with Article 84 or until their successors are elected or appointed or their office is otherwise vacated.
- (2) Subject to the Articles and the ~~Law~~Act, the Company may by ordinary resolution elect any person to be a Director either to fill a casual vacancy on the Board, or as an addition to the existing Board.
- (3) The Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or as an addition to the existing Board. Any Director appointed by the Board to fill a casual vacancy shall hold office until the first general meeting of Members after his appointment and be subject to re-election at such meeting and any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for ~~reelection~~re-election.
- (4) Neither a Director nor an alternate Director shall be required to hold any shares of the Company by way of qualification and a Director or alternate Director (as the case may be) who is not a Member shall be entitled to receive ~~a~~Notice of and to attend and speak at any general meeting of the Company and of all classes of shares of the Company. Notwithstanding Article 61(2), Directors may participate in any meeting of the Members or any class thereof by means of a conference telephone, electronic or other communications equipment through which all persons participating in the meeting can communicate with each other simultaneously and instantaneously and, such participation shall constitute presence at a meeting as if those participating were present in person.
84. (2) A retiring Director shall be eligible for re-election and shall continue to act as a Director throughout the meeting at which he retires. The Directors to retire by rotation shall include (so far as necessary to ascertain the number of directors to retire by rotation) any Director who wishes to retire and not to offer himself for re-election. Any further Directors so to retire shall be those of the other Directors subject to retirement by rotation who have been longest in office since their last ~~reelection~~re-election or appointment and so that as between persons who became or were last reelected~~re-elected~~ Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. Any Director appointed by the Board pursuant to Article 83(3) shall not be taken into account in determining which particular Directors or the number of Directors who are to retire by rotation.

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85. No person other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for election as a Director at any general meeting unless a Notice signed by a Member (other than the person to be proposed) individually holding not less than 3% of the total voting rights of all Members duly qualified to attend and vote at the meeting for which such ~~an~~ Notice is given of his intention to propose such person for election and also a Notice signed by the person to be proposed of his willingness to be elected shall have been lodged at the Office, head office or at the Registration Office provided that the minimum length of the period, during which such Notice(s) may be given, shall be at least seven (7) days and that the period for lodgment of such Notice(s) shall commence on the day after the despatch of the ~~an~~ Notice of the general meeting appointed for such election and end no later than seven (7) days prior to the date of such general meeting.
86. The office of a Director shall be vacated if the Director:
- (1) resigns his office by ~~an~~ Notice in writing delivered to the Company at the Office or head office or tendered at a meeting of the Board;
 - (3) without special leave of absence from the Board, is absent from meetings of the Board for six (6) consecutive months, and his alternate Director, if any, shall not during such period have attended in his stead and the Board resolves that his office be vacated;
89. Any Director may at any time by Notice delivered to the Office or head office or at a meeting of the Directors appoint any person (including another Director) to be his alternate Director. Any person so appointed shall have all the rights and powers of the Director or Directors for whom such person is appointed in the alternative provided that such person shall not be counted more than once in determining whether or not a quorum is present. An alternate Director may be removed at any time by the body which appointed him and, subject thereto, the office of alternate Director shall continue until the happening of any event which, if he were a Director, would cause him to vacate such office or if his appointor ceases for any reason to be a Director. Any appointment or removal of an alternate Director shall be effected by Notice signed by the appointor and delivered to the Office or head office or tendered at a meeting of the Board. An alternate Director may also be a Director in his own right and may act as alternate to more than one Director. An alternate Director shall, if his appointor so requests, be entitled to receive ~~an~~ Notices of meetings of the Board or of committees of the Board to the same extent as, but in lieu of, the Director appointing him and shall be entitled to such extent to attend and vote as a Director at any such meeting at which the Director appointing him is not personally present and generally at such meeting to exercise and discharge all the functions, powers and duties of his appointor as a Director and for the purposes of the proceedings at such meeting the provisions of these Articles shall apply as if he were a Director save that as an alternate for more than one Director his voting rights shall be cumulative.

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90. An alternate Director shall only be a Director for the purposes of the ~~Law~~Act and shall only be subject to the provisions of the ~~Law~~Act insofar as they relate to the duties and obligations of a Director when performing the functions of the Director for whom he is appointed in the alternative and shall alone be responsible to the Company for his acts and defaults and shall not be deemed to be the agent of or for the Director appointing him. An alternate Director shall be entitled to contract and be interested in and benefit from contracts or arrangements or transactions and to be repaid expenses and to be indemnified by the Company to the same extent *mutatis mutandis* as if he were a Director but he shall not be entitled to receive from the Company any fee in his capacity as an alternate Director except only such part, if any, of the remuneration otherwise payable to his appointor as such appointor may by Notice to the Company from time to time direct.
91. Every person acting as an alternate Director shall have one vote for each Director for whom he acts as alternate (in addition to his own vote if he is also a Director). If his appointor is for the time being absent from Hong Kong or otherwise not available or unable to act, the signature of an alternate Director to any resolution in writing of the Board or a committee of the Board of which his appointor is a member shall, unless the ~~an~~Notice of his appointment provides to the contrary, be as effective as the signature of his appointor.
92. An alternate Director shall *ipso facto* cease to be an alternate Director if his appointor ceases for any reason to be a Director, however, such alternate Director or any other person may be re-appointed by the Directors to serve as an alternate Director ~~PROVIDED~~provided always that, if at any meeting any Director retires but is re-elected at the same meeting, any appointment of such alternate Director pursuant to these Articles which was in force immediately before his retirement shall remain in force as though he had not retired.
98. Subject to the ~~Law~~Act and to these Articles, no Director or proposed or intending Director shall be disqualified by his office from contracting with the Company, either with regard to his tenure of any office or place of profit or as vendor, purchaser or in any other manner whatsoever, nor shall any such contract or any other contract or arrangement in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company or the Members for any remuneration, profit or other benefits realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established provided that such Director shall disclose the nature of his interest in any contract or arrangement in which he is interested in accordance with Article 99 herein.

