

**THIS CIRCULAR IS IMPORTANT AND REQUESTS YOUR IMMEDIATE ATTENTION**

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

If you have sold or transferred all your shares in AUTO ITALIA HOLDINGS LIMITED, you should at once hand this circular with the accompanying form of proxy to the purchaser(s) or transferee(s) or to the licensed securities dealer, bank or other agent through whom the sale was affected for transmission to the purchaser(s) or transferee(s).

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**AUTO ITALIA HOLDINGS LIMITED**  
**意達利控股有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 720)**

**PROPOSALS FOR  
RE-ELECTION OF RETIRING DIRECTORS,  
GENERAL MANDATE TO ISSUE NEW SHARES,  
GENERAL MANDATE TO BUY BACK SHARES,  
ADOPTION OF THE NEW SHARE OPTION SCHEME,  
PROPOSED AMENDMENTS TO THE BYE-LAWS AND  
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the AGM (as defined herein) of AUTO ITALIA HOLDINGS LIMITED to be held with a combination of an in-room meeting at 49th Floor, One Exchange Square, 8 Connaught Place Central, Hong Kong and an online virtual meeting via the e-Meeting System on Wednesday, 25 May 2022 at 2:00 p.m. or any adjournment thereof is set out on pages 59 to 65 of this circular. A form of proxy for use at the AGM is enclosed with this circular. The proxy form can also be downloaded from websites of the Company at [www.autoitalia.com.hk](http://www.autoitalia.com.hk) and Hong Kong Exchanges and Clearing Limited at [www.hkexnews.hk](http://www.hkexnews.hk). As set out in the section headed "Special Arrangements for the AGM" of this circular, the AGM will be a hybrid meeting. **The Company strongly encourages the Shareholders to exercise their rights to attend and vote at the AGM via the e-Meeting System.** As Shareholders will not be permitted to attend the AGM in person, all Shareholders (other than those who are required to attend the AGM physically to form a quorate meeting) who wish to appoint a proxy to attend and vote at the AGM are strongly encouraged to appoint the Chairman of the AGM as their proxy (for Shareholders who are required to attend the AGM physically to form a quorate meeting, a senior management member and/or a senior staff member of the Company shall be appointed as their proxy) by completing and signing the accompanying proxy form in accordance with the instructions printed thereon and returning it to the share registrar and transfer office of the Company in Hong Kong, Tricor Standard Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong or via the designated website (<https://spot-emeeting.tricor.hk>) by using the username and password provided on the notification letter sent by the Company as soon as possible and in any event, not less than 48 hours before the time appointed for holding of the AGM (i.e. at or before 2:00 p.m. on Monday, 23 May 2022 (Hong Kong time)) or any adjourned meeting (as the case may be).

Completion and return of the enclosed form of proxy will not preclude you from attending and voting at the AGM or any adjourned meeting (as the case may be) via the e-Meeting System should you so wish. In such event, the instrument appointing a proxy shall be deemed to be revoked.

22 April 2022

\* for identification purpose only

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## RESPONSIBILITY STATEMENT

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

## PRECAUTIONARY MEASURES FOR THE AGM

The health of our Shareholders, staff and stakeholders is of paramount importance to us. For the sake of health and safety of the AGM attendees, and in light of the directions under the Prevention and Control of Disease (Prohibition on Group Gathering) Regulation (Chapter 599G of the Laws of Hong Kong), the Company will implement the following special arrangements for the AGM to minimise attendance in person, while still enabling Shareholders to vote and ask questions:

### ATTENDING THE AGM VIA THE E-MEETING SYSTEM

**The AGM will be a hybrid meeting.** The AGM will be held with the minimum number of persons present as is required under the Bye-laws of the Company to form a quorate meeting, together with a limited number of other attendees (including the Chairman of the AGM) to ensure the proper conduct of the meeting. The quorum will be formed by senior management members and/or senior staff members of the Company who are Shareholders and/or their proxies to maintain an internal grouping and minimise the continuing risks posed by the COVID-19 pandemic at the AGM.

Given the above reasons, **NO other Shareholder, proxy or corporate representative should attend the AGM in person.** Other than those in the quorum and the limited number of other attendees to ensure the proper conduct of the meeting, any other person who attempts to attend the AGM in person will be denied entry to the venue of the AGM.

For the avoidance of doubt, the Board considers that the AGM is an important opportunity for Shareholders to express their views by raising questions and voting. Shareholders' participation in the AGM continues to be important. **The Company strongly encourages Shareholders to attend, participate and vote at the AGM through the e-Meeting System** provided by the share registrar and transfer office of the Company in Hong Kong, Tricor Standard Limited (the "**Share Registrar**"), by visiting the website - <https://spot-emeeting.tricor.hk> (the "**Online Platform**") by using the username and password provided on the notification letter sent by the Company. Shareholders participating in the AGM using the Online Platform will also be counted towards the quorum and they will be able to view the live video broadcast, cast their vote and submit questions through the Online Platform.

### HOW TO ATTEND AND VOTE

Shareholders who wish to attend the AGM and exercise their voting rights can be achieved in one of the following ways:

- (1) attend the AGM via the e-Meeting System which enables live streaming and interactive platform for submitting questions and voting online; or
- (2) appoint the Chairman of the AGM or other persons as your proxy by providing their email address for receiving the designated log-in username and password to attend and vote on your behalf via the e-Meeting System.

Your proxy's authority and instruction will be revoked if you attend and vote via the e-Meeting System at the AGM.

## PRECAUTIONARY MEASURES FOR THE AGM

The Online Platform permits a “split vote” on a resolution, in other words, a Shareholder casting his/her/its votes through the Online Platform does not have to vote all of his/her/its shares in the same way (“For” or “Against”). In the case of a proxy/corporate representative, he/she can vote such number of shares in respect of which he/she has been appointed as a proxy/corporate representative. Votes cast through the Online Platform are irrevocable once the votes have been cast.

The Online Platform will be opened for registered Shareholders and non-registered Shareholders (see below for login details and arrangements) to log in approximately 30 minutes prior to the commencement of the AGM and can be accessed from any location with internet connection by a smart phone, tablet device or computer. Shareholders should allow ample time to check into the Online Platform to complete the related procedures.

### **Registered Shareholders**

Registered Shareholders will be able to attend the AGM, view the live video broadcast vote and submit questions online through the Online Platform. Details regarding the AGM arrangements including login details to access the Online Platform are included in the Company’s notification letter to registered Shareholders (the “**Shareholder Notification**”) sent together with this circular.

### **Non-registered Shareholders**

Non-registered Shareholders whose shares are held in the Central Clearing and Settlement System through bank, stockbroker, custodians or Hong Kong Securities Clearing Company Limited (collectively the “**Intermediary**”) may also be able to attend the AGM, view the live video broadcast, vote and submit questions online through the Online Platform. In this regard, they should:

- (i) contact and instruct their Intermediary to appoint themselves as proxy or corporate representative to attend the AGM; and
- (ii) provide their email address(es) to their Intermediary before the time limit required by the relevant Intermediary.

Details regarding the AGM arrangements including login details to access the Online Platform will be sent by the Share Registrar to the email address(es) of the non-registered Shareholders provided by the Intermediary. Any non-registered Shareholder who has provided an email address through the relevant Intermediary for this purpose but has not received the login details by email by 2:00 p.m. on Tuesday, 24 May 2022 should reach out to the Share Registrar for assistance. Without the login details, non-registered Shareholders will not be able to participate and vote using the Online Platform. Non-registered Shareholders should therefore give clear and specific instructions to their Intermediary in respect of both (i) and (ii) above.

### **Proxies or corporate representatives**

Details regarding the AGM arrangements including login details to access the Online Platform will be sent by the Share Registrar to the email address of the proxies provided to it in the relevant proxy forms.

## PRECAUTIONARY MEASURES FOR THE AGM

Registered and non-registered Shareholders should note that only one device is allowed in respect of each set of login details. Please also keep the login details in safe custody for use at the AGM and do not disclose them to anyone else. Neither the Company nor its agents assume any obligation or liability whatsoever in connection with the transmission of the login details or any use of the login details for voting or otherwise.

### QUESTIONS AT AND PRIOR TO THE AGM

Shareholders attending the AGM using the Online Platform will be able to submit questions relevant to the proposed resolution(s) online during the AGM. Shareholders can also send their questions by email from 9:00 a.m. on Thursday, 19 May 2022 to 6:00 p.m. on Monday, 23 May 2022 to [ir@autoitalia.com.hk](mailto:ir@autoitalia.com.hk). Whilst the Company will endeavour to respond to as many questions as possible at the AGM, due to time constraints, unanswered questions may be responded to after the AGM as appropriate.

### APPOINTMENT OF PROXY

Shareholders are encouraged to submit their completed proxy forms and appoint the Chairman of the AGM as their proxy well in advance of the AGM. Return of a completed proxy form will not preclude Shareholders from attending and voting via the e-Meeting System at the AGM or any adjournment thereof should they subsequently so wish and, in such event, the instrument appointing a proxy shall be deemed to be revoked.

#### Submission of proxy forms for registered Shareholders

A proxy for use at the AGM is enclosed with this circular. A copy of the proxy form can also be downloaded from websites of the Company at [www.autoitalia.com.hk](http://www.autoitalia.com.hk) and Hong Kong Exchanges and Clearing Limited at [www.hkexnews.hk](http://www.hkexnews.hk). Shareholders are requested to complete the accompanying proxy form in accordance with the instructions printed thereon and return the same to the Share Registrar at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong or via the designated website (<https://spot-emeeting.tricor.hk>) by using the username and password provided on the notification letter sent by the Company as soon as possible but in any event not less than 48 hours before the time appointed for holding of the AGM (i.e. at or before 2:00 p.m. on Monday, 23 May 2022 (Hong Kong time)) or any adjournment thereof. Registered Shareholders submitting the proxy form are requested to provide a valid email address of his or her proxy (except for appointment of the Chairman of the AGM) for the proxy to receive the username and password to participate the online virtual meeting via the Online Platform.

