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

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Nexteer Automotive Group Limited
耐世特汽車系統集團有限公司

(Incorporated under the laws of the Cayman Islands with limited liability)

(Stock Code: 1316)

PROPOSALS FOR
GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES;
RE-ELECTION OF RETIRING DIRECTORS;
PAYMENT OF FINAL DIVIDEND;
PROPOSED AMENDMENTS TO THE EXISTING MEMORANDUM AND
ARTICLES OF ASSOCIATION AND ADOPTION OF
THE NEW MEMORANDUM AND ARTICLES OF ASSOCIATION;
AND
NOTICE OF ANNUAL GENERAL MEETING

A notice convening the Annual General Meeting of Nexteer Automotive Group Limited to be held on June 20, 2023 at 9:00 a.m. at Huashan Room, Island Shangri-La, Hong Kong, Pacific Place, Supreme Court Road, Central, Hong Kong is set out on pages 56 to 61 of this circular. A form of proxy for use at the Annual General Meeting is also enclosed. Such form of proxy is also published on the websites of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk and the Company at www.nexteer.com. Whether or not you intend to attend the Annual General Meeting, you are required to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof. Completion and return of the form of proxy shall not preclude any shareholder from attending and voting in person at the Annual General Meeting if they so wish and in such event the form of proxy shall be deemed to be revoked.

May 19, 2023

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DEFINITIONS

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

“Annual General Meeting”	the annual general meeting of the Company to be held on June 20, 2023 at 9:00 a.m. at Huashan Room, Island Shangri-La, Hong Kong, Pacific Place, Supreme Court Road, Central, Hong Kong, or any adjournment thereof
“Articles of Association”	the memorandum and articles of association of the Company adopted on June 15, 2013, as amended and/or restated from time to time
“AVIC”	中國航空工業集團有限公司 (Aviation Industry Corporation of China, Ltd., formerly known as Aviation Industry Corporation of China*), a state-owned limited liability company established in the PRC on November 6, 2008, a Controlling Shareholder of the Company
“AVIC Auto”	中國航空汽車系統控股有限公司 (AVIC Automotive Systems Holding Co., Ltd.*), a limited liability company established in the PRC on November 7, 1985, which is owned as to 70.11% by AVIC, a Controlling Shareholder of the Company
“Beijing E-Town”	北京亦莊國際投資發展有限公司 (Beijing E-Town International Investment & Development Co. Ltd.*), a limited company established in the PRC on February 6, 2009
“Beijing E-Town Auto”	北京亦莊國際汽車投資管理有限公司 (Beijing E-Town International Automotive Investment & Management Co. Ltd.*), a limited company established in the PRC on December 2, 2014 and directly and wholly-owned by Beijing E-Town
“Board”	board of Directors of the Company
“Companies Act”	the Companies Act (as revised) of the Cayman Islands as amended, supplemented and/or otherwise modified from time to time

DEFINITIONS

“Company”	Nexteer Automotive Group Limited (耐世特汽車系統集團有限公司), a company incorporated as an exempted company with limited liability under the laws of the Cayman Islands on August 21, 2012 and the issued Shares of which are listed on the main board of the Stock Exchange
“Controlling Shareholder(s)”	has the meaning ascribed thereto in the Listing Rules and, unless the context requires otherwise, refers to AVIC, AVIC Auto, PCM China and Nexteer Hong Kong
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Issue Mandate”	a general mandate proposed to be granted to the Directors at the Annual General Meeting to allot, issue and/or deal in Shares not exceeding 20% of the aggregate number of issued Shares as at the date of passing of the relevant resolution granting such mandate
“Latest Practicable Date”	May 11, 2023, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“New Articles of Association”	the second amended and restated memorandum and articles of association of the Company incorporating and consolidating all the Proposed Amendments in relation thereto

DEFINITIONS

“Nexteer Hong Kong”	Nexteer Automotive (Hong Kong) Holdings Limited (耐世特汽車系統(香港)控股有限公司), a company incorporated in Hong Kong on August 10, 2012, which is wholly-owned by PCM China. It directly holds approximately 44.03% of the issued share capital of the Company, and is a Controlling Shareholder of the Company
“PCM China”	太平洋世紀(北京)汽車零部件有限公司 (Pacific Century Motors, Inc.*), a limited liability company established in the PRC on September 10, 2010, which is owned as to 72.88% by AVIC Auto and as to 27.12% by Beijing E-Town Auto
“PRC”	the People’s Republic of China, and for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Proposed Amendments”	the proposed amendments to the Articles of Association as set out in Appendix III to this circular (with proposed amendments marked up against the version of the Articles of Association posted on the website of the Stock Exchange)
“Repurchase Mandate”	a general mandate proposed to be granted to the Directors at the Annual General Meeting to repurchase Shares not exceeding 10% of the aggregate number of issued Shares as at the date of passing of the relevant resolution granting such mandate
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended from time to time
“Share(s)”	ordinary share(s) of nominal value of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of Share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

DEFINITIONS

“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs, as amended from time to time
“US” or “United States”	the United States of America
“US\$”	United States dollar, the lawful currency of the United States
“%”	per cent

* *Denotes an English translation of a Chinese name and is for identification purpose only*

LETTER FROM THE BOARD



Nexteer Automotive Group Limited
耐世特汽車系統集團有限公司

(Incorporated under the laws of the Cayman Islands with limited liability)

(Stock Code: 1316)

Executive Directors:

Mr. LEI, Zili (*Chief Executive Officer and Chairman*)
Mr. MILAVEC, Robin Zane

Non-Executive Directors:

Mr. WANG, Jian
Ms. ZHANG, Wendong
Mr. SHI, Shiming

Independent non-Executive Directors:

Mr. LIU, Jianjun
Dr. WANG, Bin
Mr. YUE, Yun

Registered office:

P.O. Box 309
Ugland House
Grand Cayman
KY1-1104
Cayman Islands

Corporate headquarters:

1272 Doris Road
Auburn Hills, Michigan 48326
United States

Principal place of business in

Hong Kong:
31/F, Tower Two, Times Square
1 Matheson Street
Causeway Bay
Hong Kong

May 19, 2023

To the Shareholders

Dear Sir or Madam,

**PROPOSALS FOR
GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES;
RE-ELECTION OF RETIRING DIRECTORS;
PAYMENT OF FINAL DIVIDEND;
PROPOSED AMENDMENTS TO THE EXISTING MEMORANDUM AND
ARTICLES OF ASSOCIATION AND ADOPTION OF
THE NEW MEMORANDUM AND ARTICLES OF ASSOCIATION;
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide Shareholders with the notice of Annual General Meeting and further information in relation to, amongst other matters, the following resolutions to be proposed at the Annual General Meeting: (a) the grant to the Directors of the Issue Mandate and the Repurchase Mandate; (b) the re-election of the retiring Directors; (c) the payment of final dividend; and (d) the Proposed Amendments and the proposed adoption of the New Articles of Association.

LETTER FROM THE BOARD

ISSUE MANDATE

In order to ensure flexibility and give discretion to the Directors in the event that it becomes desirable for the Company to issue any new Shares, an ordinary resolution 5(A) will be proposed at the Annual General Meeting to grant a general mandate to the Directors to exercise all powers of the Company to allot, issue and deal with additional Shares up to 20% of the total number of issued Shares as at the date of passing of the resolution in relation to the Issue Mandate.

As at the Latest Practicable Date, the issued share capital of the Company was at HK\$250,982,429.30 and comprised of 2,509,824,293 Shares. Subject to the passing of the proposed ordinary resolution 5(A) and on the basis that no further Shares are issued or repurchased after the Latest Practicable Date and up to the Annual General Meeting, the Company will be allowed to issue a maximum of 501,964,858 Shares under the Issue Mandate.

The Issue Mandate will remain in effect until the earliest of: (i) the conclusion of the next annual general meeting of the Company; (ii) the date by which the next annual general meeting of the Company is required to be held pursuant to the applicable laws or the Articles of Association; or (iii) the date on which such an authority is revoked or varied by an ordinary resolution of the Shareholders in a general meeting of the Company.

REPURCHASE MANDATE

An ordinary resolution will be proposed at the Annual General Meeting to approve the granting of the Repurchase Mandate to the Directors to exercise all powers of the Company to repurchase Shares representing up to 10% of the total number of issued Shares as at the date of passing of the resolution, amounting to 250,982,429 Shares, in relation to the Repurchase Mandate, assuming that no further Shares are issued or repurchased after the Latest Practicable Date and up to the date of passing of such resolution at the Annual General Meeting.

The Repurchase Mandate will remain in effect until the earliest of: (i) the conclusion of the next annual general meeting of the Company; (ii) the date by which the next annual general meeting of the Company is required to be held pursuant to the applicable laws or the Articles of Association; or (iii) the date on which such an authority is revoked or varied by an ordinary resolution of the Shareholders in a general meeting of the Company.

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

The Board advises that it has no present intention to repurchase any Shares pursuant to the Repurchase Mandate or issue any new Shares pursuant to the Issue Mandate in the event that the relevant resolutions are approved.

LETTER FROM THE BOARD

GENERAL EXTENSION MANDATE

In addition, if the Repurchase Mandate and the Issue Mandate are granted, an ordinary resolution will be proposed at the Annual General Meeting to extend the Issue Mandate by adding to the Issue Mandate those Shares repurchased by the Company under the Repurchase Mandate provided that such extended amount shall not exceed 10% of the total number of issued Shares on the date of passing of the resolution for the grant of the Issue Mandate.

RE-ELECTION OF RETIRING DIRECTORS

Pursuant to Article 16.2 of the Articles of Association, any Director appointed by the Board either to fill a casual vacancy or as an addition to the Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election at that meeting. Accordingly, non-Executive Director Mr. SHI, Shiming and Independent non-Executive Directors Dr. WANG, Bin and Mr. YUE, Yun, who had been appointed as Directors on June 21, 2022 will hold office until the Annual General Meeting and, being eligible, have offered themselves for re-election at the Annual General Meeting.

Pursuant to Article 16.18 of the Articles of Association, at every annual general meeting of the Company, one-third of the Directors for the time being shall retire from office by rotation provided that every Director shall be subject to retirement by rotation at least once every three years. Any Director appointed pursuant to Article 16.2 of the Articles of Association shall not be taken into account in determining which Directors are to retire by rotation. Accordingly, Executive Director Mr. MILAVEC, Robin Zane and non-Executive Director Ms. ZHANG, Wendong (together with Mr. SHI, Shiming, Dr. WANG, Bin and Mr. YUE, Yun, the “**Re-electing Directors**”) indicated that they intend to retire at the Annual General Meeting and, being eligible, have offered themselves for re-election at the Annual General Meeting.

Recommendation to the Board for the proposal for re-election of the Re-electing Directors was made by the remuneration and nomination committee of the Board on March 14, 2023, in accordance with the Company’s director nomination policy and objective criteria (including but not limited to gender, age, ethnicity, years of work experience and professional experience), with due regard for the benefits of diversity, as set out under the Company’s board diversity policy. The Board has also taken into account the contributions of the Re-electing Directors and their commitment to their roles.

In addition, the remuneration and nomination committee of the Board has assessed the independence of Dr. WANG, Bin and Mr. YUE, Yun by reference to the independence guidelines set out in Rule 3.13 of the Listing Rules. Having considered their views, skills and experience, as detailed in Appendix I to this circular, and their valuable contributions and insights to the Board, with reference to the objective criteria set out in the Company’s director nomination policy and the Company’s board diversity policy, the remuneration and nomination committee of the Board is of the view that each of Dr. WANG, Bin and Mr. YUE, Yun has the necessary integrity, honesty and experience to continue to perform their duties as an independent non-Executive Director and considers that none of them is involved in the daily management of the Company nor in any relationship or circumstances which would materially interfere with the exercise of their independent judgment. The Board has also obtained confirmation from each of Dr. WANG, Bin and Mr.

LETTER FROM THE BOARD

YUE, Yun of their independence and is satisfied with their independence, and considers that they remain independent. The Board confirms the independence of Dr. WANG, Bin and Mr. YUE, Yun as an independent non-Executive Director eligible for re-election at the Annual General Meeting.

In view of the above, the Board believes that the Directors eligible for re-election at the Annual General Meeting will provide valuable insight and diversity to the Board by virtue of their relevant education, background and experience. On March 15, 2023, the Board accepted the nomination of the remuneration and nomination committee of the Board and recommended the Re-electing Directors for re-election as Directors by Shareholders at the Annual General Meeting. The Board considers that the re-election of the Re-electing Directors as Directors is in the best interests of the Company and its Shareholders as a whole and therefore recommends to Shareholders the re-election of the retiring Directors.

Details of the above retiring Directors proposed for re-election at the Annual General Meeting are set out in Appendix I to this circular in accordance with the relevant requirements of the Listing Rules. The re-election of each of the retiring Directors will be proposed by way of a separate resolution.