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100. (1) A Director shall not vote (nor be counted in the quorum) on any resolution of the Board approving any contract or arrangement or any other proposal in which he or any of his close associates is materially interested, but this prohibition shall not apply to any of the following matters namely:
- (v) any proposal or arrangement concerning the benefit of employees of the Company or its subsidiaries including:
101. (3) Without prejudice to the general powers conferred by these Articles it is hereby expressly declared that the Board shall have the following powers:
- (c) to resolve that the Company be deregistered in the Cayman Islands and continued in a named jurisdiction outside the Cayman Islands subject to the provisions of the LawAct.
107. The Board may exercise all the powers of the Company to raise or borrow money and to mortgage or charge all or any part of the undertaking, property and assets (present and future) and uncalled capital of the Company and, subject to the LawAct, to issue debentures, bonds and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.
110. (1) Where any uncalled capital of the Company is charged, all persons taking any subsequent charge thereon shall take the same subject to such prior charge, and shall not be entitled, by ~~or~~ Notice to the Members or otherwise, to obtain priority over such prior charge.
- (2) The Board shall cause a proper register to be kept, in accordance with the provisions of the LawAct, of all charges specifically affecting the property of the Company and of any series of debentures issued by the Company and shall duly comply with the requirements of the LawAct in regard to the registration of charges and debentures therein specified and otherwise.
112. A meeting of the Board may be convened by the Secretary on request of a Director or by any Director. The Secretary shall convene a meeting of the Board whenever he shall be required so to do by any Director. Notice of a meeting of the Board shall be deemed to be duly given to a Director if it is given to such Director in writing or verbally (including in person or by telephone) or ~~via~~ by electronic means to an electronic address from time to time notified to the Company by such Director or (if the recipient consents to it being made available on a website) by making it available on a website or by telephone ~~mail~~ or in such other manner as the Board may from time to time determine.

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113. (2) Directors may participate in any meeting of the Board by means of a conference telephone, electronic facilities or other communications equipment through which all persons participating in the meeting can communicate with each other simultaneously and instantaneously and, for the purpose of counting a quorum, such participation shall constitute presence at a meeting as if those participating were present in person.
119. A resolution in writing signed by all the Directors except such as are temporarily unable to act through ill-health or disability, and all the alternate Directors, if appropriate, whose appointors are temporarily unable to act as aforesaid shall (provided that such number is sufficient to constitute a quorum and further provided that a copy of such resolution has been given or the contents thereof communicated to all the Directors for the time being entitled to receive ~~the~~ Notices of Board meetings in the same manner as ~~the~~ Notices of meetings are required to be given by these Articles) be as valid and effectual as if a resolution had been passed at a meeting of the Board duly convened and held. A notification of consent to such resolution given by a Director in writing to the Board by any means (including by means of electronic communication) shall be deemed to be his signature to such resolution in writing for the purpose of this Article. Such resolution may be contained in one document or in several documents in like form each signed by one or more of the Directors or alternate Directors and for this purpose a facsimile signature of a Director or an alternate Director shall be treated as valid. Notwithstanding the foregoing, a resolution in writing shall not be passed in lieu of a meeting of the Board for the purposes of considering any matter or business in which a substantial shareholder of the Company or a Director has a conflict of interest and the Board has determined that such conflict of interest to be material.
124. (1) The officers of the Company shall consist of at least one chairman, the Directors and Secretary and such additional officers (who may or may not be Directors) as the Board may from time to time determine, all of whom shall be deemed to be officers for the purposes of the ~~Law~~Act and these Articles.
125. (2) The Secretary shall attend all meetings of the Members and shall keep correct minutes of such meetings and enter the same in the proper books provided for the purpose. He shall perform such other duties as are prescribed by the ~~Law~~Act or these Articles or as may be prescribed by the Board.
127. A provision of the ~~Law~~Act or of these Articles requiring or authorising a thing to be done by or to a Director and the Secretary shall not be satisfied by its being done by or to the same person acting both as Director and as or in place of the Secretary.