#### Appointment of proxy for non-registered Shareholders

Non-registered Shareholders should contact their Intermediary as soon as possible for assistance in the appointment of proxy.

**Due to the constantly evolving COVID-19 pandemic situation in Hong Kong, the Company may be required to change or adopt contingency plans for the AGM arrangements at short notice. Shareholders are advised to check the latest announcements published by the Company for future updates on the AGM arrangements.**

## DEFINITIONS

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

“Adoption Date”	the date on which the New Share Option Scheme be adopted by ordinary resolution of the Company at a general meeting of the Shareholders;
“AGM”	the hybrid annual general meeting of the Company to be held on Wednesday, 25 May 2022 at 2:00 p.m., or any adjournment thereof, with the combination of a physical meeting at 49th Floor, One Exchange Square, 8 Connaught Place Central, Hong Kong and an online virtual meeting to consider, if appropriate, to approve the resolutions contained in the notice of AGM which is set out on pages 59 to 65 of this circular;
“Amended and Restated Bye-laws”	the amended and restated Bye-laws to be considered and approved for adoption by the Shareholders at the AGM;
“associate(s)”	has the meaning ascribed thereto in the Listing Rules;
“Audit Committee”	the audit committee of the Company;
“Auditors”	the auditors for the time being of the Company;
“Board”	the board of Directors;
“Buy Back Mandate”	the general and unconditional mandate to be granted to the Directors at the AGM to buy back shares of the Company on the Stock Exchange of an aggregate number not exceeding 10% of the aggregate number of Shares of the issued share capital of the Company as at the date of the passing of the resolution approving such mandate;
“Bye-laws”	the existing bye-laws of the Company, as amended, supplemented or otherwise modified from time to time;
“Chief Executive Officer”	the chief executive officer of the Company;
“close associate(s)”	has the same meaning ascribed thereto in the Listing Rules;
“Companies Act”	Companies Act 1981 of Bermuda (as amended, supplemented or otherwise modified from time to time);
“Company”	AUTO ITALIA HOLDINGS LIMITED, an exempted company incorporated in Bermuda with limited liability, whose Shares are listed on the Main Board of the Stock Exchange;
“controlling shareholder(s)”	has the meaning ascribed thereto under the Listing Rules;

## DEFINITIONS

“core connected person”	has the same meaning ascribed thereto in the Listing Rules;
“Director(s)”	the director(s) of the Company;
“the e-Meeting System”	the electronic meeting system facilitating the conduct of the AGM
“Eligible Employee”	any employee or proposed employee (whether full time or part time employee, including any executive Director but not any non- executive Director) of the Company, its subsidiaries and any Invested Entity;
“Executive Chairman”	the chairman of the Board;
“Executive Director(s)”	the executive director(s) of the Company;
“Executive Directors’ Committee”	the executive directors’ committee of the Company;
“Existing Share Option Scheme”	the share option scheme adopted by the Company on 28 May 2012 which will expire on 27 May 2022;
“Extension Mandate”	the general and unconditional mandate to be granted to the Directors at the AGM to exercise all the power to extend the Issue Mandate by the amount representing the aggregate number of Shares bought back by the Company pursuant to and in accordance with the Buy Back Mandate as at the date of the passing of the resolution approving such mandate;
“Grantee”	any Participant who accepts the offer of the grant of any Option in accordance with the terms of the New Share Option Scheme or (where the context so permits) a person entitled to any such Option in consequence of the death of the original Grantee;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Independent Non-executive Director(s)”	the independent non-executive director(s) of the Company;
“Invested Entity”	any entity in which the Group holds any equity interest;



## DEFINITIONS

“Issue Mandate”	the general and unconditional mandate to be granted to the Directors at the AGM to exercise all the power to allot, issue and otherwise deal with new Shares, options and warrants of the Company of an aggregate number not exceeding 20% of the aggregate number of issued share capital of the Company as at the date of the passing of the resolution approving such mandate;
“Latest Practicable Date”	14 April 2022, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“New Share Option Scheme”	the share option scheme to be adopted by the Company at the AGM, principal terms of which are set out in Appendix III of this circular;
“Nomination Committee”	the nomination committee of the Company;
“Option(s)”	the share option(s) to be granted under the New Share Option Scheme to subscribe for the Shares in accordance with the terms and conditions thereof;
“Option Period”	has the meaning ascribed to it under paragraph 4 of Appendix III of this circular;
“Participant”	has the meaning ascribed to it under paragraph 3 of Appendix III of this circular;
“Related Entity”	any holding company, fellow subsidiary or associated company of the Company;
“Remuneration Committee”	the remuneration committee of the Company;
“Service Provider”	person(s) who provide services to the Group in its ordinary and usual course of business which are material to the long term growth of the Group as determined by the Remuneration Committee. For the avoidance of doubt, Service Providers would not include placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions, or consultants providing professional services to the Group;
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time;
“Share(s)”	ordinary share(s) of HK\$0.02 each in the share capital of the Company;

## DEFINITIONS

“Shareholder(s)”	holder(s) of Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription Price”	the price per Share at which a Grantee may subscribe for Shares on the exercise of an Option;
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules;
“Takeovers Code”	the Code on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission of Hong Kong, as amended, supplemented or otherwise modified from time to time;
“Vice-Chairman”	the vice chairman of the Board;
“VMSIG”	VMS Investment Group Limited, the substantial shareholder of the Company; and
“%”	per cent.



**AUTO ITALIA HOLDINGS LIMITED**  
**意達利控股有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 720)**

*Executive Directors:*

Mr CHONG Tin Lung Benny  
*(Executive Chairman and Chief Executive Officer)*  
Mr HUANG Zuie-Chin  
Mr NG Siu Wai  
Mr LIN Chun Ho Simon

*Independent Non-executive Directors:*

Mr KONG Kai Chuen Frankie  
Mr LEE Ben Tiong Leong  
Mr TO Chun Wai

*Registered office:*

Victoria Place, 5th Floor  
31 Victoria Street  
Hamilton HM10  
Bermuda

*Principal place of business in*

*Hong Kong:*  
49th Floor, One Exchange Square  
8 Connaught Place  
Central, Hong Kong

22 April 2022

*To all Shareholders*

Dear Sir or Madam,

**PROPOSALS FOR  
RE-ELECTION OF RETIRING DIRECTORS,  
GENERAL MANDATE TO ISSUE NEW SHARES,  
GENERAL MANDATE TO BUY BACK SHARES,  
ADOPTION OF THE NEW SHARE OPTION SCHEME,  
PROPOSED AMENDMENTS TO THE BYE-LAWS AND  
NOTICE OF ANNUAL GENERAL MEETING**

**INTRODUCTION**

The purpose of this circular is to provide you with information on matters to be dealt with at the AGM. They are (i) the proposed re-election of Mr LIN Chun Ho Simon, Mr KONG Kai Chuen Frankie and Mr LEE Ben Tiong Leong as Directors; (ii) the proposed grant of the Issue Mandate, the Buy Back Mandate and the Extension Mandate to the Directors; (iii) the proposed adoption of the New Share Option Scheme; and (iv) the proposed amendments to the Bye-laws.

\* *for identification purpose only*

## LETTER FROM THE BOARD

### PROPOSED RETIRING DIRECTORS FOR RE-ELECTION

According to Bye-law 99 of the Bye-laws, at each annual general meeting, one-third of the Directors (save for any chairman or managing director) for the time being, or if their number is not a multiple of three (3), the number nearest to but not greater than one-third, shall retire from office by rotation. The Directors to retire at every annual general meeting shall be those who have been longest in office since their last election but as between persons who became Directors on the same day, those to retire, unless they otherwise agree between themselves, shall be determined by lot. Such retiring Directors shall be eligible for re-election.

Mr KONG Kai Chuen Frankie (“**Mr Kong**”) and Mr LEE Ben Tiong Leong (“**Mr Lee**”), each an Independent Non-executive Director, being the Directors longest in office since their last election, shall retire at the AGM and, being eligible, shall offer themselves for re-election.

Each of Mr Kong and Mr Lee has indicated their willingness to be re-elected at the AGM.

According to Bye-law 102 of the Bye-laws, Mr LIN Chun Ho Simon, who was appointed as an Executive Director on 13 June 2021, shall hold office only until the next following general meeting of the Company, and shall then be eligible for re-election at that meeting.

Accordingly, Mr LIN Chun Ho Simon offer himself for re-election at the AGM.

The Nomination Committee considered and assessed the suitability of the above retiring Directors for re-election in accordance with the Nomination Committee Policy. The Nomination Committee also took into account the structure, size, composition and diversity (including the skills and knowledge), educational background and professional experience) of the Board as well as the various diversity aspects set out in the Board of Diversity Policy of the Company. Mr Kong, a Member of the Nomination Committee, has abstained from voting on his own nomination when it was considered.

Pursuant to the code provision A.4.3 (which has been renumbered as code provision B.2.3 with effect from 1 January 2022) of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules, serving more than nine years could be relevant to the determination of an independent non-executive director’s independence. If an independent non-executive director serves more than nine years, any further appointment of such independent non-executive director should be subject to a separate resolution to be approved by shareholders and the accompanying circular proposing their reelection should include reasons why the Board believes such independent non-executive director is still independent and should be re-elected.