FINAL DIVIDEND

Subject to Shareholders' approval at the Annual General Meeting, the Board has recommended a final dividend of US\$0.0047 per Share for the year ended December 31, 2022 (the "Final Dividend"). The Final Dividend is payable on July 10, 2023 and the record date for entitlement to the Final Dividend is June 29, 2023.

For determining the entitlement to the Final Dividend, the register of members of the Company will be closed from June 27, 2023 to June 29, 2023, both days inclusive, during which no transfer of Shares will be registered. In order to qualify for the Final Dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration no later than 4:30 p.m. on June 26, 2023.

PROPOSED AMENDMENT TO THE EXISTING ARTICLES OF ASSOCIATION AND ADOPTION OF THE NEW ARTICLES OF ASSOCIATION

Reference is made to the announcement of the Company dated March 15, 2023 in relation to the Proposed Amendments and the proposed adoption of the New Articles of Association.

The Board proposes to the Shareholders certain amendments to the existing Articles of Association and the adoption of the New Articles of Association which incorporate the Proposed Amendments, in substitution for, and to the exclusion of the existing Articles of Association in their entirety for the purpose of, among other things, (i) complying with the core shareholder protection standards as set out in Appendix 3 to the Listing Rules; (ii) allowing general meetings of the Company to be held as an electronic meeting or a hybrid meeting; and (iii) incorporating certain ancillary amendments.

LETTER FROM THE BOARD

A summary of the key changes in the New Articles of Association is set out below:

- (1) setting out the requirement to hold an annual general meeting in each financial year and such annual general meeting must be held within six months (or such other period as may be permitted) after the end of the financial year;
- (2) specifying that all Shareholders have the right to speak and, except where a Shareholder is required by the Listing Rules to abstain from voting to approve the matter under consideration, vote on a show of hands or a poll at general meetings;
- (3) specifying that a Shareholder, which is a recognized clearing house (or its nominee(s)) entitled to attend and vote at a meeting of the Company, shall be entitled to appoint another person (who must be an individual) as his/her proxy to attend and vote instead of him/her and a proxy so appointed shall have the same right as the member to speak at the meeting;
- (4) specifying that an extraordinary general meeting may be convened on the written requisition of one or more Shareholder(s) holding, as at the date of deposit of the requisition, Shares representing at least one-tenth of the voting rights (on a one vote per share basis) of the Company, and that such Shareholder(s) shall be entitled to add resolutions to the meeting agenda concerned;
- (5) giving the Shareholders the right to remove any director of the Company by an ordinary resolution before the expiration of his/her term of office notwithstanding anything in the New Articles of Association or in any agreement between the Company and such director;
- (6) giving the Shareholders the right to appoint and/or fix the remuneration of the auditor(s) of the Company by an ordinary resolution;
- (7) clarifying that a special resolution is required to resolve that the Company be wound up voluntarily;
- (8) allowing that general meetings of the Company to be held physically and/or electronically (i.e., physical meeting, hybrid meeting or virtual meeting);
- (9) adding provisions to facilitate hybrid and virtual general meetings of the Company;
- (10) clarifying that voting can be cast by electronic means;
- (11) bringing the existing Articles of Association in line with amendments made to the applicable laws of the Cayman Islands and the Listing Rules; and
- (12) making housekeeping and consequential amendments in line with the above amendments to the existing Articles of Association.

LETTER FROM THE BOARD

Details of the Proposed Amendments are set out in Appendix III to this circular.

The Proposed Amendments and the proposed adoption of the New Articles of Association shall be subject to the passing of a special resolution by the Shareholders at the Annual General Meeting. The New Articles of Association will become effective immediately following the approval of its adoption by the Shareholders.

The legal advisers to the Company as to Hong Kong laws have confirmed that the New Articles of Association conform with the requirements of the Listing Rules and the legal advisers to the Company as to Cayman Islands law have confirmed that the New Articles of Association are not inconsistent with the laws of the Cayman Islands. In addition, the Company confirms that there is nothing unusual about the Proposed Amendments for a company listed in Hong Kong.

NOTICE OF ANNUAL GENERAL MEETING

Set out on pages 56 to 61 of this circular is the notice of the Annual General Meeting containing, inter alia, the ordinary resolutions in relation to the Issue Mandate, the Repurchase Mandate, the extension of the Issue Mandate, the re-election of the retiring Directors and the payment of the Final Dividend; and the special resolution in relation to the adoption of the New Articles of Association.

For determining the eligibility to attend and vote at the Annual General Meeting, the register of members of the Company will be closed from June 15, 2023 to June 20, 2023, both days inclusive, during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the Annual General Meeting, all transfer of Shares, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on June 14, 2023.

FORM OF PROXY

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

LETTER FROM THE BOARD

VOTING BY POLL

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

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

RECOMMENDATION

The Directors consider that all the proposed resolutions including the Issue Mandate, the Repurchase Mandate and the extension of the Issue Mandate are in the best interests of the Company and the Shareholders as a whole. The Directors also consider that the re-election of retiring Directors, the payment of the Final Dividend and the Proposed Amendments and the adoption of the New Articles of Association are in the best interests of the Company and its Shareholders as a whole. The Directors therefore recommend the Shareholders to vote in favour of all the resolutions to be proposed at the Annual General Meeting.

ADDITIONAL INFORMATION

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

Yours faithfully
By order of the Board
Nexteer Automotive Group Limited
LEI Zili
Chairman and Chief Executive Officer

The following are the particulars of the Directors (as required by the Listing Rules) standing for re-election at the Annual General Meeting.

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

Save as disclosed herein, no Director holds any position with the Company or any other member of the Group, nor has any directorships in other listed companies in the past three years.

In addition, save as disclosed herein, no Director has any relationship with any other Directors, senior management, substantial Shareholders or Controlling Shareholders of the Company.

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

DIRECTORS:

Executive Director

MILAVEC, Robin Zane (“Mr. MILAVEC”), aged 55, was appointed as the Executive Director on June 30, 2020. He was appointed as President of the Company on August 17, 2021 and was appointed as Chief Technology Officer and Chief Strategy Officer of the Company on July 1, 2019. In his combined responsibilities, Mr. MILAVEC will facilitate global alignment and teamwork, while spearheading the strategic direction of Nexteer and ensuring technology roadmap alignment with industry mega-trends to proactively capture growth opportunities. Mr. MILAVEC is a member of the Nexteer Global Strategy Council. He has over 33 years of relevant experience in the automotive industry, including positions in Product Engineering, Manufacturing Engineering, Operations and Quality. Mr. MILAVEC has been appointed as a director of Nexteer (China) Holding Co., Ltd., a subsidiary of the Group, with effect from August 17, 2021. At the Company, he served as Senior Vice President from July 2019 to August 2021, Vice President of Global Engineering from January 2018 to July 2019, Vice President of Global Current Product Engineering from June 2017 to January 2018, Executive Director of Global Product Engineering from August 2016 to June 2017, Director of Corporate Engineering and Global Programme Office from 2012 to 2016 and Chief Product Engineer for electric power steering from 2009 to 2012. At Delphi Saginaw Steering Systems, he served as Chief Product Engineer for driveline from 2005 to 2009, Chief Manufacturing Engineer for driveline from 2003 to 2005, and as Quality Manager for Saginaw plants 4 and 5 from 2000 to 2003. He served as an Engineering Supervisor at the Delphi Automotive Mexico Technical Centre in Juarez, Mexico from 1995 to 1997. Mr. MILAVEC began his career with General Motors in 1989 as a Product Engineer at the former Saginaw Steering Gear Division, and held several positions in engineering, quality and operations prior to his Mexico assignment in 1995. He obtained a bachelor’s degree in mechanical engineering from New Mexico State University in Las Cruces, the US, in 1989 and a master’s degree in mechanical engineering from the University of Michigan in Ann Arbor, the US, in 1992.

Mr. MILAVEC has entered into a service contract with the Company for a term of three years with effect from June 30, 2020, subject to re-election and retirement as required by the Articles of Association. As an executive Director, he does not receive any emoluments; as the Senior Vice President, Chief Technology Officer and Chief Strategy Officer, he is entitled to receive emoluments of US\$770,500 per annum and a discretionary bonus as determined by the Board with reference to the experience, responsibility, workload, time devoted, contribution to the Group, emoluments paid by comparable companies and performance of the Group.

As at the Latest Practicable Date, Mr. MILAVEC has an interest in 2,809,230 underlying Shares of the Company in respect of the share options granted under the share option scheme of the Company within the meaning of Part XV of SFO. Mr. MILAVEC has not exercised the share option.

Non-Executive Directors

ZHANG, Wendong (張文冬) (“Ms. ZHANG”), aged 46, was appointed as a non-Executive Director on November 13, 2020. Ms. ZHANG has served as the Deputy General Manager of Beijing E-Town since July 2018. From November 2017 to November 2021, Ms. ZHANG served as the Non-Executive Director, the member of Audit Committee, the member of Compensation Committee and the member of Nominating and Corporate Governance Committee of the Board of UTStarcom Holdings Corp, a company listed on NASDAQ (ticker symbol: UTSI). Ms. ZHANG also held various positions in Beijing E-Town, including an Assistant to the General Manager from June 2015 to July 2018, the Director of Asset Management Department from January 2014 to June 2015 and the Deputy Director of Asset Management Department from December 2012 to January 2014. From October 2007 to December 2012, she served as the head of the Corporate Development Department of Dongfang Cultural Asset Management Company; from July 2000 to September 2007, she served as the Manager of the Project Department of Beijing Shengandi Investment Management Consulting Company. Ms. ZHANG is currently a senior economist. Ms. ZHANG graduated with a major in economics and obtained a bachelor’s degree from Minzu University of China in May 2005. She obtained a master’s degree in business administration (MBA) from University of Chinese Academy of Sciences, China in July 2016.

Ms. ZHANG has entered into a service contract with the Company for a term of three years with effect from November 13, 2020, subject to re-election and retirement as required by the Articles of Association. Ms. ZHANG is entitled to receive a director’s fee of US\$50,700 per annum and a discretionary bonus as determined by the Board with reference to the experience, responsibility, workload, time devoted, contribution to the Group, emoluments paid by comparable companies and performance of the Group.

As at the Latest Practicable Date, Ms. ZHANG has an interest in 351,150 underlying Shares of the Company in respect of the share options granted under the share option scheme of the Company within the meaning of Part XV of SFO. Ms. ZHANG has not exercised the share option.

SHI, Shiming (石仕明) (“Mr. SHI”), aged 44, was appointed as a non-Executive Director on June 21, 2022. Mr. SHI has over 20 years of experience in the finance industry. He is currently an executive director of Nexteer Hong Kong, the immediate controlling shareholder of the Company. From July 2002 to February 2003, Mr. SHI worked in the finance department of Jiangxi Hongdu Aviation Industry Group (江西洪都航空工業集團有限公司). From February 2003 to June 2020, Mr. SHI worked in the finance department of AviChina Industry & Technology Company Limited (中國航空科技工業股份有限公司) (“**AviChina**”), a company listed on the Stock Exchange, and served successively in the roles of assistant to the chief manager, deputy manager and chief manager of finance. He was also a supervisor of AviChina from June 2018 to December 2020. Mr. SHI has served as the chief financial officer of AVIC Automotive Systems Holding Co., Ltd (中國航空汽車系統控股有限公司), an indirect controlling shareholder of the Company, since July 2020. Mr. SHI graduated from the department of economics and law of Zhongnan University of Economics and Law, the PRC in 2002, majoring in finance taxation, and obtained his master’s degree in accounting from Renmin University of China, the PRC in 2009.

Mr. SHI has entered into a service contract with the Company with effect from June 14, 2022 for a term of three years, subject to re-election and retirement as required by the Articles of Association. Mr. SHI is entitled to receive a director’s fee of US\$50,700 per annum, and a discretionary bonus as determined with reference to the experience, responsibility, workload, time devoted, contribution to the Group, emoluments paid by comparable companies and performance of the Group, which is determined by the Board with reference to his duties and responsibilities with the Company, the prevailing market conditions and the recommendations of the Remuneration and Nomination Committee.

As at the Latest Practicable Date, Mr. SHI has an interest in 351,150 underlying Shares of the Company in respect of the share options granted under the share option scheme of the Company within the meaning of Part XV of SFO. Mr. SHI has not exercised the share option.

Independent Non-Executive Directors

WANG, Bin (王斌) (“Dr. WANG”), aged 57, was appointed as our Independent non-Executive Director on June 21, 2022. Dr. WANG is a professor of finance at the business school of Beijing Technology and Business University, as well as a member of its university-level academic committee. He is currently an independent director of China Tourism Group Duty Free Corporation Limited (中國旅遊集團中免股份有限公司) (listed on the Shanghai Stock Exchange), UBS Securities Co., Ltd (瑞銀證券有限公司) and China Tea Co., Ltd (中國茶葉股份有限公司), respectively.