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

132. (1) The Company shall be entitled to destroy the following documents at the following times:
- (b) any dividend mandate or any variation or cancellation thereof or any notification of change of name or address at any time after the expiry of two (2) years from the date such mandate, variation, cancellation or notification was recorded by the Company;

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

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

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|-------------|--|
| 133. | Subject to the Law Act, the Company in general meeting may from time to time declare dividends in any currency to be paid to the Members but no dividend shall be declared in excess of the amount recommended by the Board. |
| 134. | Dividends may be declared and paid out of the profits of the Company, realised or unrealised, or from any reserve set aside from profits which the Directors determine is no longer needed. Dividends may also be declared and paid out of share premium account or any other fund or account which can be authorised for this purpose in accordance with the Law Act. |
| 136. | (B) The Board may also pay out of such distributable funds of the Company (including share premium account) half-yearly or at other suitable intervals to be settled by them any dividend which may be payable at a fixed rate if the Board is of the opinion that the financial conditions of the Company justify the payment and the provisions of paragraph (A) of this Article as regards the power and exemption from liability of the Board as relate to the declaration and payment of interim dividends shall apply, <i>mutatis mutandis</i> , to the declaration and payment of any such halfyearly <u>half yearly</u> or other intervals dividends. |
| 142. | (1) Whenever the Board or the Company in general meeting has resolved that a dividend be paid or declared on any class of the share capital of the Company, the Board may further resolve either:

(a) that such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid up, provided that the Members entitled thereto will be entitled to elect to receive such dividend (or part thereof if the Board so determines) in cash in lieu of such allotment. In such case, the following provisions shall apply:

(ii) the Board, after determining the basis of allotment, shall give not less than two (2) weeks' Notice to the holders of the relevant shares of the right of election accorded to them and shall send with such Notice forms of election and specify the procedure to be followed and the place at which and the latest date and time by which duly completed forms of election must be lodged in order to be effective; |

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- (b) that the Members entitled to such dividend shall be entitled to elect to receive an allotment of shares credited as fully paid up in lieu of the whole or such part of the dividend as the Board may think fit. In such case, the following provisions shall apply:
- (ii) the Board, after determining the basis of allotment, shall give not less than two (2) weeks' Notice to the holders of the relevant shares of the right of election accorded to them and shall send with such ~~Notice~~ Notice forms of election and specify the procedure to be followed and the place at which and the latest date and time by which duly completed forms of election must be lodged in order to be effective;
143. (1) The Board shall establish an account to be called the share premium account and shall carry to the credit of such account from time to time a sum equal to the amount or value of the premium paid on the issue of any share in the Company. Unless otherwise provided by the provisions of these Articles, the Board may apply the share premium account in any manner permitted by the ~~Law~~Act. The Company shall at all times comply with the provisions of the ~~Law~~Act in relation to the share premium account.
144. (1) The Company may, upon the recommendation of the Board, at any time and from time to time pass an ordinary resolution to the effect that it is desirable to capitalise all or any part of any amount for the time being standing to the credit of any reserve or fund (including a share premium account and capital redemption reserve and the profit and loss account) whether or not the same is available for distribution and accordingly that such amount be set free for distribution among the Members or any class of Members who would be entitled thereto if it were distributed by way of dividend and in the same proportions or such other proportions as may be determined by ordinary resolution of Members, on the footing that the same is not paid in cash but is applied either in or towards paying up the amounts for the time being unpaid on any shares in the Company held by such Members respectively or in paying up in full unissued shares, debentures or other obligations of the Company, to be allotted and distributed credited as fully paid up among such Members, or partly in one way and partly in the other, and the Board shall give effect to such resolution provided that, for the purposes of this Article, a share premium account and any capital redemption reserve or fund representing unrealised profits, may be applied only in paying up in full unissued shares of the Company to be allotted to such Members credited as fully paid.

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- (2) Notwithstanding any provisions in these Articles, the Board may resolve to capitalise all or any part of any amount for the time being standing to the credit of any reserve or fund (including a share premium account and the profit and loss account) whether or not the same is available for distribution by applying such sum in paying up unissued shares to be allotted to (i) employees (including directors) of the Company and/or its affiliates (meaning any individual, corporation, partnership, association, joint-stock company, trust, unincorporated association or other entity (other than the Company) that directly, or indirectly through one or more intermediaries, controls, is controlled by or is under common control with, the Company) upon exercise or vesting of any options or awards granted under any share incentive scheme or employee benefit scheme or other arrangement which relates to such persons that has been adopted or approved by the Members at a general meeting, or (ii) any trustee of any trust to whom shares are to be allotted and issued by the Company in connection with the operation of any share incentive scheme or employee benefit scheme or other arrangement which relates to such persons that has been adopted or approved by the Members at a general meeting.
146. The following provisions shall have effect to the extent that they are not prohibited by and are in compliance with the ~~Law~~Act:
- (1) If, so long as any of the rights attached to any warrants issued by the Company to subscribe for shares of the Company shall remain exercisable, the Company does any act or engages in any transaction which, as a result of any adjustments to the subscription price in accordance with the provisions of the conditions of the warrants, would reduce the subscription price to below the par value of a share, then the following provisions shall apply:
147. The Board shall cause true accounts to be kept of the sums of money received and expended by the Company, and the matters in respect of which such receipt and expenditure take place, and of the property, assets, credits and liabilities of the Company and of all other matters required by the ~~Law~~Act or necessary to give a true and fair view of the Company's affairs and to explain its transactions.
149. Subject to Article 150, a printed copy of the Directors' report, accompanied by the balance sheet and profit and loss account, including every document required by law to be annexed thereto, made up to the end of the applicable financial year and containing a summary of the assets and liabilities of the Company under convenient heads and a statement of income and expenditure, together with a copy of the Auditors' report, shall be ~~delivered or sent by post to the registered address of~~to each person entitled thereto at least twenty-one (21) days before the date of the general meeting and at the same time as the ~~the~~Notice of annual general meeting and laid before the Members at the annual general meeting held in accordance with Article 56 provided that this Article shall not require a copy of those documents to be sent to any person whose address the Company is not aware or to more than one of the joint holders of any shares or debentures.