Mr Kong was appointed as independent non-executive Director on 2013, and has served in such role for 9 years. He does not have any management role in the Group and he has no relationship with any other Directors, senior management, substantial or controlling shareholders of the Company. His re-election as independent non-executive Director will therefore be subject to separate resolutions to be approved by the Shareholders at the AGM. Mr Kong possesses appropriate professional qualification in

## LETTER FROM THE BOARD

accounting and financial management in accordance with the requirements under the Listing Rules. In addition, Mr Kong offers distinctive insight and guidance to the Board, devotion and commitment to the Board by bringing in fresh perspectives and providing constructive comments to the Board and Board Committee meetings. During the financial year ended 31 December 2021, Mr Kong has participated in all Board meetings and served on various board committees but have never engaged in any executive management. The attendance records of Mr Kong for the Board meetings and board committee meetings during the financial year ended 31 December 2021 are set out as follows:

Name of director	Meetings attended/held				
	Board	Audit Committee	Nomination Committee	Remuneration Committee	General meeting
Mr Kong	5/5	2/2	2/2	2/2	2/2

Each of Mr Kong and Mr Lee had confirmed his independence pursuant to Rule 3.13 of the Listing Rules. During their tenure as Independent Non-executive Directors, none of them is involved in the daily management of the Company nor in any relationship or circumstances which would materially interfere with their exercise of independent judgement. The Board also notes that each of Mr. Kong and Mr. Lee does not have any management role in the Group nor any relationship with any Directors, chief executive and senior management of the Company, substantial Shareholders or controlling Shareholders.

The Nomination Committee and the Board are also not aware of any circumstance that might influence Mr. Kong or Mr. Lee in exercising independent judgment, and are satisfied that they have the required character, integrity, independence and experience to fulfil the role of Independent Non-executive Director. On this basis, the Nomination Committee and the Board considered that each of Mr. Kong and Mr. Lee is independent in accordance with the independence guidelines set out in the Listing Rules.

The Nomination Committee has reviewed the structure and composition of the Board, the confirmations and disclosures given by the Directors, the qualifications, skills and experience, time commitment and contribution of each of the retiring Directors with reference to the nomination principles and criteria set out in the Company's board diversity policy and the Company's corporate strategy and the independence of all the Independent Non-executive Directors.

The Board, having considered the recommendation of the Nomination Committee, is of the view that the diverse and invaluable knowledge, skill sets and experience of each of Mr Kong and Mr Lee in the business of the Group and their general business acumen continue to generate significant contribution to the Company and the Shareholders as a whole, and therefore, the Board would recommend Mr Kong and Mr Lee for re-election at the AGM.

Bye-law 103 of the Bye-laws provides that no person, other than a retiring Director, shall, unless recommended by the Board for election, be eligible for election to the office of Director at any general meeting, unless not less than seven (7) days before the date appointed for the meeting there shall have been lodged at the office of the Company a notice in writing signed by a Shareholder (other than the person to be proposed) duly

## LETTER FROM THE BOARD

qualified to attend and vote at the meeting for which such notice is given of his/her/its 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.

Accordingly, if a Shareholder wishes to nominate a person to stand for election as a Director at the AGM, notice of his/her/its intention to propose such person for election as a Director and the notice executed by the nominee of his/her/its willingness to be elected must be validly served at the principal place of business of the Company in Hong Kong at 49th Floor, One Exchange Square, Central, Hong Kong for the attention of the Company Secretary on or before Monday, 16 May 2022.

Biographical details of the retiring Directors offering themselves for re-election at the AGM are set out in Appendix I to this circular. If a valid notice from a Shareholder to propose a person to stand for election as a Director at the AGM is received after the printing of this circular, the Company will issue a supplementary circular to inform Shareholders of the details of the additional candidate(s) proposed.

### **PROPOSED GRANT OF THE ISSUE MANDATE, THE BUY BACK MANDATE AND EXTENSION MANDATE**

At the last annual general meeting of the Company held on 26 May 2021, general mandates were given to the Directors to exercise the powers of the Company to issue Shares and to buy back Shares respectively. Such general mandates will lapse at the conclusion of the AGM.

At the forthcoming AGM, the ordinary resolutions for approving the Issue Mandate, the Buy Back Mandate and the Extension Mandate will be proposed for the Shareholders to consider and, if though fit, grant the new general mandates to the Directors to exercise the power of the Company. Details of the Issue Mandate, the Buy Back Mandate and the Extension Mandate are respectively set out in Resolutions 4, 5 and 6 in the notice of the AGM set out on pages 59 to 65 of this circular.

The Buy Back Mandate and the Issue Mandate will continue in force until the earlier 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 the Bye-laws or any applicable laws to be held; (c) the date on which the authority given under the ordinary resolution approving the Buy Back Mandate and/or the Issue Mandate is/are revoked or varied by an ordinary resolution of the Shareholders.

The Directors wish to state that they have no immediate plans to issue any new Shares pursuant to the Issue Mandate or to buy back any Shares pursuant to the Buy Back Mandate.

#### **Issue Mandate**

An ordinary resolution will be proposed to grant to the Directors the Issue Mandate, in the terms set out in Resolution 4 of the notice of the AGM, to exercise all the power to allot, issue and otherwise deal with new Shares, options and warrants of the Company of an aggregate number not exceeding 20% of the aggregate number of Shares of the issued share capital of the Company as at the date of passing the relevant resolution and adding the aggregate nominal amount of any Shares bought back by the Company pursuant to the Buy Back Mandate.

## LETTER FROM THE BOARD

As at the Latest Practicable Date, the Company had an aggregate of 5,292,515,390 Shares in issue. Subject to the passing of the relevant resolution to approve the Issue Mandate and assuming there are no Shares issued or bought back during the period from the Latest Practicable Date to the date of the AGM, the total number of Shares which may be issued pursuant to the Issue Mandate will be 1,058,503,078.

### **Buy Back Mandate**

An ordinary resolution will also be proposed to grant to the Directors the Buy Back Mandate, in the terms set out in Resolution 5 of the notice of the AGM, to exercise the power to buy back Shares on the Stock Exchange of an aggregate number not exceeding 10% of the aggregate number of issued share capital of the Company of 5,292,515,390 Shares as at the date of passing of the relevant resolution.

As at the Latest Practicable Date, the Company had an aggregate of 5,292,515,390 Shares in issue. Subject to the passing of the relevant resolution to approve the Buy Back Mandate and assuming there are no Shares issued or bought back during the period from the Latest Practicable Date to the date of the AGM, the total number of Shares which may be bought back pursuant to the Buy Back Mandate will be 529,251,539.

An explanatory statement to provide relevant information in respect of the Buy Back Mandate is set out in Appendix II to this circular.

### **Extension Mandate**

An ordinary resolution will also be proposed to grant to the Directors the Extension Mandate, in the terms set out in the notice of the AGM, to exercise the power to extend the Issue Mandate by the amount representing the aggregate number of the Share bought back by the Company pursuant to and in accordance with the Buy Back Mandate as at the date of passing of the relevant resolution.

### **PROPOSED TERMINATION OF THE EXISTING SHARE OPTION SCHEME**

The Existing Share Option Scheme was adopted by the Company on 28 May 2012 and will expire on 27 May 2022. The Directors consider that it is in the best interests of the Company to adopt the New Share Option Scheme in place of the Existing Share Option Scheme, and therefore propose that the Existing Share Option Scheme be terminated and the New Share Option Scheme be adopted by the Shareholders at the AGM. Upon termination of the Existing Share Option Scheme, no further options will be granted under the Existing Share Option Scheme. However, the rules of the Existing Share Option Scheme will remain in full force and effect to the extent necessary to give effect to the exercise of any option granted prior to its termination, or otherwise to the extent as may be required in accordance with the rules of the Existing Share Option Scheme. All options granted under the Existing Share Option Scheme prior to its termination will continue to be valid and exercisable in accordance with the rules of the Existing Share Option Scheme.

As at the Latest Practicable Date, there were 325,700,000 outstanding options which entitle the holders to subscribe for 325,700,000 Shares in aggregate. The Directors confirm that prior to the AGM, the Company has no intention to grant any further options under the Existing Share Option Scheme.

## LETTER FROM THE BOARD

Set out below are the details of the outstanding share options under the Existing Share Option Scheme:

Name of participant	Date of grant	Exercise price (HK\$)	Exercise period	Number of outstanding share options as at the Latest Practicable Date (Note 4)
<b>Directors</b>				
Mr. CHONG Tin Lung Benny ("Mr. Chong")	07/10/2020 (Note 1)	0.1754	27/07/2021 to 26/07/2025 (Note 3)	60,000,000
Mr. LIN Chun Ho Simon	15/06/2017	0.0932	15/06/2018 to 14/06/2023 (Note 3)	18,700,000
	27/07/2020	0.1754	27/07/2021 to 26/07/2025 (Note 3)	30,000,000
Mr. HUANG Zuie-Chin ("Mr. Huang")	07/10/2020 (Note 1)	0.1754	27/07/2021 to 26/07/2025 (Note 3)	60,000,000
Mr. NG Siu Wai ("Mr. Ng")	07/10/2020 (Note 1)	0.1754	27/07/2021 to 26/07/2025 (Note 3)	60,000,000
Consultants of the Group (the "Consultants")	27/07/2020 (Note 2)	0.1754	27/07/2021 to 26/07/2025 (Note 3)	97,000,000

Notes:

- These share options were conditionally granted on 27 July 2020 and approved by the Company's special general meeting on 7 October 2020.
- These outstanding share options were granted to four (4) Consultants, each being an independent third party (who is not a connected person) of the Company. The purpose for granting options to the Consultants were to provide incentives to them to lead, identify and/or exploit business opportunities in the life science sector as the Consultants have been working in the life science business of the Company without being entitled to any fixed salaries or emoluments. The Company considered that this is in line with the objective of the Company's share option scheme to provide incentives or rewards to participants for their contribution to the Group and to retain human resources that are valuable to the Group. The scope of services provided by the Consultants are the same, which include, with respect to the Company's life science business, performing technical due diligence on potential investment opportunities, coordinating business cases for investment proposals, conceptualizing and running strategic plans for the Company's business initiatives, managing relationships with investors and executing fund raising activities.
- Such share options shall vest in the grantees in accordance with the timetable below:-

Vesting date	Percentage of share options to vest
First anniversary of the date of offer	40% of the total number of options
Second anniversary of the date of offer	30% of the total number of options
Third anniversary of the date of offer	30% of the total number of options
- The outstanding options are not subject to any performance targets.