Dr. WANG graduated from Beijing Technology and Business University with a bachelor’s degree in accounting in July 1987 and a master’s degree in accounting in December 1989, and from the Chinese Academy of Fiscal Science (Ministry of Finance of China) with a doctorate in accounting in July 2001. Dr. WANG is the author of over 50 academic papers in top domestic and foreign academic publications and journals. He is one of the directors of Accounting Society of China, as well as the vice-chairman of its management accounting research committee since 2007. Dr. WANG has received various accolades in relation to his work as a top academic in China.

Dr. WANG has entered into a service contract with the Company with effect from June 14, 2022 for a term of three years, subject to re-election and retirement as required by the Articles of Association. Dr. WANG is entitled to receive a director's fee of US\$82,400 per annum, which is determined by the Board with reference to his duties and responsibilities with the Company, the prevailing market conditions and the recommendations of the Remuneration and Nomination Committee.

As at the Latest Practicable Date, Dr. WANG did not have any interest in the Shares within the meaning of Part XV of SFO.

YUE, Yun (岳雲) ("Mr. YUE"), aged 52, was appointed as our Independent non-Executive Director on June 21, 2022. Mr. YUE is a practicing lawyer, senior partner and deputy director of Beijing Jundu Law Firm with more than 18 years of experience in the legal field. He was a representative of the 9th, 10th and 11th Shanghai Lawyers' Congress, a member of the Shanghai Lawyers Association Mergers and Acquisitions Committee, and a member of the Shanghai Lawyers Association Disciplinary Committee. He previously served as an independent director of Nexteer HK Aviation Engine Corporation plc (中國航發動力股份有限公司) from February 2015 to March 2021.

Mr. YUE graduated from the department of social sciences of Hefei University in July 1992 and further obtained his master's degree in civil and commercial law from East China University of Political Science and Law in July 2005.

Mr. YUE has entered into a service contract with the Company with effect from June 14, 2022 for a term of three years, subject to re-election and retirement as required by the Articles of Association. Mr. YUE is entitled to receive a director's fee of US\$67,200 per annum, which is determined by the Board with reference to his duties and responsibilities with the Company, the prevailing market conditions and the recommendations of the Remuneration and Nomination Committee.

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

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

SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company was at HK\$250,982,429.30 and comprised of 2,509,824,293 Shares. Subject to the passing of the resolution granting the Repurchase Mandate and on the basis that no further Shares are issued or repurchased before the Annual General Meeting, the Company will be allowed to repurchase a maximum of 250,982,429 Shares which represent 10% of the issued share capital of the Company during the period ending on the earlier of (i) the conclusion of the next annual general meeting of the Company; or (ii) the expiration of the period within which the next annual general meeting of the Company is required by any applicable laws or the Articles of Association to be held; or (iii) the date on which such authority is revoked or varied by an ordinary resolution of the Shareholders in general meeting.

REASONS FOR REPURCHASES

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

FUNDING OF REPURCHASES

Repurchases of Shares will be financed out of funds legally available for the purpose and in accordance with the Articles of Association, the Listing Rules, the Companies Act and any other applicable laws. The Companies Act provides that the amount of capital repaid in connection with a share repurchase may be paid out of the profits of the Company, the share premium account of the Company or the proceeds of a fresh issue of Shares made for the purpose of the repurchase, or out of capital provided that the Company is able to pay its debts as they fall due in the ordinary course of business and the payment out of capital is authorized by the Articles of Association, subject to and in accordance with the Companies Act. The amount of premium payable on repurchase may only be paid out of either or both the profits of the Company or the share premium account of the Company before or at the time the Company's Shares are repurchased, or in the manner provided for in the Companies Act.

A listed company in Hong Kong may not repurchase its own securities on the Stock Exchange for, inter alia, a consideration other than for cash or for settlement otherwise than in accordance with the Listing Rules.

IMPACT OF THE REPURCHASES

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

DIRECTORS, THEIR CLOSE ASSOCIATES AND CORE CONNECTED PERSONS

None of the Directors or, to the best of their knowledge, having made all reasonable enquiries, any of their respective close associates (as defined in the Listing Rules) currently intends to sell any Shares to the Company, if the Repurchase Mandate is approved by the Shareholders.

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

As at the Latest Practicable Date, no core connected person (as defined in the Listing Rules) of the Company had notified the Company that he/she/it has a present intention to sell any Shares to the Company, or has undertaken not to do so, if the proposed Repurchase Mandate is approved by the Shareholders.

EFFECT OF TAKEOVERS CODE AND MINIMUM PUBLIC HOLDING

If as a result of a repurchase of Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. Accordingly, if a Shareholder, or a group of Shareholders acting in concert (within the meaning of the Takeovers Code), depending on the level of increase of the Shareholder's interest, could obtain or consolidate control of the Company, it will become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, to the best knowledge and belief of the Directors, the following Shareholders had beneficial interests representing 5% or more of the issued share capital of the Company within the meaning of Part XV of the SFO:

Name of Shareholders	Number of Shares held	Current percentage interest in the issued share capital of the Company ⁽¹⁾	Percentage interest in the issued share capital of the Company in event the Repurchase Mandate is exercised in full ⁽¹⁾
Nexteer Hong Kong (<i>Note 2</i>)	1,105,000,000	44.03%	48.92%
PCM China (<i>Note 2</i>)	1,105,000,000	44.03%	48.92%
AVIC Auto (<i>Note 3</i>)	1,105,000,000	44.03%	48.92%
AVIC (<i>Note 3</i>)	1,105,000,000	44.03%	48.92%
Beijing E-Town (<i>Note 4</i>)	525,000,000	20.92%	23.24%
Beijing E-Town Auto (<i>Note 4</i>)	525,000,000	20.92%	23.24%

Notes:

- (1) The calculation is based on the total number of 2,509,824,293 Shares in issue as at the Latest Practicable Date.
- (2) Nexteer Hong Kong is the beneficial owner of 1,105,000,000 Shares. Nexteer Hong Kong is wholly-owned by PCM China, which is owned as to 72.88% by AVIC Auto and as to 27.12% by Beijing E-Town Auto. Each of PCM China and AVIC Auto is deemed to be interested in the 1,105,000,000 Shares held by Nexteer Hong Kong.
- (3) AVIC Auto is owned as to 70.11% by AVIC. AVIC is deemed to be interested in the 1,105,000,000 Shares held by Nexteer Hong Kong.
- (4) On September 23, 2022, Beijing E-Town Auto became a direct holder of 525,000,000 shares of the Company. Beijing E-Town is deemed to be interested in the 525,000,000 Shares held by Beijing E-Town Auto.

In the opinion of the Directors, if the Repurchase Mandate was to be exercised in full and assuming that there is no change in the issued share capital of the Company and the shareholding of the abovementioned Shareholders prior to the repurchase of Shares, the percentage shareholding of Nexteer Hong Kong would be increased from appropriately 44.03% to approximately 48.92% of the issued share capital of the Company. In such event, such an increase would give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code. The Directors are not aware of any other consequences which arise under the Takeovers Code as a result of any purchase of its Shares by the Company. The Directors have no intention to repurchase any Shares to the extent that it will trigger the obligations under the Takeover Code to make a mandatory offer.

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

SHARE REPURCHASE MADE BY THE COMPANY

The Company had not repurchased any Shares on the Stock Exchange in the six months preceding the Latest Practicable Date.

SHARE PRICES

The highest and lowest prices at which the Shares have been traded on the Stock Exchange in each of the previous twelve months were as follows:

Month	Highest prices <i>HK\$</i>	Lowest prices <i>HK\$</i>
2022		
May	5.15	3.84
June	6.43	4.86
July	6.71	5.00
August	7.16	5.63
September	5.95	4.14
October	4.58	3.90
November	5.36	4.19
December	5.50	4.61
2023		
January	6.05	5.03
February	6.46	4.92
March	5.41	4.21
April	5.02	4.34
May (up to the Latest Practicable Date)	4.50	4.14

**THE COMPANIES LAW (2012 REVISION)
ACT (AS REVISED)
OF THE CAYMAN ISLANDS
COMPANY LIMITED BY SHARES**

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

OF

**NEXTEER AUTOMOTIVE GROUP LIMITED
耐世特汽車系統集團有限公司**

(~~conditionally~~ adopted by special resolution passed on ~~June 15, 2013~~ June 20, 2023)

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...

- 4 Except as prohibited or limited by the Companies ~~Law (2012 Revision)~~Act (As Revised), the Company shall have full power and authority to carry out any object not prohibited by any law as provided by Section 7(4) of the Companies ~~Law (2012 Revision)~~Act (As Revised) and shall have and be capable of from time to time and at all times exercising any and all of the powers at any time or from time to time exercisable by a natural person or body corporate, irrespective of any question of corporate benefit, in doing in any part of the world whether as principal, agent, contractor or otherwise whatever may be considered by it necessary for the attainment of its objects and whatever else may be considered by it as incidental or conducive thereto or consequential thereon, including, but without in any way restricting the generality of the foregoing, the power to make any alterations or amendments to this Memorandum of Association and the Articles of Association of the Company considered necessary or convenient in the manner set out in the Articles of Association of the Company, and the power to do any of the following acts or things, viz: to pay all expenses of and incidental to the promotion, formation and incorporation of the Company; to register the Company to do business in any other jurisdiction; to sell, lease or dispose of any property of the Company; to draw, make, accept, endorse, discount, execute and issue promissory notes, debentures, debenture stock, loans, loan stock, loan notes, bonds, convertible bonds, bills of exchange, bills of lading, warrants and other negotiable or transferable instruments; to lend money or other assets and to act as guarantors; to borrow or raise money on the security of the undertaking or on all or any of the assets of the Company including uncalled capital or without security; to invest monies of the Company in such manner as the Directors determine; to promote other companies; to sell the undertaking of the Company for cash or any other consideration; to distribute assets in specie to members of the Company; to contract with persons for the provision of advice, the management and custody of the Company's assets, the listing of the Company's shares and its administration; to make charitable or benevolent

donations; to pay pensions or gratuities or provide other benefits in cash or kind to Directors, officers, employees, past or present and their families; to purchase Directors and officers liability insurance; to carry on any trade or business and generally to do all acts and things which, in the opinion of the Company or the Directors, may be conveniently or profitably or usefully acquired and dealt with, carried on, executed or done by the Company in connection with the business aforesaid PROVIDED THAT the Company shall only carry on the businesses for which a licence is required under the laws of the Cayman Islands when so licensed under the terms of such laws.

...

- 6 The share capital of the Company is HK\$400,000,000 divided into 4,000,000,000 shares of a nominal or par value of HK\$0.10 each with power for the Company insofar as is permitted by law, to redeem or purchase any of its shares and to increase or reduce the said capital subject to the provisions of the Companies Law (2012 Revision Act (As Revised)) and the Articles of Association and to issue any part of its capital, whether original, redeemed or increased with or without any preference, priority or special privilege or subject to any postponement of rights or to any conditions or restrictions and so that unless the conditions of issue shall otherwise expressly declare every issue of shares whether declared to be preference or otherwise shall be subject to the powers hereinbefore contained.

- 7 If the Company is registered as exempted, its operations will be carried on subject to the provisions of Section 174 of the Companies Law (2012 Revision Act (As Revised)) and, subject to the provisions of the Companies Law (2012 Revision Act (As Revised)) and the Articles of Association, it shall have the power to register by way of continuation as a body corporate limited by shares under the laws of any jurisdiction outside the Cayman Islands and to be deregistered in the Cayman Islands.

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COMPANY LIMITED BY SHARES**

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OF

**NEXTEER AUTOMOTIVE GROUP LIMITED
耐世特汽車系統集團有限公司**

(~~conditionally~~ adopted by special resolution passed on ~~June 15, 2013~~ June 20, 2023)

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1 Exclusion of Table A

The regulations contained in Table A in the First Schedule to the Companies ~~Law~~Act shall not apply to the Company.

2 Interpretation

...

2.2 In these Articles, unless there be something in the subject or context inconsistent therewith:

...

“Associate” shall mean, in relation to any Director:

- (i) ~~his spouse and any of his or his spouse’s children or step-children, natural or adopted, under the age of 18 (together, the “family interests”);~~
- (ii) ~~the trustees, acting in their capacity as such trustees, of any trust of which he or any of his family interests is a beneficiary or, in the case of a discretionary trust, is (to his knowledge) a discretionary object;~~

(iii) ~~any company in the equity capital of which he, his family interests, and/or any of the trustees referred to in paragraph(ii) above, acting in their capacity as such trustees, taken together are directly or indirectly interested (other than through their respective interests in the capital of the Company) so as to exercise or control the exercise of 30% (or such other amount as may from time to time be specified in the HK Code on Takeovers and Mergers as being the level for triggering a mandatory general offer) or more of the voting power at general meetings, or to control the composition of a majority of the board and any other company which is its subsidiary; and~~

(iv) ~~any other persons who would be deemed to be an “associate” of the Director under the Listing Rules shall have the meaning given to it in the Listing Rules.~~

...