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150. Subject to due compliance with all applicable Statutes, rules and regulations, including, without limitation, the Listing Rules, and to obtaining all necessary consents, if any, required thereunder, the requirements of Article 149 shall be deemed satisfied in relation to any person by sending to the person in any manner not prohibited by the Statutes, summarised financial statements derived from the Company's annual accounts and the Directors' report which shall be in the form and containing the information required by applicable laws and regulations, provided that any person who is otherwise entitled to the annual financial statements of the Company and the Directors' report thereon may, if he so requires by ~~an~~ Notice in writing served on the Company, demand that the Company sends to him, in addition to summarised financial statements, a complete printed copy of the Company's annual financial statements and the Directors' report thereon.
151. The requirement to send to a person referred to in Article 149 the documents referred to in that article or a summary financial report in accordance with Article 150 shall be deemed satisfied where, in accordance with all applicable Statutes, rules and regulations, including, without limitation, the Listing Rules, the Company publishes copies of the documents referred to in Article 149 and, if applicable, a summary financial report complying with Article 150, on the Company's website ~~or the website of the Designated Stock Exchange~~ or in any other permitted manner (including by sending any form of electronic communication), and that person has agreed or is deemed to have agreed to treat the publication or receipt of such documents in such manner as discharging the Company's obligation to send to him a copy of such documents.
153. Subject to the ~~Law~~ Act, the accounts of the Company shall be audited at least once in every year.
155. If the office of ~~auditor~~ Auditor becomes vacant by the resignation or death of the Auditor, or by his becoming incapable of acting by reason of illness or other disability at a time when his services are required, the Directors shall fill the vacancy and fix the remuneration of the Auditor so appointed.
158. (1) Any Notice or document (including any "corporate communication" within the meaning ascribed thereto under the Listing Rules), whether or not, to be given or issued under these Articles from the Company ~~to a Member~~ shall be in writing or by cable, telex or facsimile transmission message or other form of electronic transmission or electronic communication and any such Notice and document may be ~~served~~ given or ~~delivered~~ issued by the Company ~~on or to any Member either~~ following means:
- (a) by serving it personally on the relevant person;

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- (b) ~~or~~ by sending it through the post in a prepaid envelope addressed to such Member at his registered address as appearing in the Register or at any other address supplied by him to the Company for the purpose;
- (c) by delivering or leaving it at such address as aforesaid;
- (d) by placing an advertisement in appropriate newspapers or other publication and where applicable, in accordance with the requirements of the Designated Stock Exchange;
- (e) by sending or transmitting it as an electronic communication to the relevant person at such electronic address as he may provide, where required by the Company, under Article 158(5), subject to the Company complying with the Statutes and any other applicable laws, rules and regulations from time to time in force with regard to any requirements for the obtaining of consent (or deemed consent) from such person;
- (f) by publishing it on the Company's website to which the relevant person may have access, subject to the Company complying with the Statutes and any other applicable laws, rules and regulations from time to time in force with regard to any requirements for the obtaining of consent (or deemed consent) from such person and/or for giving notification to any such person stating that the Notice, document or publication is available on the Company's computer network website (a "notice of availability"); or
- (g) by sending or otherwise making it available to such person through such other means to the extent permitted by and in accordance with the Statutes and other applicable laws, rules and regulations.
- (2) The notice of availability may be given by any of the means set out above other than by posting it on a website.
- (3) In the case of joint holders of a share all Notices shall be given to that one of the joint holders whose name stands first in the Register and Notice so given shall be deemed a sufficient service on or delivery to all the joint holders.
- (4) Every person who, by operation of law, transfer, transmission, or other means whatsoever, shall become entitled to any share, shall be bound by every Notice in respect of such share, which, previously to his name and address (including electronic address) being entered in the Register as the registered holder of such share, shall have been duly given to the person from whom he derives title to such share.