## LETTER FROM THE BOARD

According to the terms of the Existing Share Option Scheme, the Company may by ordinary resolution in general meeting terminate the operation of the Existing Share Option Scheme, and in such event no further options can be granted under the Existing Share Option Scheme.

### **PROPOSED ADOPTION OF THE NEW SHARE OPTION SCHEME**

#### **Purpose of the New Share Option Scheme**

As the Existing Share Option Scheme will expire on 27 May 2022, the Board proposes to adopt the New Share Option Scheme to provide incentives or rewards to Participants for their contribution to the Group and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group and any Invested Entity.

#### **Conditions for adoption of the New Share Option Scheme**

The adoption of the New Share Option Scheme is subject to the following conditions:

- (a) the passing of an ordinary resolution by the Shareholders at the AGM approving the termination of the Existing Share Option Scheme and the adoption of the New Share Option Scheme; and
- (b) the Listing Committee of the Stock Exchange granting the approval of the listing of, and permission to deal in, the Shares falling to be issued pursuant to the exercise of the Options granted under the New Share Option Scheme.

If the above conditions are not satisfied on or before the date falling 30 days after the date of the general meeting of the Company convened for the purposes of approving the adoption of the New Share Option Scheme, the New Share Option Scheme shall forthwith determine and no person shall be entitled to any rights or benefits or be under any obligations under or in respect of the New Share Option Scheme.

As at the Latest Practicable Date, none of the conditions of the New Share Option Scheme had been fulfilled. Application will be made to the Listing Committee of the Stock Exchange for the approval of the listing of, and permission to deal in, the Shares falling to be issued pursuant to the exercise of the Options granted under the New Share Option Scheme.

#### **Principal terms of the New Share Option Scheme**

A summary of the principal terms of the New Share Option Scheme is set out in Appendix III to this circular.

## LETTER FROM THE BOARD

The rules of the New Share Option Scheme set out the basis for determining the minimum subscription price (which is summarized in paragraph 10 of Appendix III) and the manner for exercising the Options (which is summarized in paragraph 12 of Appendix III). The Board considers that the aforesaid criteria and rules will serve to preserve the value of the Company and encourage the Participants to acquire proprietary interests in the Company.

### **Comparison with the terms of the Existing Share Option Scheme**

The New Share Option Scheme is substantially similar to the Existing Share Option Scheme and is largely in line with the market form. The major differences between the Existing Share Option Scheme and the New Share Option Scheme include the following:

- (a) the New Share Option Scheme further sets out the factors to be considered by the Board in (i) assessing the eligibility of the Participants (including those Participants who are not an employee or a director of the Group and (ii) evaluating whether any suppliers, customers and Service Providers have or will contribute to the Group;
- (b) the scope of the participants under the Existing Share Option Scheme includes (i) any person or entity that provides research, development or other technological support to the Group or any Invested Entity; (ii) any holder of any securities issued by any member of the Group or any Invested Entity; (iii) any employee, partner or director of any business partner, joint venture partner, financial adviser and legal adviser of and to any member of the Group or any Invested Entity, whereas such categories have not been set out in the New Share Option Scheme (note however that persons falling under category (i) above may qualify as a Service Provider in the New Share Option Scheme). The New Share Option Scheme in turn includes (x) Service Providers and (y) directors and employees of the Related Entity in the scope of participants, whereas such categories have not been set out in the Existing Share Option Scheme;
- (c) the maximum option period under the New Share Option Scheme is ten (10) years from the date of grant (the Existing Share Option Scheme: six (6) years from the date of grant);
- (d) the New Share Option Scheme has revised the terms relating to the restriction of the time of grant of Options in order to align with the requirements under Rule 17.05 of the Listing Rules, and included a provision that, the period during which no Option may be granted will cover any period of delay in the publication of a results announcement;
- (e) the New Share Option Scheme has included a provision that, save as determined at the discretion of the Board and stated in the offer of grant of an Option, there is no minimum holding period before an Option is exercisable;
- (f) the New Share Option Scheme expands the types of alteration to the Scheme which requires approval by a resolution by the Shareholders in general meeting to also include alteration in relation to the matters set out in Rule 17.03 of the Listing Rules to the advantage of the Grantees;

## LETTER FROM THE BOARD

- (g) the Existing Share Option Scheme provides that any cancellation of options granted but not exercised shall be conducted either (i) by approval of the Board and the Shareholders in general meeting with their associates abstaining from voting; or (ii) by approval by the Board and prior written consent from the relevant Grantee, whereas the New Share Option Scheme only allows for cancellation of such Options upon approval by the Board and prior written consent from the relevant Grantee;
- (h) the New Share Option Scheme further specifies that cancelled options cannot be added back to replenish the scheme mandate, whereas the Existing Share Option Scheme is silent on that.

### Eligibility of the Participants

As disclosed in paragraph 3 of Appendix III to this circular, the basis of eligibility of any of the above class of Participants to the grant of any Options shall be determined by the Directors from time to time on the basis of their contribution to the development and growth of the Group and any Invested Entity. For each category of Participants (in particular, Participants who is not an employee or director of the Group), the Board will assess the eligibility of the relevant Participant based on the following factors:

- (a) the Participant's potential and/or actual contribution to the business affairs of and benefits to the Group or the Invested Entity (in terms of, including without limitation, proactively promoting/catalyzing the continuing development and growth of the Group or the Invested Entity, and bringing innovation, new talents and expertise to the Group or the Invested Entity), with regard to the quality or importance of services/goods provided/supplied or expected to be provided/supplied by such Participants to the Group or the Invested Entity, and the actual or expected change in the Group's or any Invested Entity's performance which is or may be attributable to the provision or supply of such services/goods;
- (b) the potential/actual degree of involvement in and/or cooperation with the Group or the Invested Entity with regard to the number, scale and nature of the projects, and the period of engagement/cooperation/business relationship with the Group or the Invested Entity; and/or
- (c) whether the Participant is regarded as a valuable human resource of the Group or the Invested Entity based on his/her work experience, professional qualifications, knowledge in the industry or other relevant factors (including without limitation technical know-how, market competitiveness, synergy between him/her and the Group, external business connections, strategic value, and repute and credibility).

The Company considers that the inclusion of persons other than the employees and directors of the Group as Participants is appropriate, as the successful development of the Group could not be achieved by the Directors and employees alone and will also depend on the cooperation of the business partners of the Group, including suppliers, customers and Service Providers, as well as personnel of the Invested Entities and the Related Entities which all play an important role in the business of the Group. Given the success of the Group requires the cooperation and contribution from such parties, the inclusion of

## LETTER FROM THE BOARD

any potential suppliers, customers and Service Providers as well as personnel of the Invested Entities and the Related Entities is to provide the Board with sufficient flexibility under the New Share Option Scheme to grant Options incentivize and reward persons who have or will contribute to the Group and serve the purpose of the New Share Option Scheme. In the event that any such person is able to contribute to the Group or any Invested Entity by being a long-term strategic investor or business partner, or by introducing potential business opportunities to the Group or any Invested Entity, the New Share Option Scheme can align the interest of the Group and these external parties, and provide incentive and reward for the participation and involvement in promoting the business of the Group or any Invested Entity. In particular, the grant of Share Options will offer incentives for suppliers to offer more economic and high quality supplies to the Group; for customers to maintain long term and sustainable business relationships with the Group; and for Service Providers to provide better services to the Group, all of which are material and beneficial to the long-term growth of the Group. Further, notwithstanding that certain Participants (in particular, employees, directors and other personnel related to the Invested Entity and the employees and directors of the Related Entity) may not be employed directly under the Group, such Participants may be providing services or be involved in projects which contributes to the success of the Group and/or the Invested Entities (with or without being entitled to any remuneration or emoluments), and may also be a valuable human resource of the Group or the Invested Entities.

Based on the above, the Board considers that the inclusion of these persons other than the employees and directors of the Group is appropriate and in the interest of the Company and the Shareholders as a whole; and is in line with the objectives of the Company's share option scheme provide incentives or rewards to participants for their contribution to the Group and to retain human resources that are valuable to the Group.

Upon the adoption of the New Share Option Scheme, in evaluating whether any suppliers, customers, Service Providers and personnel of the Invested Entities and the Related Entities have or will contribute to the Group, the Company will consider various factors including (i) their length of providing the relevant services to the Group; (ii) the materiality and nature of their services provided to the Group (including for example whether they relate to the core business of the Group and whether such services could be readily replaced by third parties); (iii) their track record in the quality of services provided to the Group; and (iv) whether the transaction amount is significant relative to the revenue or costs of the Group.