“black rainstorm warning”

shall have the meaning given to it in the Interpretation and General Clauses Ordinance (Cap. 1 of the Laws of Hong Kong).

...

“business day”

shall mean a day on which the Exchange generally is open for the business of dealing in securities in Hong Kong. For the avoidance of doubt, where the Exchange is closed for business of dealing in securities in Hong Kong on a day by reason of a ~~Number 8 or higher typhoon signal~~gale warning, black rainstorm warning or other similar event, such day shall for the purpose of these Articles be counted as a business day.

...

“Close Associate”

shall have the meaning given to it in the Listing Rules.

“Communication Facilities”

shall mean video, video-conferencing, internet or online conferencing applications, telephone or tele-conferencing and/or any other video-communication, internet or online conferencing application or telecommunications facilities by means of which all Persons participating in a meeting are capable of hearing and being heard by each other.

<p>“Companies LawAct” or “LawAct”</p>	<p>shall mean the Companies Law (2012 Revision), Cap. 22Act (As Revised) of the Cayman Islands and any amendments thereto or re-enactments thereof for the time being in force and includes every other law incorporated therewith or substituted therefor.</p>
<p>“Companies Ordinance”</p>	<p>shall mean the Companies Ordinance (Cap. 32622 of the Laws of Hong Kong) as in force from time to time.</p>
<p>...</p>	
<p>“dividend”</p>	<p>shall include bonus dividends and distributions permitted by the LawAct to be categorised as dividends.</p>
<p>...</p>	
<p>“electronic”</p>	<p>shall have the meaning given to it in the Electronic Transactions LawAct.</p>
<p>...</p>	
<p>“Electronic Transactions LawAct”</p>	<p>shall mean the Electronic Transactions Law (2003 Revision)Act (As Revised) of the Cayman Islands and any amendment thereto or re-enactments thereof for the time being in force and includes every other law incorporated therewith or substituted therefor.</p>
<p>...</p>	
<p>“HK Code on Takeovers and Mergersgale warning”</p>	<p>shall mean the Code on Takeovers and Mergers issued by the Securities and Futures Commission have the meaning given to it in the Interpretation and General Clauses Ordinance (Cap. 1 of the Laws of Hong Kong as amended from time to time).</p>
<p>...</p>	
<p>“ordinary resolution”</p>	<p>shall mean a resolution passed by a simple majority of the votes of such members of the Company as, being entitled to do so, vote in person or, where proxies are allowed, by proxy or, in the case of corporations, by their duly authorised representatives, at a general meeting held in accordance with these Articles and includes an ordinary resolution passed pursuant to Article 13.1113.12.</p>

“Person” shall mean any natural person, firm, company, joint venture, partnership, corporation, association or other entity (whether or not having a separate legal personality) or any of them as the context so requires.

“Present” shall mean, in respect of any Person, such Person’s presence at a general meeting of members, which may be satisfied by means of such Person or, if a corporation or other non-natural Person, its duly authorised representative (or, in the case of any member, a proxy which has been validly appointed by such member in accordance with these Articles), being:

- (a) physically present at the meeting; or
- (b) in the case of any meeting at which Communication Facilities are permitted in accordance with these Articles, including any Virtual Meeting, connected by means of the use of such Communication Facilities.

...

“special resolution” shall have the same meaning as ascribed thereto in the ~~Law~~Act and shall include a unanimous written resolution of all members: for this purpose, the requisite majority shall be not less than three- fourths of the votes of such members of the Company as, being entitled to do so, vote in person or, where proxies are allowed, by proxy or, in the case of corporations, by their duly authorised representatives, at a general meeting of which notice specifying the intention to propose the resolution as a special resolution has been duly given.

...

“Virtual Meeting” shall mean any general meeting of the members at which the members (and any other permitted participants of such meeting, including, without limitation, the Chairman of such meeting and any Directors) are permitted to attend and participate solely by means of Communication Facilities.

2.3 Subject as aforesaid, any words defined in the LawAct shall, if not inconsistent with the subject and/or context, bear the same meanings in these Articles.

...

2.6 Sections 8 and 19(3) of the Electronic Transactions LawAct shall not apply.

3 Share Capital and Modification of Rights

3.1 The authorised share capital of the Company at the date of the adoption of these Articles is HK\$400,000,000 divided into 4,000,000,000 shares of a nominal or par value of HK\$0.10 each.

3.2 Subject to the provisions of these Articles and to any direction that may be given by the Company in general meeting and without prejudice to any special rights conferred on the holders of any existing shares or attaching to any class of shares, any share 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, and to such persons at such times and for such consideration as the Board may determine. Subject to the LawAct and to any special rights conferred on any members or attaching to any class of shares, any share may, with the sanction of a special resolution, be issued on terms that it is, or at the option of the Company or the holder thereof is, liable to be redeemed. No shares shall be issued to bearer.

3.3 Subject to the Listing Rules, the Board may issue warrants to subscribe for any class of shares or other securities of the Company on such terms as it may from time to time determine. No warrants shall be issued to bearer for so long as a recognised clearing house (in its capacity as such) is a member of the Company. Where warrants are issued to bearer, no new warrant shall be issued to replace one that has been lost unless the Board is satisfied beyond reasonable doubt that the original has been destroyed and the Company has received an indemnity in such form as the Board shall think fit with regard to the issue of any such new warrant.

3.4 If at any time the share capital of the Company is divided into different classes of shares, all or any of the rights attached to any class of shares for the time being issued (unless otherwise provided for in the terms of issue of the shares of that class) may, subject to the provisions of the LawAct, be varied or abrogated 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 meeting of the holders of shares of that class. To every such separate meeting all the provisions of these Articles relating to general meetings shall mutatis mutandis apply, but so that the quorum for the purposes of any such

Capital
App 3 r.9

Issue of
shares
App 3 r.6(1)

Issue of
warrants
App 3
r.2(2)

How class
rights may
be modified
App 3
r.6(2)
App 13
Part B
r.2(1)15

separate meeting and of any adjournment thereof shall be a person or persons together holding (or representing by proxy or duly authorised representative) at the date of the relevant meeting not less than one-third in nominal value of the issued shares of that class.

...

Company may purchase and finance the purchase of own shares and warrants

3.6 Subject to the ~~Law~~Act, or any other law or so far as not prohibited by any law or the Listing Rules and subject to any rights conferred on the holders of any class of shares, the Company shall have the power to purchase or otherwise acquire any of its own shares (which expression as used in this Article includes redeemable shares) provided that the manner of purchase has first been authorised by a resolution of the members, and to purchase or otherwise acquire warrants for the subscription or purchase of its own shares, and shares and warrants for the subscription or purchase of any shares in any company which is its holding company and may make payment therefor in any manner authorised or not prohibited by law, including out of capital, or to give, directly or indirectly, by means of a loan, a guarantee, a gift, an indemnity, the provision of security or otherwise howsoever, financial assistance for the purpose of or in connection with a purchase or other acquisition made or to be made by any person of any shares or warrants in the Company or any company which is a holding company of the Company and should the Company purchase or otherwise acquire its own shares or warrants neither the Company nor the Board shall be required to select the shares or warrants to be purchased or otherwise acquired rateably or in any other manner as between the holders of shares or warrants of the same class or as between them and the holders of shares or warrants of any other class or in accordance with the rights as to dividends or capital conferred by any class of shares provided always that any such purchase or other acquisition or financial assistance shall only be made in accordance with any relevant code, rules or regulations issued by the Exchange or the Securities and Futures Commission of Hong Kong from time to time in force.

...

Redemption

3.9 Subject to the provisions of the ~~Law~~Act and the Memorandum of Association of the Company, and to any special rights conferred on the holders of any shares or attaching to any class of shares, shares may be issued on the terms that they may be, or at the option of the Company or the holders are, liable to be redeemed on such terms and in such manner, including out of capital, as determined by a special resolution.

App-3
r:8(1) & (2)

3.10 Where the Company purchases or redeems any of its shares, purchases or redemption not made through the market or by tender shall be limited to a maximum price, and if purchases are by tender, tenders shall be available to all members alike.

...

Shares at the disposal of the Board

3.13 Subject to the provisions of the ~~Law~~Act, of the Memorandum of Association of the Company, and of these Articles relating to new shares, the unissued shares in the Company (whether forming part of its original or any increased capital) shall be at the disposal of the Board, which may offer, allot, grant options over or otherwise dispose of them to such persons, at such times and for such consideration, and upon such terms, as the Board shall determine.

Company may pay commissions

3.14 The Company may, unless prohibited by law, at any time pay a commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares in the Company or procuring or agreeing to procure subscriptions (whether absolute or conditional) for any shares in the Company, but so that the conditions and requirements of the ~~Law~~Act shall be observed and complied with, and in each case the commission shall not exceed 10% of the price at which the shares are issued.

...

4 Register of Members and Share Certificates

Share register
App 3
r.1(1)

4.1 The Board shall cause to be kept at such place within or outside the Cayman Islands as it deems fit a principal register of the members and there shall be entered therein the particulars of the members and the shares issued to each of them and other particulars required under the ~~Law~~Act.

...

4.4 Notwithstanding anything contained in this Article, the Company shall as soon as practicable and on a regular basis record in the principal register all transfers of shares effected on any branch register and shall at all times maintain the principal register in such manner as to show at all times the members for the time being and the shares respectively held by them, in all respects in accordance with the Companies ~~Law~~Act.

4.5 For so long as any shares are listed on the Exchange, title to such listed shares may be evidenced and transferred in accordance with the Listing Rules that are or shall be applicable to such listed shares. The register of members maintained by the Company in respect of such listed shares (whether the principal register or a branch register) may be kept by recording the particulars required by Section 40 of the ~~Law~~Act in a form otherwise than legible (provided it is capable of being reproduced in a legible form) if such recording otherwise complies with the Listing Rules that are or shall be applicable to such listed shares.

App 133
Part B
r.3(2)20

4.6 Except when a register is closed and, if applicable, subject to the additional provisions of Article 4.8, the principal register and any branch register shall during business hours be kept open to the inspection of any member without charge.

...

4.8 The register may, on ~~14~~10 business days' notice (or on 6 business days' notice in the case of a rights issue) being given by advertisement published on the Exchange's website, or, subject to the Listing Rules, by electronic communication in the manner in which notices may be served by the Company by electronic means as herein provided or by advertisement published in the newspapers, be closed at such times and for such periods as the Board may from time to time determine, either generally or in respect of any class of shares, provided that the register shall not be closed at such times or for more than such periods exceeding in the whole 30 days in any each year (or such longer. The period as of 30 days may be extended for a further period or periods not exceeding 30 days in respect of any year if approved by the members ~~may by ordinary resolution determine provided that such period shall not be extended beyond 60 days in any year).~~ The Company shall, on demand, furnish any person seeking to inspect the register or part thereof which is closed by virtue of these Articles with a certificate under the hand of the Secretary stating the period for which, and by whose authority, it is closed. In the event that there is an alteration of book closure dates, the Company shall give at least 5 business days' notice in accordance with the procedures set out in this Article.

4.9 Any register held in Hong Kong shall during normal business hours (subject to such reasonable restrictions as the Board may impose) be open to inspection by a member without charge and any other person on payment of such fee not exceeding HK\$1.00 (or such other amount as may from time to time be permitted under the Listing Rules) as the Board may determine for each inspection. Any member may require a copy of the register, or any part thereof, on payment of such fee not exceeding HK\$0.25 (or such other amount as may from time to time be permitted under the Listing Rules). The Company shall cause any copy so required by any person to be sent to that person within a period of 10 days commencing on the date next after the day on which the request is received by the Company.

...

4.11 Every person whose name is entered as a member in the register shall be entitled to receive, within any relevant time limit as prescribed in the ~~Law~~Act or as the Exchange may from time to time determine, whichever is shorter, and subject to payment of any fees which may be payable pursuant to Article 7.8, after allotment or lodgment of transfer, or within such other period as the conditions of issue shall provide, one certificate for all his shares of each class or, if he shall so request, in a case where the allotment or transfer is of a number of shares in excess of the number for the time being forming an Exchange board lot, such numbers of certificates for shares in Exchange board lots or multiples thereof as he shall request and one for the balance (if any) of the shares in question, provided that in respect of a share or shares held jointly by several persons the Company shall not be bound to issue a certificate or certificates to each such person, and the issue and delivery of a certificate or certificates to one of several joint holders shall be sufficient delivery to all such holders. All certificates for shares shall be delivered personally or sent through the post addressed to the member entitled thereto at his registered address as appearing in the register.

App 133
Part B r
3(2)20

Share
certificates
App 3

Share
certificates

Share certificates to be sealed
App 3 r.2(1)

4.12 Every certificate for shares or debentures or representing any other form of security of the Company shall be issued under the seal of the Company, which shall only be affixed with the authority of the Board.