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- (5) Every Member or a person who is entitled to receive Notice from the Company under the provisions of the Statutes or these Articles may register with the Company an electronic address to which Notices can be served upon him.
- (6) Subject to any applicable laws, rules and regulations and the terms of these Articles, any Notice, document or publication, including but not limited to the documents referred to in Articles 149, 150 and 158 may be given in the English language only or in the Chinese language only or in both the English language and the Chinese language.~~or, as the case may be, by transmitting it to any such address or transmitting it to any telex or facsimile transmission number or electronic number or address or website supplied by him to the Company for the giving of Notice to him or which the person transmitting the Notice reasonably and bona fide believes at the relevant time will result in the Notice being duly received by the Member or may also be served by advertisement in appropriate newspapers in accordance with the requirements of the Designated Stock Exchange or, to the extent permitted by the applicable laws, by placing it on the Company's website or the website of the Designated Stock Exchange, and giving to the Member a notice stating that the Notice or other document is available there (a "notice of availability"). The notice of availability may be given to the Member by any of the means set out above other than by posting it on a website. In the case of joint holders of a share all notices shall be given to that one of the joint holders whose name stands first in the Register and notice so given shall be deemed a sufficient service on or delivery to all the joint holders.~~
159. Any Notice or other document:
- (b) if sent by electronic communication (other than by making it available on the Company's website), shall be deemed to be given on the day on which it is transmitted from the server of the Company or its agent. A Notice placed on the Company's website or the website of the Designated Stock Exchange, is deemed given by the Company to a Member on the day following that on which a notice of availability is deemed served on the Member;
- ~~(b)~~(c) if published on the Company's website or the website of the Designated Stock Exchange, shall be deemed to have been served on the day on which the Notice, document or publication first so appears on such website to which the relevant person may have access or the day on which the notice of availability is deemed to have been served or delivered to such person under these Articles, whichever is later;

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- (d) if served or delivered in any other manner contemplated by these Articles, shall be deemed to have been served or delivered at the time of personal service or delivery or, as the case may be, at the time of the relevant despatch, transmission or publication; and in proving such service or delivery a certificate in writing signed by the Secretary or other officer of the Company or other person appointed by the Board as to the act and time of such service, delivery, despatch, transmission or publication shall be conclusive evidence thereof; and
- ~~(e)~~(e) if published as an advertisement in a newspaper or other publication permitted under these Articles, shall be deemed to have been served on the day on which the advertisement first so appears.
- ~~(d) may be given to a Member either in the English language or the Chinese language, subject to due compliance with all applicable Statutes, rules and regulations.~~
160. (1) Any Notice or other document delivered or sent by post to or left at the registered address of any Member in pursuance of these Articles shall, notwithstanding that such Member is then dead or bankrupt or winding up or that any other event has occurred, and whether or not the Company has notice of the death or bankruptcy or winding up or other event, be deemed to have been duly served or delivered in respect of any share registered in the name of such Member as sole or joint holder unless his name shall, at the time of the service or delivery of the Notice or document, have been removed from the Register as the holder of the share, and such service or delivery shall for all purposes be deemed a sufficient service or delivery of such Notice or document on all persons interested (whether jointly with or as claiming through or under him) in the share.
- (2) A Notice may be given by the Company to the person entitled to a share in consequence of the death, mental disorder or bankruptcy or winding up of a Member by sending it through the post in a prepaid letter, envelope or wrapper addressed to him by name, or by the title of representative of the deceased, or trustee of the bankrupt or by any like description, at the address, if any, supplied for the purpose by the person claiming to be so entitled, or (until such an address has been so supplied) by giving the Notice in any manner in which the same might have been given if the death, mental disorder or bankruptcy or winding up had not occurred.
161. For the purposes of these Articles, a facsimile or electronic transmission ~~signed document or instrument in writing~~message purporting to come from a holder of shares or, as the case may be, a Director or alternate Director, or, in the case of a corporation which is a holder of shares from a director or the secretary thereof or a duly appointed attorney or duly authorised representative thereof for it and on its behalf, shall in the absence of express evidence to the contrary available to the person relying thereon at the relevant time be deemed to be a document or instrument in writing signed by such holder or Director or alternate Director in the terms in which it is received.

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163. (1) Subject to any special rights, privileges or restrictions as to the distribution of available surplus assets on liquidation for the time being attached to any class or classes of shares (i) (if the Company shall be wound up and the assets available for distribution amongst the Members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed *pari passu* amongst such ~~Members~~ Members in proportion to the amount paid up on the shares held by them respectively; and (ii) if the Company shall be wound up and the assets available for distribution amongst the Members as such shall be insufficient to repay the whole of the paid-up capital such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the Members in proportion to the capital paid up, or which ought to have been paid up, at the commencement of the winding up on the shares held by them respectively.
- (2) If the Company shall be wound up (whether the liquidation is voluntary or by the court) the liquidator may, with the authority of a special resolution and any other sanction required by the ~~Law~~Act, divide among the Members in specie, or kind the whole or any part of the assets of the Company and whether or not the assets shall consist of properties of one kind or shall consist of properties to be divided as aforesaid of different kinds, and may for such purpose set such value as he deems fair upon any one or more class or classes of property and may determine how such division shall be carried out as between the Members or different classes of Members. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of the Members as the liquidator with the like authority shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no contributory shall be compelled to accept any shares or other property in respect of which there is a liability.
- ~~(3) In the event of winding up of the Company in Hong Kong, every Member who is not for the time being in Hong Kong shall be bound, within fourteen (14) days after the passing of an effective resolution to wind up the Company voluntarily, or the making of an order for the winding up of the Company, to serve notice in writing on the Company appointing some person resident in Hong Kong and stating that person's full name, address and occupation upon whom all summonses, notices, process, orders and judgements in relation to or under the winding up of the Company may be served, and in default of such nomination the liquidator of the Company shall be at liberty on behalf of such Member to appoint some such person, and service upon any such appointee, whether appointed by the Member or the liquidator, shall be deemed to be good personal service on such Member for all purposes, and, where the liquidator makes any such appointment, he shall with all convenient speed give notice thereof to such Member by advertisement as he shall deem appropriate or by a registered letter sent through the post and addressed to such Member at his address as appearing in the register, and such notice shall be deemed to be service on the day following that on which the advertisement first appears or the letter is posted.~~