### **Minimum holding period and vesting conditions**

The New Share Option Scheme provides that, unless otherwise determined by the Board and provided in the letter containing the offer, there is no minimum period for which an Option must be held before it can be exercised and no performance target which needs to be achieved by the Grantee before an Option can be exercised. The Board may in its absolute discretion impose on an eligible person any conditions, restrictions and/or limitations (as the case may be) in relation to, among other things, the grant and/or exercise (as the case may be) of an Option (which shall be stated in the letter containing the offer) and determine the Subscription Price, on the basis, and subject to any adjustments, as indicated therein.

## LETTER FROM THE BOARD

The conditions may include but not limited to vesting of the Options by reference to years of service or performance target(s). The Directors consider that the provisions enabling the Company to impose conditions will not cause any immediate dilutive effect on the shareholdings of the existing Shareholders on one hand, while on the other hand provides incentives to the Participants to work towards the success of the Company and provide flexibility to the board. The Directors believe that these provisions and such other terms as may be determined by the Board will serve to protect the value of the Shares as well as to achieve the purpose of the New Share Option Scheme.

Notwithstanding that, generally speaking, no performance target may be required, the Company will consider all relevant matters, including but not limited to the matters set forth above, in carefully selecting the Participants to whom grants will be made and in determining the number of Options to be granted to such Participants. In considering the grant of Options to a Participant who is not an employee or a director of the Group, the Board will also carefully consider and assess the contribution or potential contribution of such Participant and may set a more restrictive vesting period or vesting conditions such as quantifiable key performance indicators to ensure that the grant of Options to such Participant will be beneficial to the Group.

The Remuneration Committee and the Board consider that, given the purpose of the New Share Option Scheme is not only to reward certain quantifiable contribution to the Group, but also to incentivize talents by aligning their interests with the Shareholders, as well as to retain valuable human resources to enhance the long-term success of the Group, the Board should have the flexibility and discretion to determine whether and what performance targets should be imposed on a case-by-case basis, but performance targets should not be mandatory.

### **Number of Shares to be issued upon exercise of Options**

As at the Latest Practicable Date, the issued share capital of the Company was 5,292,515,390 Shares. Assuming that the issued share capital of the Company will remain unchanged from the Latest Practicable Date up to the date of the adoption of the New Share Option Scheme, the maximum number of Shares which may be issued upon exercise of all Options to be granted under the New Share Option Scheme and any other schemes of the Company, if any, in aggregate will be 529,251,539 Shares, representing 10% of the Shares in issue as at the Adoption Date. The maximum number of Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the scheme and any other schemes must not exceed 30% of the total number of the Shares in issue from time to time (i.e. 1,587,754,617 Shares). Based on the 325,700,000 outstanding options granted under the Existing Share Option Scheme, and assuming that the maximum number of 529,251,539 options would be granted under the New Share Option Scheme and there being no other change to the total number of Shares in issue, the aggregate number of Shares which may be issued upon exercise of all outstanding options granted/to be granted but yet to be exercised will be 854,951,539, which falls below the 30% threshold.

As at the Latest Practicable Date, no discussion has been carried out in the Board nor the Remuneration Committee relating to the granting of any Option to the Participants. The Board will consider, among other factors, the timing, performance of the

## LETTER FROM THE BOARD

individuals and entities as well as performance of the Company when granting Options under the New Share Option Scheme as and when it becomes effective and will comply with the Listing Rules upon such grants.

### **Value of the Options**

The Directors consider that it is not appropriate to state the value of all Options that can be granted pursuant to the New Share Option Scheme as if they had been granted on the Latest Practicable Date since the calculation of such value depends on a number of variables which cannot be ascertained at this stage, or can only be ascertained subject to a number of theoretical bases and speculative assumptions. Such variables include, without limitation, the subscription price for the Shares to be issued upon exercise of the Options, the timing of the grant of such Options and the exercise period. Accordingly, the Directors believe that any calculation of the value of the Options as at the Latest Practicable Date based on a number of speculative assumptions will not be meaningful and may be misleading to Shareholders.

### **Document on display**

A copy of the New Share Option Scheme will be published on the websites of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company at [www.autoitalia.com.hk](http://www.autoitalia.com.hk) for display for a period of not less than 14 days before the date of the AGM and made available for inspection at the AGM.

### **Other matters relating to the New Share Option Scheme**

At the AGM, ordinary resolutions will be proposed for the Shareholders to consider and, if thought fit, approve the termination of the Existing Share Option Scheme and the adoption of the New Share Option Scheme. So far as the Directors are aware of, as at the Latest Practicable Date, none of the Shareholders is required to abstain from voting for the said resolutions.

No trustee had been or will be appointed for the administration of the New Share Option Scheme.

### **PROPOSED AMENDMENTS TO THE BYE-LAWS AND ADOPTION OF THE AMENDED AND RESTATED BYE-LAWS**

Reference is made to the announcement of the Company dated 13 April 2022. For the purposes of reflecting and aligning with the new requirements under the amendments on the Listing Rules which came into effect on 1 January 2022, the Board proposes to amend the existing Bye-laws and to adopt the Amended and Restated Bye-laws in substitution for, and to the exclusion of, the existing Bye-laws.

The proposed amendments to the Bye-laws (the “**Proposed Amendments**”) comprise amendments mainly related to the core shareholder protection standards set out in Appendix 3 to the Listing Rules. In addition, other house-keeping amendments have also been incorporated to reflect consequential changes in conjunction with the Proposed Amendments.

## LETTER FROM THE BOARD

The key Proposed Amendments are summarised as below:

- (a) to provide that a special resolution of the Shareholders in general meetings of the Company shall be required to approve any rescissions, alterations and amendments to the Bye-laws;
- (b) to provide that the maximum number of days that the register of members of the Company may be closed shall not exceed in the whole thirty (30) days in each year;
- (c) to provide that the Company must hold an annual general meeting within six months after the end of its financial year every financial year;
- (d) to allow any one or more Shareholders holding a minority stake of not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company to be able to convene a special general meeting for the transaction of any business or resolution by written requisition to the Company;
- (e) to remove the notice requirement of not less than twenty-one (21) clear days applicable to special general meetings of the Company at which the passing of a special resolution is to be considered, and to provide that all general meetings (other than an annual general meeting) of the Company must be called by notice of not less than fourteen (14) clear days;
- (f) to clarify that eligible Shareholders shall have the right to (i) speak at a general meeting of the Company; and (ii) vote at a general meeting of the Company except where a Shareholder is required by the Listing Rules to abstain from voting to approve the matter under consideration; and
- (g) to require a resolution passed by a majority of not less than two-thirds of the votes cast at a general meeting of the Company for removal of the Company's auditor before the expiration of its term of office.

Details of the Proposed Amendments are set out in Appendix IV to this circular. Shareholders are advised that the Bye-laws are in English only and that the Chinese translation of the "Proposed Amendments to the Bye-laws" contained in Appendix IV to this circular is for reference only. In case of any inconsistency, the English version shall prevail.

The legal advisers to the Company as to Hong Kong laws have confirmed that the Proposed Amendments comply with the requirements of the Listing Rules and the legal advisers to the Company as to Bermuda laws have confirmed that the Proposed Amendments do not violate the applicable laws of Bermuda. The Company confirms that there is nothing unusual about the Proposed Amendments for a Bermuda company listed on the Stock Exchange.

The Proposed Amendments and adoption of the Amended and Restated Bye-laws are subject to the approval of the Shareholders by way of a special resolution at the AGM, details of which are set out in Resolution 8 in the notice of the AGM set out on pages 59 to 65 of this circular.

## LETTER FROM THE BOARD

### AGM

A notice convening the AGM is set out on pages 59 to 65 of this circular and a form of proxy for use at the AGM is herein enclosed. Such form of proxy for use at the AGM is also published on the websites of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company at [www.autoitalia.com.hk](http://www.autoitalia.com.hk).

As set out in the section headed “Special Arrangements for the AGM” of this Circular, the AGM will be a hybrid meeting. The Company strongly encourages the Shareholders to exercise their rights to attend and vote at the AGM via the e-Meeting System. As the Shareholders will not be permitted to attend the AGM in person, all Shareholders (other than those who are required to attend the AGM physically to form a quorate meeting) who wish to appoint a proxy to attend and vote at the AGM are strongly encouraged to appoint the Chairman of the AGM as their proxy (for Shareholders who are required to attend the AGM physically to form a quorate meeting, a senior management member and/or a senior staff member of the Company shall be appointed as their proxy) by completing and signing the accompanying proxy form in accordance with the instructions printed thereon and returning it to the share registrar and transfer office of the Company in Hong Kong, Tricor Standard Limited at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong or via the designated website (<https://spot-emeeting.tricor.hk>) by using the username and password provided on the notification letter sent by the Company as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the AGM (i.e. at or before 2:00 p.m. on Monday, 23 May 2022 (Hong Kong time)) or any adjournment thereof. Completion and return of the proxy form shall not preclude you from subsequently attending and voting at the AGM or any adjourned meeting via the e-Meeting System should you so wish and in such event, the instrument appointing a proxy will be deemed to be revoked.

### PROCEDURES FOR POLL VOTING

Pursuant to Rule 13.39(4) of the Listing Rules, all resolutions set out in the notice of the AGM will be decided by poll.