...

Joint holders
App 3 r.1(3)

4.14 The Company shall not be bound to register more than four persons as joint holders of any share. If any share shall stand in the names of two or more persons, the person first named in the register shall be deemed the sole holder thereof as regards service of notices and, subject to the provisions of these Articles, all or any other matters connected with the Company, except the transfer of the share.

Replacement of share certificates
App 3 r.1(1)

4.15 If a share certificate is defaced, lost or destroyed, it may be replaced on payment of such fee, if any, not exceeding such amount as may from time to time be permitted under the Listing Rules (or such lesser sum as the Board may from time to time require) and on such terms and conditions, if any, as to publication of notices, evidence and indemnity, as the Board thinks fit and where it is defaced or worn out, after delivery up of the old certificate to the Company for cancellation.

5 Lien

Company's lien
App 3 r.1(2)

5.1 The Company shall have a first and paramount lien on every share (not being a fully paid up share) for all moneys, whether presently payable or not, called or payable at a fixed time in respect of such share; and the Company shall also have a first and paramount lien and charge on all shares (other than fully paid up shares) standing registered in the name of a member (whether solely or jointly with others) for all the debts and liabilities of such member or his estate to the Company and whether the same shall have been incurred before or after notice to the Company of any equitable or other interest of any person other than such member, and whether the period for the payment or discharge of the same shall have actually arrived or not, and notwithstanding that the same are joint debts or liabilities of such member or his estate and any other person, whether such person is a member of the Company or not.

...

6 Calls on Shares

...

Payment of calls in advance
App 3 r.3(1)

6.13 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 money uncalled and unpaid or instalments payable upon any shares held by him, and upon all or any of the moneys so advanced the Company may 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 month's notice in writing of its intention in that behalf, unless before the expiration of such notice the amount so

advanced shall have been called up on the shares in respect of which it was advanced. No such sum paid in advance of calls shall entitle the member paying such sum to any portion of a dividend declared in respect of any period prior to the date upon which such sum would, but for such payment, become presently payable.

7 Transfer of Shares

...

Board may refuse to register a transfer
App 3
r.1(2)

7.4 The Board may, in its absolute discretion, and without assigning any reason, refuse to register a transfer of any share which is not fully paid up or on which the Company has a lien.

...

Requirements as to transfer

7.6 The Board may also decline to register any transfer of any shares unless:

(f) a fee of such maximum as the Exchange may from time to time determine to be payable (or such lesser sum as the Board may from time to time require) is paid to the Company in respect thereof.

...

When transfer books and register may close
App 13
Part B
r.3(2)

7.9 The registration of transfers may, on 14 days' notice (or on 6 business days' notice in the case of a rights issue) being given by advertisement published on the Exchange's website, or, subject to the Listing Rules, by electronic communication in the manner in which notices may be served by the Company by electronic means as herein provided or by advertisement published in the newspapers, be suspended and the register closed at such times for such periods as the Board may from time to time determine, provided always that such registration shall not be suspended or the register closed for more than 30 days in any year (or such longer period as the members may by ordinary resolution determine provided that such period shall not be extended beyond 60 days in any year). In the event that there is an alteration of book closure dates, the Company shall give at least 5 business days' notice before the announced closure, or the new closure, whichever is earlier. If, however, there are exceptional circumstances (e.g. during a ~~Number 8 or higher typhoon signal~~ and gale warning or black rainstorm warning) that render the giving of such publication of advertisement impossible, the Company shall comply with these requirements as soon as practicable.

...

10 Alteration of Capital

10.1 The Company may from time to time by ordinary resolution:

...

(b) cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled subject to the provisions of the LawAct; and

(c) sub-divide its shares or any of them into shares of smaller amount than is fixed by the Memorandum of Association of the Company, subject nevertheless to the provisions of the LawAct, and so that the resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may have any such preferred or other special rights, over, or may have such deferred rights or be subject to any such restrictions as compared with the others as the Company has power to attach to unissued or new shares.

Reduction of capital

10.2 The Company may by special resolution reduce its share capital or any capital redemption reserve in any manner authorised and subject to any conditions prescribed by the LawAct.

11 Borrowing Powers

...

Register of charges to be kept

11.5 The Board shall cause a proper register to be kept, in accordance with the provisions of the LawAct, of all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of the LawAct in regard to the registration of mortgages and charges therein specified and otherwise.

...

12 General Meetings

When annual general meeting to be held
App 133
Part B
r.3(3)
r.414(21)

12.1 The Company shall in each financial year hold a general meeting as its annual general meeting ~~in addition to any other meeting in that year and shall specify the meeting as such in the notices calling it; and not more than 15, be held within six months shall elapse (or such longer other period as may be permitted by the Listing Rules or the Exchange may authorise) between the date of one annual general meeting of the Company and that of the next. So long as the first annual general meeting of the Company is held within 18 months of its incorporation, it need not be held in the year of its incorporation or in the following~~ after the end of the financial year. The annual general meeting shall be held at such time and place as the Board shall appoint.

...

Convening of
extraordinary
general
meeting
App 3
r.14(5)

12.3 The Board may, whenever it thinks fit, convene an extraordinary general meeting. General meetings shall also be convened on the written requisition of any ~~two~~one or more members of the Company ~~holding together, as at the date of deposit of the requisition, shares representing at least one-tenth of the voting rights, on a one vote per share basis, of the Company which carry the right of voting at general meetings of the Company. The written requisition shall be deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office of the Company, specifying the objects of the meeting and signed by the requisitionists, provided that such requisitionists held as at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company which carries the right of voting at general meetings of the Company. General meetings may also be convened on the written requisition of any one member of the Company which is a recognised clearing house (or its nominee(s)) deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office specifying the objects of the resolutions to be added to the meeting agenda, and signed by the requisitionist, provided that such requisitionist held as at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company which carries the right of voting at general meetings of the Company(s). If the Board does not within 21 days from the date of deposit of the requisition proceed duly to convene the meeting to be held within a further 21 days, the requisitionist(s) themselves or any of them representing more than one-half of the total voting rights of all of them, may convene the general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Board provided that any meeting so convened shall not be held after the expiration of three months from the date of deposit of the requisition, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to them by the Company.~~

12.4 The Directors may make Communication Facilities available for a specific general meeting or all general meetings of the Company so that members and other participants may attend and participate at such general meetings by means of such Communication Facilities. Without limiting the generality of the foregoing, the Directors may determine that any general meeting may be held as a Virtual Meeting.

Notice of
meetings
App 133
Part B
r.314(12)

~~12.4~~12.5 An annual general meeting and any extraordinary general meeting called for the ~~passing of a special resolution~~ shall be called by not less than 21 days' notice in writing and any other extraordinary general meeting shall be called by not less than 14 days' notice in writing. Subject to the requirement under the Listing Rules, the notice shall be inclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the time, place, and agenda of the meeting, particulars of the resolutions to be considered at the meeting and in the case of special business (as defined in Article 13.1) the general nature of that business. The notice convening an annual general meeting shall specify the meeting as such, and the notice convening a meeting to pass a special resolution shall specify the intention to propose the resolution as a special resolution. The notice of any

general meeting (including a postponed or reconvened meeting held pursuant to Article 12.12) at which Communication Facilities will be utilised (including any Virtual Meeting) must disclose the Communication Facilities that will be utilised, including the procedures to be followed by any member or other participant of the general meeting who wishes to utilise such Communication Facilities for the purpose of attending, participating and voting at such meeting. Notice of every general meeting shall be given to the Auditors and to all members other than such as, under the provisions hereof or the terms of issue of the shares they hold, are not entitled to receive such notice from the Company.

~~12.5~~12.6 Notwithstanding that a meeting of the Company is called by shorter notice than that referred to in Article ~~12.4~~12.5, it shall be deemed to have been duly called if it is so agreed:

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

~~12.6~~12.7 There shall appear with reasonable prominence in every notice of general meetings of the Company a statement that a member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him and that a proxy need not be a member of the Company.

Omission to give notice

~~12.7~~ 12.8 The accidental omission to give any such notice to, or the non-receipt of any such notice by, any person entitled to receive notice shall not invalidate any resolution passed or any proceeding at any such meeting.

Omission to send instrument of proxy

~~12.8~~12.9 In cases where instruments of proxy are sent out with notices, the accidental omission to send such instrument of proxy to, or the non-receipt of such instrument of proxy by, any person entitled to receive notice shall not invalidate any resolution passed or any proceeding at any such meeting.

12.10 If, after the notice of a general meeting has been sent but before the meeting is held, or after the adjournment of a general meeting but before the adjourned meeting is held (whether or not notice of the adjourned meeting is required), the Board, in its absolute discretion, considers that it is impractical or unreasonable for any reason to hold a general meeting on the date or at the time and place specified in the notice calling such meeting, it may change or postpone the meeting to another date, time and place in accordance with Article 12.12.

12.11 The Board shall also have the power to provide in every notice calling a general meeting that in the event a gale warning or a black rainstorm warning (or the equivalent in the location of the relevant meeting) is in force at any time on the day of the general meeting (unless such warning has been cancelled at least a minimum

period of time prior to the general meeting as the Board may specify in the relevant notice), the meeting shall be postponed without further notice to be reconvened on a later date in accordance with Article 12.12.

12.12 Where a general meeting is postponed in accordance with Article 12.10 or Article 12.11:

- (a) the Company shall endeavour to cause a notice of such postponement, which shall set out the reason for the postponement in accordance with the Listing Rules, to be placed on the Company’s Website and published on the Exchange’s website as soon as practicable, provided that failure to place or publish such notice shall not affect the automatic postponement of a general meeting pursuant to Article 12.11;
- (b) the Board shall fix the date, time and place for the reconvened meeting and at least seven clear days’ notice shall be given for the reconvened meeting by one of the means specified in Article 30.1; and such notice shall specify the date, time and place at which the postponed meeting will be reconvened, and the date and time by which proxies shall be submitted in order to be valid at such reconvened meeting (provided that any proxy submitted for the original meeting shall continue to be valid for the reconvened meeting unless revoked or replaced by a new proxy); and
- (c) only the business set out in the notice of the original meeting shall be transacted at the reconvened meeting, and notice given for the reconvened meeting does not need to specify the business to be transacted at the reconvened meeting, nor shall any accompanying documents be required to be recirculated. Where any new business is to be transacted at such reconvened meeting, the Company shall give a fresh notice for such reconvened meeting in accordance with Article 12.5.

13 Proceedings at General Meetings

...

Quorum

13.2 For all purposes the quorum for a general meeting shall be two members ~~present in person (or in the case of a corporation, by its duly authorised representative) or by proxy~~ Present provided always that if the Company has only one member of record the quorum shall be that one member ~~present in person or by proxy~~ Present. No business (except the appointment of a Chairman) shall be transacted at any general meeting unless the requisite quorum shall be ~~present~~ Present at the commencement of the business.

When if quorum not present meeting to be dissolved and when to be adjourned

13.3 If within 15 minutes from the time appointed for the meeting a quorum is not ~~present~~ Present, the meeting, if convened upon the requisition of members, shall be dissolved, but in any other case it shall stand adjourned to the same day in the next week and at such time and place as shall be decided by the Board, and if at such adjourned meeting a quorum is not ~~present~~ Present within 15 minutes from the time

APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

appointed for holding the meeting, the member or members ~~present in person (or in the case of a corporation, by its duly authorised representative) or by proxy~~ Present shall be a quorum and may transact the business for which the meeting was called.

Chairman of
general meeting

13.4 The Chairman shall take the chair at every general meeting, or, if there be no such Chairman or, if at any general meeting such Chairman shall not be ~~present~~ Present within 15 minutes after the time appointed for holding such meeting or is unwilling to act, the Directors ~~present~~ Present shall choose another Director as Chairman, and if no Director be ~~present~~ Present, or if all the Directors ~~present~~ Present decline to take the chair, or if the Chairman chosen shall retire from the chair, then the members ~~present (whether in person or represented by proxy or duly authorised representative)~~ Present shall choose one of their own number to be Chairman.

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

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

Power to
adjourn general
meeting/
business of
adjourned
meeting

~~13.5~~ 13.6 The Chairman may, with the consent of any general meeting at which a quorum is ~~present~~ Present, and shall, if so directed by the meeting, adjourn any meeting from time to time and from place to place as the meeting shall determine. Whenever a meeting is adjourned for 14 days or more, at least seven clear days' notice, specifying the place, the day and the hour of the adjourned meeting shall be given in the same manner as in the case of an original meeting but it shall not be necessary to specify in such notice the nature of the business to be transacted at the adjourned meeting. Save as aforesaid, no member shall be entitled to any notice of an adjournment or of the business to be transacted at any adjourned meeting. No business shall be transacted at any adjourned meeting other than the business which might have been transacted at the meeting from which the adjournment took place.