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

1. RESPONSIBILITY STATEMENT

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

2. DISCLOSURE OF INTERESTS

(a) Interests and short positions of Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company and its associated corporation

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executives of the Company in the Shares, underlying Shares and debentures of the Company and any associated corporations (within the meaning of Part XV of the SFO) which were required to be (i) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and chief executives of the Company were taken or deemed to have pursuant to Divisions 7 and 8 of Part XV of the SFO), or (ii) entered in the register required to be kept under Section 352 of the SFO, or (iii) notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) adopted by the Company were as follows:

Long positions in the Shares, underlying Shares and debentures of the Company

Name of Director	Capacity	Number of Shares held or interested in	Number of interests in underlying Shares held under equity derivatives	Total	Percentage of total issued Shares as at the Latest Practicable Date	Amount of debentures held
Mr. YEUNG Kwok Keung	Interest of controlled corporation	—	—	—	—	USD585,000,000 ¹
Ms. YANG Huiyan	Interest of controlled corporation	14,179,076,994 ²	—	14,179,076,994	61.25%	—
Mr. MO Bin	Beneficial owner	86,753,040	—	86,753,040	0.37%	USD30,000,000
Ms. YANG Ziyang	Interest of controlled corporation	—	—	—	—	USD18,000,000 ³
Mr. YANG Zhicheng	Beneficial owner	1,338,799	7,627,990 ⁴	8,966,789	0.03%	—

Name of Director	Capacity	Number of Shares held or interested in	Number of interests in underlying Shares held under equity derivatives	Total	Percentage of total issued Shares as at the Latest Practicable Date	Amount of debentures held
Mr. SONG Jun	Beneficial owner	108,310	6,781,150 ⁴	6,889,460	0.02%	—
Mr. SU Baiyuan	Beneficial owner	480,331	3,060,126 ⁴	3,540,457	—	—
	Interest of spouse	462,209 ⁵	—	462,209	—	—
				4,002,666	0.01%	
Mr. CHEN Chong	Interest of spouse	14,179,076,994 ⁶	—	14,179,076,994	61.25%	—
Mr. LAI Ming, Joseph	Beneficial owner	1,112,522	—	1,112,522	0.01%	—
Mr. SHEK Lai Him, Abraham	Beneficial owner	1,176,178	—	1,176,178	0.01%	—
Mr. TONG Wui Tung	Beneficial owner	1,014,786	—	1,014,786	0.01%	—

Notes:

1. The amount of debentures represents the debentures held by Fine Nation Group Limited in which Mr. YEUNG Kwok Keung beneficially owns the entire issued share capital.
2. These Shares represent Shares held by Concrete Win Limited in which Ms. YANG Huiyan beneficially owns the entire issued share capital.
3. The amount of debentures represents the debentures held by Shiny Dragon Assets Limited in which Ms. YANG Ziyang beneficially owns the entire issued share capital.
4. The relevant interests are unlisted physically settled options granted pursuant to the Share Option Schemes. Upon exercise of the share options in accordance with the Share Option Schemes, ordinary shares of HKD0.10 each in the share capital of the Company are issuable. The share options are personal to the respective Directors.
5. These Shares represent Shares held by Ms. LIU Qing who is the spouse of Mr. SU Baiyuan.
6. These Shares represent Shares held by Ms. YANG Huiyan who is the spouse of Mr. CHEN Chong.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and chief executives of the Company (including their spouses and children under the age of 18) had, any interests or short positions in any Shares and underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be (i) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and chief executives of the Company were taken or deemed to have pursuant to Divisions 7 and 8 of Part XV of the SFO), or (ii) entered in the register required to be kept by the Company under Section 352 of the SFO, or (iii) notified to the Company and the Stock Exchange pursuant to the Model Code.

(b) Interests and short positions of the Shareholders disclosable under the SFO

As at the Latest Practicable Date, according to the register kept by the Company under Section 336 of the SFO, the following companies and persons, other than the Directors and chief executive of the Company, had long positions of 5% or more in the Shares and underlying Shares which fell to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO:

Name of Shareholder	Capacity	Number of Shares/ underlying Shares		Approximate percentage of total issued Shares as at the Latest Practicable Date
		Long position	Short position	
Concrete Win Limited	Beneficial owner	14,179,076,994 ¹	—	61.25%
Ping An Insurance (Group) Company of China, Ltd.	Interests of controlled corporation	1,797,751,000 ²	—	7.76% ²
Ping An Life Insurance Company of China, Ltd.	Beneficial owner	1,797,751,000 ^{2, 3}	—	7.76% ^{2, 3}

Notes:

1. These Shares are held by Concrete Win Limited, the entire issued share capital of which is beneficially owned by Ms. YANG Huiyan.
2. Ping An Insurance (Group) Company of China, Ltd. is a joint stock limited company incorporated in the PRC, the H shares of which are listed on the main board of the Stock Exchange (Stock Code: 2318) and the A shares of which are listed on the Shanghai Stock Exchange (Stock Code: 601318). Ping An Insurance (Group) Company of China, Ltd. is deemed to be interested in the 1,797,751,000 Shares (held and managed by its indirectly wholly owned subsidiary, Ping An of China Asset Management (Hong Kong) Company Limited as investment manager), the 1,797,751,000 Shares were beneficially owned by its 99.51% owned subsidiary, Ping An Life Insurance Company of China, Ltd.. Disclosure of the number of ordinary Shares held is made pursuant to the last Disclosure of Interests notice as of the Latest Practicable Date (date of relevant event: 12 August 2021).
3. These Shares are beneficially owned by Ping An Life Insurance Company of China, Ltd.. Disclosure of the number of ordinary Shares held is made pursuant to the last Disclosure of Interests notice as of the Latest Practicable Date (date of relevant event: 12 August 2021).

Saved as disclosed above, as at the Latest Practicable Date, the Company had not been notified by any person (other than Directors and chief executives of the Company) who had interests or short positions in the Shares and underlying Shares under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were entered in the register required to be kept under Section 336 of the SFO.

As at the Latest Practicable Date, no Director or proposed Director is a director or employee of a company which has an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

3. EXPERT'S QUALIFICATIONS AND CONSENTS

The following is the qualification of the expert who has given opinion or advice which contained in this circular:

Name	Qualification
Goldlink Capital (Corporate Finance) Limited	a corporation licensed by the Securities and Futures Commission for carrying out Type 6 (advising on corporate finance) regulated activity under the SFO

The abovementioned expert has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its report or letter or opinion included in the form and context in which it is included.

As at the Latest Practicable Date, the abovementioned expert did not have any shareholding, directly or indirectly, in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, the abovementioned expert did not have any interest, direct or indirect, in any assets which had been acquired or disposed of by or leased to any member of the Group or were proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2020, being the date to which the latest published audited consolidated financial statements of the Company were made up.

4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2020, being the date to which the latest published audited consolidated financial statements of the Company were made up.

5. DIRECTOR'S SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered, or proposed to enter, into a service contract with any member of the Group which is not determinable by the Group within one (1) year without payment of compensation (other than statutory compensation).

6. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors and their respective close associates was considered to have an interest in any business (apart from the Group's business and Mr. Yeung's indirect holding of Qingyuan Country Garden Co. and Qingyuan Cultural Co. which have limited scope of businesses as disclosed under the "Letter from the Board" of this circular) which competes or is likely to compete, either directly or indirectly, with the Group's business (as would be required to be disclosed under Rule 8.10 of the Listing Rules if each of them were a controlling shareholder).

7. DIRECTORS' INTEREST IN CONTRACTS AND ASSETS OF THE GROUP

As at the Latest Practicable Date,

- (a) none of the Directors were materially interested in any contract or arrangement subsisting and which was significant in relation to the business of the Group; and
- (b) none of the Directors had any interest, direct or indirect, in any assets which had been acquired or disposed of by or leased to any member of the Group or were proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2020, being the date to which the latest published audited consolidated financial statements of the Company were made up.

8. DOCUMENTS ON DISPLAY

Copies of the following documents (or copies thereof) will be available on the HKExnews website (<http://www.hkexnews.hk>) and the Company's website (<http://www.countrygarden.com.cn/>) from the date of this circular up to and including 21 December 2021:

- (a) the New Deeds of Non-Competition;
- (b) the Original Deeds of Non-Competition; and
- (c) the termination deeds of the Original Deeds of Non-Competition dated 21 July 2021.

NOTICE OF THE EGM



COUNTRY GARDEN HOLDINGS COMPANY LIMITED

碧桂園控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2007)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of Country Garden Holdings Company Limited (the “**Company**”) will be held at Victoria Room, 2/F, Mandarin Oriental Hong Kong, 5 Connaught Road Central, Hong Kong on 22 December 2021 at 10:30 a.m. for the following purposes:

To consider and, if thought fit, pass with or without modification the following resolution as a special resolution:

SPECIAL RESOLUTION

1. “**THAT** the amended and restated memorandum and articles of association of the Company (the “**New Memorandum and Articles of Association**”) (a copy of which has been produced to this meeting and marked “A” and initialed by the chairman of this meeting for the purpose of identification) be and are hereby approved and adopted as the new memorandum and articles of association of the Company in substitution for and to the exclusion of the existing memorandum and articles of association of the Company with immediate effect after the close of this meeting and that any one director or joint company secretary of the Company be and are hereby authorised to do all things necessary to implement the adoption of the New Memorandum and Articles of Association of the Company.”