Pursuant to Bye-law 76(A) of the Bye-laws, on a poll every member present in person or by a duly authorised corporate representative or by proxy, shall have one vote for every Share of which he/she is the holder which is fully paid up or credited as fully paid up (but so that no amount paid up or credited as paid up on a Share in advance of calls or instalments shall be treated for the purposes of this Bye-law as paid up on a Share). On a poll, a member entitled to more than one vote need not use all his/her votes or cast his/her votes in the same way.

Poll voting slips will be distributed to Shareholders or their authorised corporate representative or their proxies upon registration of attendance at the AGM. Shareholders who want to cast all their votes entitled may mark a “✓” in either “FOR” or “AGAINST” box corresponding to the resolution to indicate whether he/she supports that resolution. Shareholders who do not want to use all their votes or want to split votes in casting a particular resolution shall indicate the number of votes cast on a particular resolution in the “FOR” or “AGAINST” box, where appropriate. However, the total votes cast must not exceed his/her entitled votes, or otherwise, the voting slip will be spoiled and the Shareholder’s vote will not be counted. Shareholders must sign on the voting slip.



## LETTER FROM THE BOARD

After closing the poll, Tricor Standard Limited, the Company's share registrar and transfer officer in Hong Kong who is appointed as the scrutineer for the vote-taking, will count the votes. The results of the poll on all the resolutions as set out in the notice of the AGM in both English and Chinese will be published on the websites of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company at [www.autoitalia.com.hk](http://www.autoitalia.com.hk).

### **CLOSURE OF REGISTER OF MEMBERS**

In order to determine the identity of the shareholders who are entitled to attend and vote at the forthcoming AGM, all transfers accompanied by the relevant share certificates must be lodged with the share registrar and transfer office of the Company in Hong Kong, Tricor Standard Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on Wednesday, 18 May 2022. The register of members of the Company will be closed from Thursday, 19 May 2022 to Wednesday, 25 May 2022 (both days inclusive), during which period no share transfers will be registered.

### **BAD WEATHER ARRANGEMENTS**

If typhoon signal No. 8 or above is hoisted, or a "black" rainstorm warning is issued, or "extreme conditions" resulting from a typhoon or rainstorm is announced by the HKSAR government, in each case at any time between 11 a.m. to 2 p.m. on the date of the AGM, the meeting will be adjourned in accordance with the Bye-laws and the Shareholders will be informed of the date, time and place of the adjourned meeting and, if necessary, be given notice thereof pursuant to the Bye-laws.

### **RECOMMENDATION**

The Board considers that the proposals for re-election of the retiring Directors and the grant of the Issue Mandate, the Buy Back Mandate and the Extension Mandate, the adoption of the New Share Option Scheme and the Proposed Amendments are in the best interests of the Company and the Shareholders as a whole, and therefore recommends the Shareholders to vote in favour of all of the relevant resolutions to be proposed at the AGM.

Yours faithfully  
For and on behalf of  
**AUTO ITALIA HOLDINGS LIMITED**  
**CHONG Tin Lung Benny**  
*Executive Chairman and Chief Executive Officer*

The biographical details of the retiring Directors proposed to be re-elected at the AGM are set out as follows:

**Mr KONG Kai Chuen Frankie**

**Mr KONG Kai Chuen Frankie**, aged 58, has been appointed as an Independent Non-executive Director of the Company with effect from 21 June 2013. He is also the chairman of the Audit Committee, a member of each of the Nomination Committee and the Remuneration Committee. Mr Kong is currently an independent non-executive director of Ka Shui International Holdings Limited (a company listed on the Main Board of The Stock Exchange of Hong Kong Limited, Stock Code: 822) and a consultant of CCT Consultants Limited. He is an associate of the Hong Kong Institute of Certified Public Accountants and a fellow of the Chartered Association of Certified Accountants (the United Kingdom). Mr Kong has accumulated over 30 years' experience in accounting, auditing, corporate finance and project administration mostly from Hong Kong listed companies and multinational business conglomerates.

Save as above disclosed and as at the Latest Practicable Date, Mr Kong does not hold any position in the Company or any of its subsidiaries nor have any relationship with any Director, senior management, substantial shareholder of the Company or controlling shareholder of the Company. Save as disclosed, he has also not held any directorship in other listed companies in Hong Kong or overseas or other major appointments and qualifications in the past three years.

Mr Kong entered into a letter of appointment with the Company for a term of two years commencing from 21 June 2019, and he is subject to retirement by rotation and re-election at the annual general meeting in accordance with the Bye-laws. Mr Kong is entitled to an annual Director's fee of HK\$210,000, which was determined by the Board with reference to the recommendation from the Remuneration Committee and his duties, responsibilities and the prevailing market situation.

As at the Latest Practicable Date, Mr Kong did not have or has not deemed to have any Shares or underlying Shares pursuant to Part XV of the SFO.

Mr Kong has confirmed that he meets the independence guidelines set out in Rule 3.13 of the Listing Rules and has provided his annual confirmation of independence to the Company pursuant thereto.

In relation to Mr Kong's re-election as a Director, there is no other matter which needs to be brought to the attention of the Shareholders and there is no other information to be disclosed pursuant to the requirements of the provisions under Rule 13.51(2)(h) or Rule 13.51(2)(v) of the Listing Rules

**Mr LEE Ben Tion Leong**

**Mr LEE Ben Tion Leong** (“Mr Lee”), aged 60, has been appointed as an Independent Non-executive Director of the Company with effect from 27 February 2015. He is also a member of each of the Audit Committee, the Remuneration Committee and the Nomination Committee. Mr Lee is currently the Managing Partner of IGamiX Management & Consulting Ltd., based in Macau, as well as CEO of Strategic Gaming Solutions Inc, based in Saipan. He is widely acknowledged as one of the region’s experts on the Asian gaming market and is a regularly invited speaker at major gaming conferences all around the world. Mr Lee is a multi-skilled senior gaming executive with particular focus on Asian marketing in the gaming space. With extensive gaming experience all over Asia and Australia, Mr Lee spent the last 18 years covering/uncovering new gaming projects around Asia-Pacific and is currently consulting to numerous companies on the latest developments in the region. Mr Lee was awarded a Master of Business Administration and a Postgraduate Diploma in Management Studies from the University of Melbourne in 2000 and 1997, respectively. Mr Lee was also awarded a Graduate Diploma in Japanese from Swinburne University of Technology in 1991 and a Bachelor of Economics from Monash University in 1985.

Save as above disclosed and as at the Latest Practicable Date, Mr Lee does not hold any position in the Company or any of its subsidiaries nor have any relationship with any Director, senior management, substantial shareholder of the Company or controlling shareholder of the Company. Save as disclosed, he has also not held any directorship in other listed companies in Hong Kong or overseas or other major appointments and qualifications in the past three years.

Mr Lee entered into a letter of appointment with the Company for a term of two years commencing from 27 February 2021, and he is subject to retirement by rotation and re-election at the annual general meeting in accordance with the Bye-laws. Mr Lee is entitled to an annual Director’s fee of HK\$210,000, which was determined by the Board with reference to the recommendation from the Remuneration Committee and his duties, responsibilities and the prevailing market situation.

As at the Latest Practicable Date, Mr Lee did not have or has not deemed to have any Shares or underlying Shares pursuant to Part XV of the SFO.

Mr Lee has confirmed that he meets the independence guidelines set out in Rule 3.13 of the Listing Rules and has provided his annual confirmation of independence to the Company pursuant thereto.

In relation to Mr Lee’s re-election as a Director, there is no other matter which needs to be brought to the attention of the Shareholders and there is no other information to be disclosed pursuant to the requirements of the provisions under Rule 13.51(2)(h) to Rule 13.51(2)(v) of the Listing Rules.

**Mr LIN Chun Ho Simon**

**Mr LIN Chan Ho Simon** (“**Mr Lin**”), aged 44, has been appointed as an Executive Director of the Company with effect from 13 June 2021. He is also a member of Executive Directors’ Committee and the Chief Financial Officer of the Group. Mr Lin joined the Group since July 2005, and has been appointed as Chief Financial Officer since 2017. He oversees the treasury management, financial reporting, risk management, mergers and acquisitions and company secretarial matters of the Group. He is also currently a director of certain subsidiaries of the Company. Mr Lin has over 20 years of experience in accounting, financial management and auditing. Mr Lin obtained a Master of Corporate Governance with distinction in 2020 and a Bachelor’s Degree of Accountancy from the Hong Kong Polytechnic University in 2000. He is also a fellow of the Association of Chartered Certified Accountant, a fellow of the Hong Kong Institute of Certified Public Account, an international associate of the American Institute of Certified Public Accountant and is a fellow member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute.

Save as above disclosed and as at the Latest Practicable Date, Mr Lin does not hold any position in the Company or any of its subsidiaries nor have any relationship with any Director, senior management, substantial shareholder of the Company or controlling shareholder of the Company. Save as disclosed, he has also not held any directorship in other listed companies in Hong Kong or overseas or other major appointments and qualifications in the past three years.

Mr Lin entered into a service agreement with the Company for a term of three years commencing from 13 June 2021 in respect of his employment as an Executive Director and the Chief Financial Officer of the Company, and he is subject to retirement by rotation and re-election at the annual general meeting in accordance with the Bye-laws. Pursuant to such service contract, Mr Lin is entitled to (i) a basic salary of HK\$1,719,408 per annum (including any sum receivable by the director as director’s fees from any member of the Group), which is subject to adjustment from time to time as agreed by the Company and the Director, and (ii) such management bonus in an amount to be determined by the Board in its absolute discretion, whereas Mr Lin shall abstain from voting in such resolution relating to the management bonus payable to him. As at the Latest Practicable Date, Mr Lin was entitled to the basic salary of HK\$1,753,800 per annum, which was approved and determined by the Board with reference to the recommendation from the Remuneration Committee and his duties, responsibilities (including, without limitation, his roles as an Executive Director and the Chief Financial Officer of the Company) and the prevailing market situation. For year 2021, Mr Lin was entitled to bonus payment of HK\$143,284, which has determined and approved by the Board (including all members of the Remuneration Committee), having considered the prevailing market conditions.