Must vote by
poll

~~13.6~~ 13.7 At any general meeting a resolution put to the vote of the meeting shall be decided on a poll save that the Chairman may, in good faith, allow a resolution which relates purely to a procedural or administrative matter as prescribed under the Listing Rules to be voted on by a show of hands.

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Poll 13.713.8 A poll shall (subject as provided in Article ~~13.8~~13.9) be taken in such manner (including the use of ballot or voting papers or tickets or electronic means) and at such time and place, not being more than 30 days from the date of the meeting or adjourned meeting at which the poll was taken as the Chairman directs. No notice need be given of a poll not taken immediately. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was taken.

In what case poll taken without adjournment 13.813.9 Any poll on the election of a Chairman of a meeting or any question of adjournment shall be taken at the meeting and without adjournment.

~~13.9~~13.10 Where a resolution is voted on by a show of hands as permitted under the Listing Rules, a declaration by the Chairman that a resolution has been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minute book of the Company shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

Chairman to have casting vote ~~13.10~~13.11 In the case of an equality of votes, whether on a poll or on a show of hands, the Chairman of the meeting at which the poll or show of hands is taken shall be entitled to a second or casting vote.

Written resolutions ~~13.11~~ 13.12 A resolution in writing (in one or more counterparts), including a special resolution, signed by all members for the time being entitled to receive notice of and to attend and vote at general meetings (or being corporations by their duly appointed representatives) shall be as valid and effective as if the same had been passed at a general meeting of the Company duly convened and held. 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.

14 Votes of Members

Votes of members App 3 r.14(3) 14.1 Subject to any special rights, privileges or restrictions as to voting for the time being attached to any class or classes of shares, at any general meeting ~~where a show of hands is allowed, every member present in person (or, in the case of a member being a corporation, by its duly authorised representative) shall have one vote, and on a poll every member present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy shall have, every member Present shall have (a) the right to speak, (b) except where the member is required by the Listing Rules to abstain from voting on the matter under consideration, one vote on a show of hands, and (c) except where the member is required by the Listing Rules to abstain from voting on the matter under consideration, one vote for each share registered in his name in the register on a poll. Votes on a show of hands and on a poll shall be taken in such manner (including the use of ballot or voting papers or tickets or electronic means) as the Chairman directs. On a poll a member entitled to more than one vote is under no obligation to cast all his votes in the same way. For the avoidance of doubt, where more than one proxy is appointed by a recognised clearing house (or its nominee(s)),~~

APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

each such proxy shall have one vote on a show of hands and is under no obligation to cast all his votes in the same way on a poll.

Counting of votes
App 3
r.14(3) & (4)

14.2 Where any member is, under the Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such member in contravention of such requirement or restriction shall not be counted.

...

Votes of joint holders

14.4 Where there are joint registered holders of any share, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be ~~present~~Present at any meeting ~~personally or by proxy~~, that one of the said persons so ~~present~~Present being the most or, as the case may be, the more senior shall alone be entitled to vote in respect of the relevant joint holding and, for this purpose, seniority shall be determined by reference to the order in which the names of the joint holders stand on the register in respect of the relevant joint holding. Several executors or administrators of a deceased member in whose name any share stands shall for the purposes of this Article be deemed joint holders thereof.

...

Qualification for voting

14.6 Save as expressly provided in these Articles or as otherwise determined by the Board, no person other than a member duly registered and who shall have paid all sums for the time being due from him payable to the Company in respect of his shares shall be entitled to be ~~present~~Present or to vote (save as proxy for another member), or to be reckoned in a quorum, either personally or by proxy at any general meeting.

...

Proxies
App 133
Part B
r.214(23), 18 & 19

14.8 Any member of the Company (including a recognised clearing house (or is nominee(s))) entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person (who must be an individual) as his proxy to attend and vote instead of him and a proxy so appointed shall have the same right as the member to speak at the meeting. Votes may be given either personally or by proxy. A proxy need not be a member of the Company. A member may appoint any number of proxies to attend in his stead at any one general meeting (or at any one class meeting).

Instrument appointing proxy to be in writing
App 3
r.11(2)18

14.9 The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney 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 duly authorised to sign the same.

...

APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Form of proxy
App 3
r.11(1)

14.11 Every instrument of proxy, whether for a specified meeting or otherwise, shall be in common form or such other form that complies with the Listing Rules as the Board may from time to time approve, provided that it shall enable a member, according to his intention, to instruct his proxy to vote in favour of or against (or in default of instructions or in the event of conflicting instructions, to exercise his discretion in respect of) each resolution to be proposed at the meeting to which the form of proxy relates.

...

Corporations/
clearing houses/
acting by
representatives
at meetings
App. 133
Part B
r.2(2)18

14.14 Any corporation which is a member of the Company may, by resolution of its directors or other governing body or by power of attorney, authorise such person as it thinks fit to act as its representative at any meeting of the Company or of members of any class of shares of the Company and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member of the Company and where a corporation is so represented, it shall be treated as being ~~present~~Present at any meeting in person.

App 133
Part B
r.619

14.15 If a recognised clearing house (or its nominee(s)) is a member of the Company it may authorise such person or persons as it thinks fit to act as its representative(s) at any general meeting of the Company, any creditors meeting of the Company or at any general meeting of any class of members of the Company provided that, if more than one person is so authorised, the authorisation shall specify the number and class of shares in respect of which each such person is so authorised. The person so authorised will be deemed to have been duly authorised without the need of producing any documents of title, notarised authorisation and/or further evidence to substantiate that it is so authorised. A person so authorised pursuant to this provision shall be entitled to exercise the same rights and powers on behalf of the recognised clearing house (or its nominee(s)) which he represents as that recognised clearing house (or its nominee(s)) could exercise as if such person were an individual member of the Company holding the number and class of shares specified in such authorisation, including the right to speak and vote and, where a show of hands is allowed, the right to vote individually on a show of hands, notwithstanding any contrary provision contained in these Articles.

...

16 Board of Directors

Constitution

16.1 The number of Directors shall not be less than two. ~~The first Directors shall be determined in writing by, or appointed by a resolution of, the subscriber(s) to the Memorandum.~~

APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Board may fill vacancies/ appoint additional Directors
App 3
r.4(2)

16.2 The Board shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an addition to the Board. Any Director so appointed shall hold office only until the ~~next following~~first annual general meeting of the Company after his or her appointment and shall then be eligible for re-election at that meeting.

Power of general meeting to increase or reduce the number of Directors

16.3 The Company may from time to time in general meeting by ordinary resolution increase or reduce the number of Directors but only to the extent that the number of Directors shall not be less than two. Subject to the provisions of these Articles and the ~~Law~~Act, the Company may by ordinary resolution elect any person to be a Director either to fill a casual vacancy or as an addition to the existing Directors. ~~Any Director so appointed shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.~~

Notice to be given when person proposed for election
App 3
r.4(4)
r.4(5)

16.4 No person shall, unless recommended by the Board, be eligible for election to the office of Director at any general meeting unless during the period, which shall be at least seven days, commencing no earlier than the day after the despatch of the notice of the meeting appointed for such election and ending no later than seven days prior to the date of such meeting, there has been given to the Secretary notice in writing by a member of the Company (not being the person to be proposed), entitled to attend and vote at the meeting for which such notice is given, of his intention to propose such person for election and also notice in writing signed by the person to be proposed of his willingness to be elected.

Register of Directors and notification of changes to Registrar

16.5 The Company shall keep at its registered office a register of directors and officers containing their names and addresses and any other particulars required by the ~~Law~~Act and shall send to the Registrar of Companies of the Cayman Islands a copy of such register and shall from time to time notify to the Registrar of Companies of the Cayman Islands any change that takes place in relation to such Directors as required by the ~~Law~~Act.

Power to remove Director by ordinary resolution
App 13
Part B
r.5(1)
App 3
r.4(3)

16.6 ~~The Company may~~Members in general meeting shall have the power by ordinary resolution at any time to remove any Director (including a Managing Director or other executive Director) before the expiration of his ~~period~~term of office notwithstanding anything in these Articles or in any agreement between the Company and such Director and may by ordinary resolution elect another person in his stead. Any person so elected shall hold office during such time only as the Director in whose place he is elected would have held the same if he had not been removed. Nothing in this Article should be taken as depriving a Director removed under any provisions of this Article of compensation or damages payable to him in respect of the termination of his appointment as Director or of any other appointment or office as a result of the termination of his appointment as Director or as a limitation on any power to remove a Director which may exist apart from the provision of this Article.

...

16.14 Payment to any Director or past Director of any sum by way of compensation for loss of office or as consideration for or in connection with his retirement from office (not being a payment to which the Director is contractually entitled) must first be approved by the Company in general meeting.

...

16.18 The office of a Director shall be vacated:

- (a) if he resigns his office by notice in writing to the Company at its registered office or its principal office in Hong Kong;
- (b) if an order is made by any competent court or official on the grounds that he is or may be suffering from mental disorder or is otherwise incapable of managing his affairs and the Board resolves that his office be vacated;
- (c) if, without leave, he is absent from meetings of the Board (unless an alternate Director appointed by him attends in his place) for a continuous period of 12 months, and the Board resolves that his office be vacated;
- (d) if he becomes bankrupt or has a receiving order made against him or suspends payment or settles with his creditors generally;
- (e) if he ceases to be or is prohibited from being a Director by law or by virtue of any provisions in these Articles;
- (f) if he shall be removed from office by notice in writing served upon him signed by not less than three-fourths in number (or, if that is not a round number, the nearest lower round number) of the Directors (including himself) then in office; or
- (g) if he shall be removed from office by an ordinary resolution under Article 16.6.

At every annual general meeting of the Company one-third of the Directors for the time being (or, if their number is not three or a multiple of three, then the number nearest to, but not less than, one-third) shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. Any Director ~~appointed~~ required to stand for re-election pursuant to Article 16.2 ~~or Article 16.3~~ shall not be taken into account in determining the number of Directors and which Directors are to retire by rotation. A retiring Director shall retain office until the close of the meeting at which he retires and shall be eligible for reelection thereat. The Company at any annual general meeting at which any Directors retire may fill the vacated office by electing a like number of persons to be Directors.

App 13
Part B
r.5(4)

When office of
Director to be
vacated
App 13
Part B
r.5(4)

Retirement by
rotation

APPENDIX III PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Directors may
contract with
Company
App 13
Part B
r.5(3)

16.19 No Director or proposed Director shall be disqualified by his office from contracting with the Company either as vendor, purchaser or otherwise nor shall any such contract or any contract or arrangement entered into by or on behalf of the Company with any person, company or partnership of or in which any Director shall be a member or otherwise interested be capable on that account of being avoided, nor shall any Director so contracting or being any member or so interested be liable to account to the Company for any profit so realised by any such contract or arrangement by reason only of such Director holding that office or the fiduciary relationship thereby established, provided that such Director shall, if his interest in such contract or arrangement is material, declare the nature of his interest at the earliest meeting of the Board at which it is practicable for him to do so, either specifically or by way of a general notice stating that, by reason of the facts specified in the notice, he is to be regarded as interested in any contracts of a specified description which may subsequently be made by the Company.

...

Director may
not vote where
he has a
material interest
App 3
r.4(1)

16.22 A Director shall not be entitled to vote on (nor shall be counted in the quorum in relation to) any resolution of the Board in respect of any contract or arrangement or any other proposal whatsoever in which he or any of his Close Associates (or, if required by the Listing Rules, his other Associates) has any material interest, and if he shall do so his vote shall not be counted (nor is he to be counted in the quorum for the resolution), but this prohibition shall not apply to any of the following matters, namely:

Director may
vote in respect
of certain
matters
App 3
Note 1

- (a) the giving of any security or indemnity either:
 - (i) to the Director or any of his Close Associates in respect of money lent or obligations incurred or undertaken by him or any of them at the request of or for the benefit of the Company or any of its subsidiaries; or
 - (ii) to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or any of his Close Associates has himself/themselves assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;
- (b) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase where the Director or any of his Close Associates is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;

- (c) any proposal or arrangement concerning the benefit of employees of the Company or any of its subsidiaries including:
 - (i) the adoption, modification or operation of any employees' share scheme or any share incentive scheme or share option scheme under which the Director or any of his Close Associates may benefit; or
 - (ii) the adoption, modification or operation of a pension or retirement, death or disability benefits scheme which relates both to Directors, their Close Associates and employees of the Company or any of its subsidiaries and does not provide in respect of any Director or any of his Close Associates as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates; and
- (d) any contract or arrangement in which the Director or any of his Close Associates is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company.

Director may vote on proposals not concerning own appointment

16.23 Where proposals are under consideration concerning the appointment (including fixing or varying the terms of or terminating the appointment) of two or more Directors to offices or employments with the Company or any company in which the Company is interested, such proposals shall be divided and considered in relation to each Director separately and in such case each of the Directors concerned (if not prohibited from voting under Article ~~16.22(a)~~16.22 shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.