To consider and, if thought fit, pass, with or without modifications, the following resolutions as ordinary resolutions:

ORDINARY RESOLUTIONS

2. “**THAT**
 - (a) To approve, confirm and ratify the deeds of termination both dated 21 July 2021 in relation to the termination of (i) the deed of non-competition dated 29 March 2007 entered into among Ms. Yang Huiyan, Mr. Yang Erzhu, Mr. Su Rubo, Mr. Zhang Yaoyuan, Mr. Ou Xueming, Qingyuan Country Garden Property Development Co., Ltd. (清遠碧桂園物業發展有限公司), Qingyuan

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Country Cultural Development Co., Ltd. (清遠市故鄉里文化發展有限公司), and the Company and (ii) the deed of non-competition dated 29 March 2007 entered into between Mr. Yeung Kwok Keung and the Company (the “**Original Deeds of Non-Competition**”), respectively entered into among the parties to the Original Deeds of Non-Competition (the “**Termination Deeds**”) and the transactions contemplated thereunder; and

- (b) To authorise any one or more directors of the Company to execute, deliver and perfect the Termination Deeds for and on behalf of the Company and to take all such actions, do all such things and execute all such further documents, deeds or instruments as they may, in their opinion, deem necessary, desirable, appropriate or expedient to give effect to the Termination Deeds and the transactions contemplated thereunder.”

3. **“THAT**

- (a) To approve, confirm and ratify the deeds of non-competition and indemnity both dated 21 July 2021 respectively entered into between (i) Ms. Yang Huiyan and the Company and (ii) Mr. Yeung Kwok Keung and the Company (the “**New Deeds of Non-Competition**”) and the transactions contemplated thereunder; and
- (b) To authorise any one or more directors of the Company to execute, deliver and perfect the New Deeds of Non-Competition for and on behalf of the Company and to take all such actions, do all such things and execute all such further documents, deeds or instruments as they may, in their opinion, deem necessary, desirable, appropriate or expedient to give effect to the New Deeds of Non-Competition and the transactions contemplated thereunder.”

By Order of the Board
Country Garden Holdings Company Limited
MO Bin
President and Executive Director

Foshan, Guangdong Province, the PRC, 6 December 2021

Notes:

1. Any member entitled to attend and vote at the meeting shall be entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf. A proxy need not be a member of the Company.
2. If more than one of the joint registered holders are present at the meeting personally or by proxy, then only one of the said persons so present whose name stands first on the registers of members in respect of such share(s) of the Company shall be accepted to the exclusion of the votes of the other joint registered holders.

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3. In order to be valid, the form of proxy together with any power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power or authority, must be deposited at the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong (the "Share Registrar") not less than 48 hours before the time for holding the meeting or any adjournment thereof.
4. Completion and return of the form of proxy will not preclude members from attending and voting at the meeting or any adjourned meeting if they so wish. If a member attends the meeting after having deposited the form of proxy, his form of proxy will be deemed to have been revoked.
5. The registers of members of the Company will be closed from 21 December 2021 to 22 December 2021, both days inclusive, during which period no transfer of shares will be registered. In order to determine the identity of the shareholders who are entitled to attend and vote at the meeting, all duly completed transfer forms accompanied by the relevant share certificates must be lodged with the Share Registrar not later than 4:30 p.m. on 20 December 2021.
6. Pursuant to rule 13.39(4) of the Listing Rules, all votes at the general meeting will be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands and the Company will announce the results of the poll in the manner prescribed under rule 13.39(5) of the Listing Rules.
7. If a typhoon signal no. 8 or above is hoisted or a black rainstorm warning signal is in force at or at any time after 7:00 a.m. on the date of the meeting, subject to consent of the meeting, the meeting will be postponed or adjourned. The Company will post an announcement on the website of the Stock Exchange (<http://www.hkexnews.hk>) and the website of the Company (<http://www.countrygarden.com.cn>) to notify shareholders of the Company of the date, time and place of the rescheduled meeting. The meeting will be held as scheduled when an amber or a red rainstorm warning signal is in force. Shareholders of the Company should decide on their own whether they would attend the meeting under bad weather condition bearing in mind their own situations.
8. As at the date of this notice, the Board is comprised of 13 Directors, of which Mr. YEUNG Kwok Keung (Chairman), Ms. YANG Huiyan (Co-Chairman), Mr. MO Bin (President), Ms. YANG Ziying, Mr. YANG Zhicheng, Mr. SONG Jun and Mr. SU Baiyuan are executive Directors, Mr. CHEN Chong is a non-executive Director and Mr. LAI Ming, Joseph, Mr. SHEK Lai Him, Abraham, Mr. TONG Wui Tung, Mr. HUANG Hongyan and Mr. TO Yau Kwok are independent non-executive Directors.
9. PRECAUTIONARY MEASURES FOR THE EGM

Please see pages 1 to 2 of the Circular for measures being taken to try to prevent and control the spread of the Coronavirus at the EGM, including:

- **compulsory temperature checks and health declarations**
- **compulsory wearing of surgical face masks**
- **compliance with the contact tracing requirements under the applicable laws and regulations**
- **no distribution of corporate gifts and refreshments**
- **appropriate seating arrangement in line with the relevant laws and regulations in Hong Kong**

Any person who does not comply with the precautionary measures may be denied entry into the EGM venue. Attendees must wear a surgical face mask and shareholders may appoint the chairman of the meeting as their proxy to vote on the relevant resolutions at the EGM instead of attending the EGM in person.