As at the Latest Practicable Date, Mr Lin has personal interest in 2,377,500 Shares and 48,700,000 underlying Shares attached to the share options granted by the Company within the meaning of Part XV of the SFO. Save as disclosed above, as at the Latest Practicable Date, Mr Lin did not have or has not been deemed to have any Shares or underlying Shares pursuant to Part XV of the SFO.

In relation to Mr Lin’s re-election as a Director, there is no other matter which needs to be brought to the attention of the Shareholders and there is no other information to be disclosed pursuant to the requirements of the provisions under Rule 13.51(2)(h) to Rule 13.51(2)(v) of the Listing Rules.

This Appendix serves as an explanatory statement, as required by the Listing Rules, to provide information to you with regard to the Buy Back Mandate proposed to be passed by the Shareholders by an ordinary resolution at the AGM.

### **THE LISTING RULES**

The Listing Rules contain provisions regulating the bought back by companies whose shares are listed on the Stock Exchange. The following is a summary of certain provisions of the Listing Rules relating to buy back of shares:

### **SHAREHOLDERS' APPROVAL**

The Listing Rules provide that all proposed buy back of shares by a company with a primary listing on the Stock Exchange must be approved in advance by an ordinary resolution of shareholders, either by way of general mandate or by specific approval of a particular transaction.

### **REASONS FOR BUY BACK**

Although the Directors have no present intention of buying back any shares, they believe that the flexibility afforded by the Buy Back Mandate would be beneficial to the Company and the Shareholders. Buy Back will only be made when the Directors believe that such buy back will best benefit the Company and its Shareholders as a whole. Such buy back may depend on market conditions and funding arrangement at the time, lead to an enhancement of the net value of the Company and its assets and/or its earnings per Share.

### **FUNDING OF BUY BACK**

Buy back of Shares will be funded out of funds legally available for the purchase in accordance with the Company's memorandum of association and the Bye-laws, the Companies Act, the applicable laws of Bermuda.

A company may not buy back its own shares on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange. Any buy back by the Company may be made out of the capital paid up on the purchased Shares or out of the funds of the Company which would otherwise be available for dividend or distribution or out of the proceeds of a fresh issue of Shares made for the purpose. Any premium payable on a purchase over the par value of the Shares to be purchased must be provided for out of funds of the Company which would otherwise be available for dividend or distribution or out of the Company's share premium account.

On the basis of the current financial position of the Company as disclosed in the audited financial statements contained in the annual report 2021 of the Company, there might be an adverse effect on the working capital requirements or gearing levels of the Company in the event that the Buy Back Mandate is exercised in full at any time. However, the Directors do not propose to exercise the Buy Back Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or its gearing levels which in the opinion of the Directors are from time to time appropriate for the Company. The exercise in full of the Buy Back Mandate, on the basis of 5,292,515,390 Shares in issue as at the Latest Practicable Date (assuming that no Shares are issued or bought back during the period from the Latest Practicable Date up to the date of the AGM) would result in up to 529,251,539 Shares being bought back by the Company during the period in which the Buy Back Mandate remains in force.

## GENERAL

As at the Latest Practicable Date, none of the Directors nor, to the best of their knowledge having made all reasonable enquires, any of their associates, have any present intention, if the Buy Back Mandate is approved by the Shareholders, to sell any Shares to the Company.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will only exercise the Buy Back Mandate in accordance with the Listing Rules, the applicable laws of Bermuda and the Company's memorandum of association and the Bye-laws.

If as a result of a buy back, 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 the Takeovers Code and, if such increase results in a change of control, may in certain circumstances give rise to an obligation to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, VMSIG held an aggregate of 1,519,016,472 Shares, representing approximately 28.70% of the issued share capital of the Company. Based on such shareholdings, in the event that the Directors exercise in full the power to buy back shares in the Company pursuant to the Buy Back Mandate, the shareholdings of VMSIG and parties acting in concert would increase to approximately 31.89% of the issued share capital of the Company thereby triggering an obligation to make a mandatory offer under Rule 26 of the Takeovers Code. The Directors however have no present intention of exercising the general mandate to such extent as would result in any mandatory offer.

Furthermore, the Directors do not consider such increase would reduce the issued share capital in public hands to less than 25% (or the relevant prescribed minimum percentage required by the Stock Exchange).

As at the Latest Practicable Date, no core connected person, including a Director, chief executive or substantial shareholder of the Company or its subsidiaries or a close associate of any of them has notified the Company that he has a present intention to sell Shares to the Company, or has undertaken not to do so, if the Buy Back Mandate is approved by the Shareholders.

### SHARE PRICES

The highest and lowest prices at which the Shares were traded on the Stock Exchange during each of the twelve calendar months preceding the Latest Practicable Date up to that date were as follows:

	<b>Highest</b> <i>HK\$</i>	<b>Lowest</b> <i>HK\$</i>
<b>2021</b>		
April	0.209	0.191
May	0.207	0.189
June	0.207	0.187
July	0.193	0.183
August	0.199	0.167
September	0.184	0.160
October	0.174	0.160
November	0.170	0.160
December	0.166	0.152
<b>2022</b>		
January	0.211	0.153
February	0.214	0.168
March	0.198	0.153
April (up to the Latest Practicable Date)	0.193	0.181

### SHARES PURCHASES MADE BY THE COMPANY

The Company has not made any buy back of Shares, whether on the Stock Exchange or otherwise, during the period of six months immediately preceding the Latest Practicable Date.

*The following is a summary of the principal terms of the New Share Option Scheme to be approved at the AGM. It does not form part of, nor is it intended to be part of the rules of the New Share Option Scheme and it should not be taken as affecting the interpretation of the rules of the New Share Option Scheme.*

### 1. PURPOSE OF THE NEW SHARE OPTION SCHEME

The purpose of the New Share Option Scheme is to provide incentives or rewards to Participants thereunder for their contribution to the Group and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group and any Invested Entity.

### 2. DURATION OF THE NEW SHARE OPTION SCHEME

The New Share Option Scheme shall be valid and effective for a period of ten (10) years commencing on the Adoption Date, subject to the Listing Committee of the Stock Exchange granting approval of listing of, and permission to deal in, the Shares to be issued pursuant to the exercise of Options under the New Share Option Scheme, after which period no further Options will be granted but the provisions of the New Share Option Scheme shall remain in full force and effect in all other respects. Options complying with the provisions of the Listing Rules which are granted during the duration of the New Share Option Scheme and remain unexercised immediately prior to the end of the ten-year period shall continue to be exercisable in accordance with their terms of grant within the Option Period for which such Option are granted, notwithstanding the expiry of the New Share Option Scheme.

The New Share Option Scheme shall be subject to the administration of the Board (including the independent non-executive Directors) whose decision (save as otherwise provided herein) shall be final and binding on all parties.

### 3. WHO MAY JOIN AND BASIS OF DETERMINING THE ELIGIBILITY

The Directors, may at their discretion, offer to grant an Option to any Participant to subscribe for such number of new Shares as the Board may determine at a Subscription Price determined in accordance with paragraph 10 below and subject to such conditions as the Board may think fit.

A “**Participant**” means any employee or proposed employee (whether full time or part time) and director (including independent non-executive director) of the Company, its subsidiaries and any Invested Entity; directors and employees of the Related Entity; any supplier of goods or services, customer and shareholder of member of the Group or any Invested Entity; and any Service Provider.

The basis of eligibility of any of the above class of Participants to the grant of any Options shall be determined by the Directors from time to time on the basis of their contribution to the development and growth of the Group and any Invested Entity.

Options may be granted to any company wholly owned by one or more persons belonging to any of the Participants or any discretionary object of a Participant which is a discretionary trust.



#### 4. OPTION PERIOD

An Option may be exercised at any time during a period as the Board may in its absolute discretion determine, save that such period (the “**Option Period**”) shall not be more than ten (10) years from the date of grant of the Option and that the Board may at its discretion determine the minimum period for which the Option has to be held before the exercise of the subscription rights attaching thereto.

#### 5. RESTRICTIONS ON THE TIMING OF GRANT

No offer of grant of Options shall be made after any inside information (as defined in the SFO) has come to the knowledge of the Company, until (and including) an announcement of such inside information has been published in accordance with the Listing Rules and the SFO. During the period of one month immediately preceding the earlier of (i) the date of the meeting of the Board (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for approval of the results of the Company for any year, half-year or quarterly (if applicable) or any other interim period (whether or not required under the Listing Rules); and (ii) the deadline for publishing an announcement of its results for any year, half-year or quarterly (if applicable) or any other interim period (whether or not required under the Listing Rules), and ending on (and including) the date of the announcement of the results, no Option should be granted. The period during which no Option may be granted will cover any period of delay in the publication of a results announcement until (and including) the results announcement has been published in accordance with the Listing Rules.

The Board may not grant any Option to a Participant who is a Director during the periods or times in which Directors are prohibited from dealing in Shares pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers prescribed by the Listing Rules or any corresponding code or securities dealing restrictions adopted by the Company.