...

18 Management

General powers of Company vested in Board

18.1 Subject to any exercise by the Board of the powers conferred by Articles 19.1 to 19.3, the management of the business of the Company shall be vested in the Board which, in addition to the powers and authorities by these Articles expressly conferred upon it, may exercise all such powers and do all such acts and things as may be exercised or done or approved by the Company and are not hereby or by the LawAct expressly directed or required to be exercised or done by the Company in general meeting, but subject nevertheless to the provisions of the LawAct and of these Articles and to any regulation from time to time made by the Company in general meeting not being inconsistent with such provisions or these Articles, provided that no regulation so made shall invalidate any prior act of the Board which would have been valid if such regulation had not been made.

...

18.3 Except as would, be permitted by the Companies Ordinance if the Company were a company incorporated in Hong Kong, ~~be permitted by Section 157H of the Companies Ordinance as in force at the date of adoption of these Articles,~~ and except as permitted under the Companies Law Act, the Company shall not directly or indirectly:

- (a) make a loan to a Director or his Close Associates or a director of any holding company of the Company;
- (b) enter into any guarantee or provide any security in connection with a loan made by any person to a Director or such a director; or
- (c) if any one or more of the Directors hold (jointly or severally or directly or indirectly) a controlling interest in another company, make a loan to that other company or enter into any guarantee or provide any security in connection with a loan made by any person to that other company.

...

20 Proceedings of Directors

...

20.2 A Director may, and on request of a Director the Secretary shall, at any time summon a meeting of the Board. Subject to the Listing Rules and failing any determination by the Board, not less than 48 hours' notice thereof shall be given to each Director either in writing or by telephone or by facsimile, telex or telegram at the address or telephone, facsimile or telex number from time to time notified to the Company by such Director or in such other manner as the Board may from time to time determine.

...

21 Secretary

21.1 The Secretary shall be appointed by the Board by a physical Board meeting duly convened in accordance with these Articles, for such term, at such remuneration and upon such conditions as it may think fit, and any Secretary so appointed may be removed by the Board by a physical Board meeting duly convened in accordance with these Articles. Anything by the Law Act or these Articles required or authorised to be done by or to the Secretary, if the office is vacant or there is for any other reason no Secretary capable of acting, may be done by or to any assistant or deputy Secretary appointed by the Board, or if there is no assistant or deputy Secretary capable of acting, by or to any officer of the Company authorised generally or specifically in that behalf by the Board.

App 13
Part B
r.5(2)

Convening of
board meeting

Appointment
of Secretary

Same person not to act in two capacities at once

21.2 A provision of the LawAct 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.

...

23 Capitalisation of Reserves

Power to capitalise

23.1 The Company in general meeting may upon the recommendation of the Board by ordinary resolution resolve that it is desirable to capitalise all or any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or funds or to the credit of the profit and loss account or otherwise available for distribution (and not required for the payment or provision of dividend on any shares with a preferential right to dividend) and accordingly that such sums be set free for distribution amongst the members who would have been entitled thereto if distributed by way of dividend and in the same proportion on condition that the same be not paid in cash but be applied either in or towards paying up any amounts for the time being unpaid on any shares held by such members respectively or paying up in full unissued shares, debentures or other securities of the Company to be allotted and distributed credited as fully paid up to and amongst such members in proportion aforesaid or partly in one way and partly in the other, and the Board shall give effect to such resolution, provided that a share premium account and a capital redemption reserve and any reserve or fund representing unrealised profits may, for the purposes of this Article, only be applied in paying up unissued shares to be issued to members of the Company as fully paid up shares or paying up calls or instalments due or payable on partly paid securities of the Company subject always to the provisions of the LawAct.

...

24 Dividends and Reserves

Power to declare dividends

24.1 Subject to the LawAct and these Articles, the Company in general meeting may declare dividends in any currency but no dividends shall exceed the amount recommended by the Board.

...

Share premium and reserves

24.12 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. The Company may apply the share premium account in any manner permitted by the Companies LawAct. The Company shall at all times comply with the provisions of the Companies LawAct in relation to the share premium account.

...

Dividend in specie

24.19 The Board, with the sanction of the members in general meeting, may direct that any dividend be satisfied wholly or in part by the distribution of specific assets of any kind and in particular of paid up shares, debentures or warrants to subscribe securities of any other company, or in any one or more of such ways, and where any difficulty arises in regard to the distribution the Board may settle the same as it thinks expedient, and in particular may disregard fractional entitlements, round the same up or down or provide that the same shall accrue to the benefit of the Company, and may fix the value for distribution of such specific assets, or any part thereof, and may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties, and may vest any such specific assets in trustees as may seem expedient to the Board and may appoint any person to sign any requisite instruments of transfer and other documents on behalf of the persons entitled to the dividend and such appointment shall be effective. Where required, a contract shall be filed in accordance with the provisions of the Law Act and the Board may appoint any person to sign such contract on behalf of the persons entitled to the dividend and such appointment shall be effective.

...

App 3
r.13(1)

24.24 The Company may cease sending such cheques for dividend entitlements or dividend warrants by post if such cheques or warrants have been left uncashed on two consecutive occasions. However, the Company may exercise its power to cease sending cheques for dividend entitlements or dividend warrants after the first occasion on which such a cheque or warrant is returned undelivered.

Unclaimed dividend
App 3
r.3(2)

24.25 All dividends or bonuses unclaimed for one year after having been declared may be invested or otherwise made use of by the Board for the exclusive benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof or be required to account for any money earned thereon. All dividends or bonuses unclaimed for six years after having been declared may be forfeited by the Board and shall revert to the Company and after such forfeiture no member or other person shall have any right to or claim in respect of such dividends or bonuses.

25 Untraceable Members

Sale of shares of untraceable members

25.1 The Company shall be entitled to sell any shares of a member or the shares to which a person is entitled by virtue of transmission on death or bankruptcy or operation of law if and provided that:

...

App 3
r.13(2)(a)

(c) during the 12-year period, at least three dividends in respect of the shares in question have become payable and no dividend during that period has been claimed by the member; and

(d) upon expiry of the 12-year period, the Company has caused an advertisement to be published in the newspapers, or, subject to the Listing Rules, by electronic communication in the manner in which notices may be served by the Company by electronic means as herein provided, giving notice of its intention to sell such shares, and a period of three months has elapsed since such advertisement and the Exchange has been notified of such intention.

The net proceeds of any such sale shall belong to the Company and upon receipt by the Company of such net proceeds it shall become indebted to the former member for an amount equal to such net proceeds.

...

27 Annual Returns and Filings

The Board shall make the requisite annual returns and any other requisite filings in accordance with the LawAct.

28 Accounts

28.1 The Board shall cause to be kept such books of account as are necessary to give a true and fair view of the state of the Company's affairs and to show and explain its transactions and otherwise in accordance with the LawAct.

28.2 The books of account shall be kept at the Company's principal place of business in Hong Kong or, subject to the provisions of the LawAct, at such other place or places as the Board thinks fit and shall always be open to the inspection of the Directors.

28.3 The Board shall from time to time determine whether, to what extent, at what times and places and under what conditions or regulations, the accounts and books of the Company, or any of them, shall be open to the inspection of the members (other than officers of the Company) and no member shall have any right of inspecting any accounts or books or documents of the Company except as conferred by the LawAct or any other relevant law or regulation or as authorised by the Board or by the Company in general meeting.

28.4 The Board shall, ~~commencing with the first annual general meeting~~ cause to be prepared and to be laid before the members of the Company at every annual general meeting a profit and loss account for the period, in the case of the first account, since the incorporation of the Company and, in any other case, since the preceding account, together with a balance sheet as at the date to which the profit and loss account is made up and a Directors' report with respect to the profit or loss of the Company for the period covered by the profit and loss account and the state of the Company's affairs as at the end of such period, an Auditors' report on such accounts prepared pursuant to Article 29.1 and such other reports and accounts as may be required by law.

App 3
r.13(2)(b)

Annual returns
and filings

Accounts to
be kept
App 13
Part B
r.4(1)

Where
accounts are
to be kept

Inspection by
members

Annual profit
and loss
account and
balance sheet
App 13
Part B
r.4(2)

- 28.5 Copies of those documents to be laid before the members of the Company at an annual general meeting shall not less than 21 days before the date of the meeting be sent in the manner in which notices may be served by the Company as provided herein to every member of the Company and every holder of debentures of the Company, provided that the Company shall not be required to send copies of those documents to any person of whose address the Company is not aware or to more than one of the joint holders of any shares or debentures.
- 28.6 To the extent permitted by and subject to due compliance with these Articles, the Law Act and all applicable rules and regulations, including, without limitation, the rules of the Exchange, and to obtaining all necessary consents, if any, required thereunder, the requirements of Article 28.5 shall be deemed satisfied in relation to any member or any holder of debentures of the Company by sending to such person instead of such copies, not less than 21 days before the date of the annual general meeting, in any manner not prohibited by these Articles and the Law Act, a summary financial statement derived from the Company's annual accounts, together with the Directors' report and the Auditors' report on such accounts, which shall be in the form and containing the information required by these Articles, the Law Act and all applicable laws and regulations, provided that any person who is otherwise entitled to the annual accounts of the Company, together with the Director's report and the Auditor's report thereon may, if he so requires, by notice in writing served on the Company, demand that the Company sends to him, in addition to the summary financial statement, a complete printed copy of the Company's annual accounts, together with the Directors' report and the Auditor's report thereon.

29 Audit

- 29.1 The Auditors shall audit the profit and loss account and balance sheet of the Company in each year and shall prepare a report thereon to be annexed thereto. Such report shall be laid before the Company at its annual general meeting in each year and shall be open to inspection by any member. The Auditors shall at the next annual general meeting following their appointment and at any other time during their term of office, upon request of the Board or any general meeting of the members, make a report on the accounts of the Company in general meeting during their tenure of office.
- 29.2 The Company shall at ~~any~~every annual general meeting by ordinary resolution appoint an auditor or auditors of the Company who shall hold office until the next annual general meeting. The removal of an Auditor before the expiration of his period of office shall require the approval of an ordinary resolution of the members in general meeting. The remuneration of the Auditors shall be fixed by the Company at the annual general meeting at which they are appointed by ordinary resolution provided that in respect of any particular year the Company in general meeting may delegate the fixing of such remuneration to the Board. No person may be appointed as the, or an, Auditor, unless he is independent of the Company. The Board may before the first annual general meeting appoint an auditor or auditors of the Company who shall hold office until the first annual general meeting unless

Annual report of Directors and balance sheet to be sent to members etc.
App 13
Part B
r.3(3)
App 3
r.5

Appointment and remuneration of Auditors
Appointment and remuneration of Auditors
App 13
Part B
r.4(2)17

previously removed by an ordinary resolution of the members in general meeting in which case the members at that meeting may appoint Auditors. The Board may fill any casual vacancy in the office of Auditor but while any such vacancy continues the surviving or continuing Auditor or Auditors, if any, may act. The remuneration of any Auditor appointed by the Board under this Article may be fixed by the Board. The Auditor appointed by the Board to fill casual vacancy shall hold office until the next following annual general meeting and shall then be subject to appointment by members of the Company at such remuneration to be determined by the members of the Company by ordinary resolution.

...

30 Notices

30.1 Except as otherwise provided in these Articles, any notice or document may be served by the Company and any notices may be served by the Board on any member either personally or by sending it through the post in a prepaid letter addressed to such member at his registered address as appearing in the register or, to the extent permitted by the Listing Rules and all applicable laws and regulations, by electronic means by transmitting it to any electronic number or address or website supplied by the member to the Company or by placing it on the Company's Website provided that the Company has obtained either (a) the member's prior express positive confirmation in writing or (b) the member's deemed consent, in the manner specified in the Listing Rules to receive or otherwise have made available to him notices and documents to be given or issued to him by the Company by such electronic means, or (in the case of notice) by advertisement published in the manner prescribed under the Listing Rules. In the case of joint holders of a share, all notices shall be given to that holder for the time being whose name stands first in the register and notice so given shall be sufficient notice to all the joint holders.

...

30.4 A member shall be entitled to have notice served on him at any address within Hong Kong. Any member who has not given an express positive confirmation in writing to the Company in the manner specified in the Listing Rules to receive or otherwise have made available to him notices and documents to be given or issued to him by the Company by electronic means and whose registered address is outside Hong Kong may notify the Company in writing of an address in Hong Kong which for the purpose of service of notice shall be deemed to be his registered address. A member who has no registered address in Hong Kong shall be deemed to have received any notice which shall have been displayed at the transfer office and shall have remained there for a period of 24 hours and such notice shall be deemed to have been received by such member on the day following that on which it shall have been first so displayed, provided that, without prejudice to the other provisions of these Articles, nothing in this Article shall be construed as prohibiting the Company from sending, or entitling the Company not to send, notices or other documents of the Company to any member whose registered address is outside Hong Kong.

...

Service of notices
App-3
#7(1)

Members out of Hong Kong
App-3
#7(2)
App-3
#7(3)

32 Winding Up

32.1 Subject to the Companies Act, a special resolution shall be required to resolve that the Company be wound up voluntarily.

~~32.1~~32.2 If the Company shall be wound up (whether the liquidation is voluntary, under supervision or by the court) the liquidator may, with the authority of a special resolution of the Company and any other sanction required by the LawAct divide among the members *in specie* or kind the whole or any part of the assets of the Company (whether the assets shall consist of property of one kind or shall consist of properties of different kinds) and may for such purpose set such value as he deems fair upon any property to be divided 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 or sanction vest the whole or any part of such assets in trustees upon such trusts for the benefit of the members as the liquidator, with the like authority or sanction and subject to the LawAct, shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no member shall be compelled to accept any assets, shares or other securities in respect of which there is a liability.

~~32.2~~32.3 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. And if in a winding up 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 amongst the members in proportion to the capital paid up at the commencement of the winding up on the shares held by them respectively. This Article is to be without prejudice to the rights of the holders of shares issued upon special terms and conditions.

~~32.3~~32.4 In the event of a winding-up of the Company in Hong Kong, every member of the Company who is not for the time being in Hong Kong shall be bound, within 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 judgments 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

App 3
r.21

Power to
distribute assets
in specie
following
liquidation

Distribution
of assets in
liquidation

Service of
process

deemed to be service on the day following that on which the advertisement first appears or the letter is posted.

...

34 Financial Year

~~The financial year of the Company shall be prescribed by the Board and may, from time to time, be changed by it.~~

Financial year

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

35 Amendment of Memorandum and Articles

Subject to the ~~Law~~Act and the rights attaching to the various classes of shares, the Company may at any time and from time to time by special resolution alter or amend its Memorandum of Association and Articles of Association in whole or in part.

Amendment of
Memorandum
and Articles
App 433
Part B
r.416

36 Transfer by Way of Continuation

The Company shall, subject to the provisions of the Companies ~~Law~~Act and with the approval of a special resolution, have the power to register by way of continuation as a body corporate under the laws of any jurisdiction outside the Cayman Islands and to be deregistered in the Cayman Islands.

37 Mergers and Consolidations

The Company shall, with the approval of a special resolution, have the power to merge or consolidate with one or more constituent companies (as defined in the Companies ~~Law~~Act), upon such terms as the Directors may determine.

NOTICE OF ANNUAL GENERAL MEETING



Nexteer Automotive Group Limited 耐世特汽車系統集團有限公司

(Incorporated under the laws of the Cayman Islands with limited liability)

(Stock Code: 1316)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting (the “**Annual General Meeting**”) of Nexteer Automotive Group Limited (the “**Company**”) will be held on June 20, 2023 at 9:00 a.m. at Huashan Room, Island Shangri-La, Hong Kong, Pacific Place, Supreme Court Road, Central, Hong Kong for the following purposes of considering and, if thought fit, passing the following resolutions:

ORDINARY RESOLUTIONS

1. To consider and adopt the audited consolidated financial statements of the Company and the reports of the directors (the “**Directors**”) and auditor of the Company for the year ended December 31, 2022.
2. To declare a final dividend of US\$0.0047 per ordinary share of HK\$0.10 each (“**Shares**”) for the year ended December 31, 2022.
3. (a) To re-elect the following Directors:
 - (i) Mr. MILAVEC, Robin Zane as an Executive Director;
 - (ii) Ms. ZHANG, Wendong as a non-Executive Director;
 - (iii) Mr. SHI, Shiming as a non-Executive Director;
 - (iv) Dr. WANG, Bin as an independent non-Executive Director; and
 - (v) Mr. YUE, Yun as an independent non-Executive Director.
- (b) To authorise the board of Directors (the “**Board**”) of the Company to fix the remuneration of the Directors.
4. To re-appoint Deloitte Touche Tohmatsu as auditor of the Company and to authorise the Board to fix their remuneration.

NOTICE OF ANNUAL GENERAL MEETING

5. To consider as special business and, if thought fit, pass the following resolutions as ordinary resolutions:

(A) “**THAT:**

- (i) subject to paragraph (iii) below, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and otherwise deal with additional Shares, or options, warrants or similar rights to subscribe for Shares or other securities convertible into Shares and to make or grant offers, agreements and/or options (including bonds, warrants and debentures exchangeable for or convertible into Shares) and rights of exchange or conversion which may require the exercise of such powers be and is hereby generally and unconditionally approved;
- (ii) the approval in paragraph (i) above shall be in addition to any other authorisation given to the directors of the Company and shall authorise the directors of the Company during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and/or options (including bonds, warrants and debentures exchangeable or convertible into Shares) and rights of exchange or conversion which may require the exercise of such power after the end of the Relevant Period;
- (iii) the aggregate number of Shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) by the directors of the Company during the Relevant Period pursuant to paragraph (i) or (ii) of this resolution 5(A) above, otherwise than pursuant to:
 - (1) a Rights Issue (as hereinafter defined);
 - (2) the grant or exercise of any option under any share option scheme of the Company (if applicable) or any other option scheme or similar arrangements for the time being adopted for the grant or issue to the directors of the Company, officers and/or employees of the Company and/or any of its subsidiaries and/or other eligible participants specified thereunder of options to subscribe for Shares or rights to acquire Shares;
 - (3) any scrip dividend or similar arrangement providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company; or

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- (4) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any existing convertible notes issued by the Company or any existing securities of the Company which carry rights to subscribe for or are convertible into Shares,

shall not exceed 20% of the total number of issued Shares as at the date of passing this resolution and the approval shall be limited accordingly; and

- (iv) for the purpose of this resolution 5(A):
- (a) **“Relevant Period”** means the period from the passing of this resolution until whichever is the earliest of:
- (1) the conclusion of the next annual general meeting of the Company;
 - (2) the expiration of the period within which the next annual general meeting of the Company is required by any applicable laws or the articles of association of the Company to be held; or
 - (3) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting; and
- (b) **“Rights Issue”** means an offer of Shares, or an offer or issue of warrants, options or other securities which carry a right to subscribe for Shares, open for a period fixed by the directors of the Company to holders of Shares whose names appear on the register of members on a fixed record date in proportion to their holdings of Shares (subject to such exclusion or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or, having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the exercise or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction applicable to the Company, any recognised regulatory body or any stock exchange applicable to the Company).”

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(B) **“THAT:**

- (i) subject to paragraph (ii) below, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase Shares on The Stock Exchange of Hong Kong Limited (the **“Stock Exchange”**) or on any other stock exchange on which the Shares may be listed and recognised for this purpose by the Securities and Futures Commission of Hong Kong and the Stock Exchange in accordance with all applicable laws including The Codes on Takeovers and Mergers and Share Buy-backs and the Rules Governing the Listing of Securities on the Stock Exchange, be and is hereby generally and unconditionally approved;
- (ii) the aggregate number of Shares, which may be repurchased pursuant to the approval in paragraph (i) above of this resolution 5(B) during the Relevant Period shall not exceed 10% of the total number of issued Shares as at the date of passing of this resolution 5(B), and the said approval shall be limited accordingly; and
- (iii) for the purpose of this Resolution:

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

- (a) the conclusion of the next annual general meeting of the Company;
 - (b) the expiration of the period within which the next annual general meeting of the Company is required by any applicable laws or the articles of association of the Company to be held; or
 - (c) the revocation or variation of the authority given under this resolution by ordinary resolution of the shareholders of the Company in general meeting.”
- (C) **“THAT** conditional upon the passing of the resolutions 5(A) and 5(B), the general mandate referred to in the resolution 5(A) be and is hereby extended by the addition to the aggregate number of Shares which may be allotted, issued or otherwise dealt with or agreed conditionally or unconditionally to be allotted, issued or otherwise dealt with by the Directors pursuant to such general mandate of an amount representing the aggregate number of issued Shares repurchased or otherwise acquired by the Company pursuant to the general mandate pursuant to resolution 5(B), provided that such aggregate number of Shares so repurchased shall not exceed 10% of the total number of issued Shares as at the date of passing this resolution.”

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SPECIAL RESOLUTION

6. To consider and, if thought fit, pass the following resolution as a special resolution:

“**THAT:**

- (a) the proposed amendments (the “**Proposed Amendments**”) to the memorandum and articles of association of the Company currently in effect (the “**Existing Articles of Association**”), the details of which are set out in Appendix III to the circular of the Company dated May 19, 2023, be and are hereby approved;
- (b) the second amended and restated memorandum and articles of association of the Company incorporating and consolidating all the Proposed Amendments (the “**New Articles of Association**”), a copy of which has been produced to this meeting and initialed by the chairman of the meeting for the purpose of identification, be and are hereby approved and adopted as the memorandum and articles of association of the Company in substitution for, and to the exclusion of, the Existing Articles of Association with immediate effect; and
- (c) any Director or company secretary of the Company be and is hereby authorized to do all such acts and things and execute all such documents, deeds and make all such arrangements that he/she shall, in his/her absolute discretion, deem necessary or expedient to give effect to the Proposed Amendments and the adoption of the New Articles of Association, including without limitation, attending to the necessary filings with the Registrar of Companies in the Cayman Islands and Hong Kong.”

By order of the Board
Nexteer Automotive Group Limited
LEI Zili
Chairman and Chief Executive Officer

Hong Kong, May 19, 2023

Registered office:
P.O. Box 309
Ugland House
Grand Cayman
KY1-1104
Cayman Islands

Corporate headquarters:
1272 Doris Road
Auburn Hills, Michigan 48326
United States

*Principal place of business in
Hong Kong:*
31/F, Tower Two, Times Square
1 Matheson Street
Causeway Bay
Hong Kong

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Notes:

- (i) A shareholder entitled to attend and vote at the Annual General Meeting is entitled to appoint another person as his/her proxy to attend and vote instead of him/her. A proxy need not be a shareholder.
- (ii) In the case of joint holders of any Share, any one of such persons may vote at the Annual General Meeting, either personally or by proxy, in respect of such Share as if he/she were solely entitled thereto. However, if more than one of such joint holders be present at the above Annual General Meeting personally or by proxy, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other joint holder(s) and for this purpose seniority shall be determined as that one of the said persons so present whose name stands first on the register of members of the Company in respect of such Share shall alone be entitled to vote in respect thereof.
- (iii) In order to be valid, a form of proxy must be completed, signed and returned to the Hong Kong branch share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong together with the power of attorney or other authority (if any) under which it is signed (or a notarially certified copy thereof) not less than 48 hours before the time appointed for the holding of the Annual General Meeting or any adjournment thereof. The completion and return of the form of proxy shall not preclude the shareholders from attending and voting in person at the Annual General Meeting (or any adjourned meeting thereof) if they so wish.
- (iv) In respect of the ordinary resolution 2 above, the payment of the final dividend shall be made in US dollars, except that payment to shareholders whose names appear on the register of members in Hong Kong shall be paid in Hong Kong dollars. The relevant exchange rate shall be the opening buying rate of Hong Kong dollars to US dollars as announced by the Hong Kong Association of Banks (www.hkab.org.hk) on the day of the approval of the distribution at the above Annual General Meeting.
- (v) For determining the entitlement to attend and vote at the Annual General Meeting, the register of members of the Company will be closed from June 15, 2023 to June 20, 2023, both days inclusive, during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the Annual General Meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on June 14, 2023.
- (vi) The final dividend is payable on July 10, 2023 and the record date for entitlement to the proposed final dividend is June 29, 2023. For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed from June 27, 2023 to June 29, 2023, both days inclusive, during which no transfer of Shares will be registered. In order to qualify for the proposed final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited (address as per above) for registration no later than 4:30 p.m. on June 26, 2023.
- (vii) In respect of ordinary resolution 3 above, Mr. MILAVEC, Robin Zane, Ms. ZHANG, Wendong, Mr. SHI, Shiming, Dr. WANG, Bin and Mr. YUE, Yun will retire and being eligible, have offered themselves for re-election at the Annual General Meeting. The biographical details of each of the above retiring directors standing for re-election are set out in Appendix I to the circular dated May 19, 2023.
- (viii) In respect of the ordinary resolution 5(A) above, the directors wish to state that they have no immediate plans to issue any new Shares. Approval is being sought from shareholders of the Company as a general mandate for the purposes of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").
- (ix) In respect of ordinary resolution 5(B) above, the directors wish to state that they will exercise the powers conferred by the general mandate to repurchase Shares in circumstances which they deem appropriate for the benefits of shareholders of the Company. The explanatory statement containing the information necessary to enable shareholders of the Company to make an informed decision on whether to vote for or against the resolution to approve the repurchase by the Company of its own shares, as required by the Listing Rules, is set out in Appendix II to the circular dated May 19, 2023.