#### 6. GRANT OF THE OPTIONS

An offer of the grant of an Option shall be made to a Participant by letter in such form as the Board may from time to time determine requiring the Participant to undertake to hold the Option on the terms on which it is to be granted and to be bound by the provisions of the New Share Option Scheme and shall remain open for acceptance by the Participant concerned for a period of twenty-eight (28) days from the date upon which it is made provided that no such offer shall be open for acceptance after the 10th anniversary of the Adoption Date or after the New Share Option Scheme has been terminated.

An Option shall be deemed to have been granted and to have taken effect (with retrospective effect from the date of grant) when the duplicate letter comprising acceptance of the Option duly signed by the Grantee with the number of Shares in respect of which the offer is accepted clearly stated therein, together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof is received by the Company. Such remittance shall in no circumstances be refundable.

Any offer of the grant of an Option may be accepted in respect of less than the number of Shares in respect of which it is offered provided that it is accepted in respect of such number of Shares as represents a board lot for the time being for the purposes of

trading on the Stock Exchange or an integral multiple thereof. To the extent that the offer is not accepted within time limit specified therein, it will be deemed to have been irrevocably declined and lapsed automatically.

#### **7. MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION**

The total number of Shares which may be issued upon exercise of all Options to be granted under the New Share Option Scheme and any other share option schemes of the Company shall not in aggregate exceed 10% of the total number of Shares in issue on the Adoption Date (i.e. 529,251,539 Shares, assuming no further issue or repurchase of Shares from the Latest Practicable Date) unless the Company seeks the Shareholders' approval for refreshing the 10% limit as described below.

The Company may seek approval of the Shareholders in general meeting for refreshing the 10% limit such that the total number of which may be issued upon exercise of all Options to be granted under the New Share Option Scheme and any other share option schemes of the Company as "refreshed" shall not exceed 10% of the total number of Shares in issue as at the date of the approval of the limit by the Shareholders, provided that Options previously granted under any share option schemes of the Company (including Options outstanding, cancelled, lapsed or exercised) will not be counted for the purpose of calculating the limit as "refreshed". A circular containing the information as required under the Listing Rules shall be sent to the Shareholders.

The Company may also seek separate approval by the Shareholders in general meeting for granting Options beyond the 10% limit provided that the Grantee(s) of such Option(s) must be specifically identified by the Company before such approval is sought. The Company shall send a circular to the Shareholders containing a generic description of the specified Grantees who may be granted such Options, the number and terms of the Options to be granted, the purpose of granting such Options to the Grantees with an explanation as to how the terms of Options serve such purpose and the information as required under the Listing Rules.

Notwithstanding anything to the contrary in the New Share Option Scheme, the maximum number of Shares which may be issued upon exercise of all outstanding Options granted under the New Share Option Scheme and any other share option schemes of the Company must not exceed 30% of the total number of Shares in issue from time to time. No Options may be granted under the New Share Option Scheme or any other share option schemes of the Company (or any subsidiary) if this will result in the 30% limit being exceeded.

#### **8. MAXIMUM NUMBER OF OPTIONS TO ANY ONE INDIVIDUAL**

The total number of Shares issued and which may fall to be issued upon exercise of the options granted under the New Share Option Scheme and any other share option schemes of the Company (including both exercised and outstanding options) to each Participant in any 12-month period up to and including the date of grant shall not exceed 1% of the total number of Shares in issue as at the date of grant.

Any further grant of Options to a Participant in excess of the 1% limit must be separately approved by the Shareholders in general meeting with the Participant and its or his or her close associates (or his associates if the Participant is a connected person)

abstaining from voting. The Company must send a circular to the Shareholders and the circular must disclose the identity of the Participant, the number and terms of the Options to be granted and Options previously granted to such Participant and the information as required under the Listing Rules. The number and terms (including the Subscription Price) of the Options to be granted to such Participant must be fixed before Shareholders' approval and the date of the meeting of the Board for proposing such further grant of Options should be taken as the date of grant for the purpose of calculating the Subscription Price.

The number of Shares subject to Options and to the New Share Option Scheme may be adjusted, in such manner as the Company's independent financial adviser or Auditors (acting as experts and not as arbitrators) shall certify in writing to the Board to be in their opinion fair and reasonable, in the event of any alteration in the capital structure of the Company whether by way of capitalisation of profits or reserves, rights issue, consolidation, subdivision or reduction of the share capital of the Company provided that no such adjustment shall be made in the event of an issue of Shares or securities as consideration in respect of a transaction to which the Company is a party.

#### 9. GRANTING OPTIONS TO CONNECTED PERSONS

Each grant of Options to a Director, chief executive (other than a proposed Director or a proposed chief executive of the Company) or substantial Shareholder of the Company, or any of their respective associates, under the New Share Option Scheme or any other share option schemes of the Company or any of its subsidiaries shall comply with the requirements of Rule 17.04 of the Listing Rules and shall be subject to approval by the independent non-executive Directors (excluding independent non-executive Director who is a Grantee of the Options).

If the Board proposes to grant options to a substantial Shareholder or an independent non-executive Director, or their respective associates which would result in the Shares issued and to be issued upon exercise of all Options granted and to be granted (including Options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:

- (a) representing in aggregate over 0.1% of the relevant class of Shares in issue; and
- (b) having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK\$5,000,000,

such further grant of Options must be approved by the Shareholders. The Company shall send a circular to all Shareholders which contains the following information:

- (a) details of the number and terms (including the Option Period, the minimum period (if any) for which an Option must be held before it can be exercised, performance targets (if any), the Subscription Price, the basis of determination of the Subscription Price, the amount (if any) payable on acceptance of the Option and the rights attached to the Shares or the Option) of the Options to be granted to each such Participant, which must be fixed before the Shareholders' meeting and the date of the meeting of the Board for proposing such further grant should be taken as the date of grant for the purpose of calculating the Subscription Price;

- (b) a recommendation from the independent non-executive Directors (excluding any independent non-executive Director who is a Grantee) to the independent Shareholders as to voting; and
- (c) the information required under Rules 17.02(2)(c) and (d), 17.02(4) and 2.17 of the Listing Rules.

The grantee, his associates and all core connected persons of the Company must abstain from voting in favour at such general meeting.

#### **10. SUBSCRIPTION PRICE**

The Subscription Price in respect of any particular Option shall be such price as determined by the Board in its absolute discretion at the time of the grant of the relevant Option (and shall be stated in the letter containing the offer of the grant of the Option) but in any case the Subscription Price shall not be lower than the higher of:

- (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant, which must be a business day;
- (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five (5) business days immediately preceding the date of grant; and
- (iii) the nominal value of a Share.

#### **11. RIGHTS ARE PERSONAL TO GRANTEE**

An Option shall be personal to the Grantee and shall not be assignable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any third party over or in relation to any Option. Any breach of the foregoing shall entitle the Company to cancel any outstanding Option or part thereof granted to such Grantee.

#### **12. EXERCISE OF OPTIONS**

An Option may be exercised in whole or in part at any time during the Option Period in accordance with the terms of the New Share Option Scheme. Each such notice must be accompanied by a remittance for the full amount of the Subscription Price for the Shares in respect of which the notice is given. Within twenty-eight (28) days after receipt of the notice and the remittance and, where appropriate, receipt of the certificate of the Company's independent financial adviser or Auditors, the Company shall allot the relevant Shares to the Grantee credited as fully paid and issue to the Grantee a share certificate in respect of the Shares so allotted.

Save as determined at the discretion of the Board pursuant to paragraph 6 and stated in the offer of grant of an Option, there is no minimum holding period before an Option is exercisable.

**13. RIGHTS ON CEASING EMPLOYMENT**

In the event of the Grantee ceasing to be an Eligible Employee for any reason other than his or her death or the termination of his or her employment on one or more of the grounds specified in paragraph 20(e), the Grantee may exercise the Option up to his or her entitlement at the date of cessation of his or her employment within the period of three months following the date of cessation in whole or in part (to the extent which has become exercisable and not already exercised) which date shall be the last actual working day with the Company or the relevant subsidiary or the relevant Invested Entity whether salary is paid in lieu of notice or not, or such longer period following the date of cessation as the Board may determine. Any vested Option not exercised prior to the expiry of such period will automatically lapse.

**14. RIGHTS ON DEATH**

In the event that the Grantee ceases to be a Participant by reason of death (provided that none of the events which would be a ground for termination of his or her employment under paragraph 20(e) arises prior to his or her death), the legal personal representative(s) of the Grantee shall be entitled within a period of six (6) months from the date of death (or such longer period as the Board may determine and in any event, no longer than six (6) years) to exercise the Option in whole or in part (to the extent which has become exercisable and not already exercised).

**15. RIGHTS ON TAKEOVER**

In the event of a general or partial offer, whether by way of take-over offer or share re-purchase offer, is made to all the holders of Shares, or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror, the Company shall use all reasonable endeavours to procure that such offer is extended to all the Grantees on the same terms, mutatis mutandis, and assuming that they will become, by the exercise in full of the Options granted to them, Shareholders. If the terms of such offer having been approved by the holders of not less than nine-tenths in value of the Shares comprised in the offer within four months and the offeror thereafter gives a notice pursuant to the Companies Act to acquire the remaining Shares, the Grantee may by notice in writing to the Company within 21 days of such notice exercise the Option to its full extent or to the extent specified in such notice.

**16. RIGHTS ON WINDING-UP**

In the event of an effective resolution being passed for the voluntarily winding-up of the Company, each Grantee may by notice in writing to the Company within 21 days after the date of such resolution elect to be treated as if the Option had been exercised immediately before the passing of such resolution either to its full extent or to the extent specified in such notice and shall accordingly be entitled to receive out of the assets available in the liquidation *pari passu* with the holders of Shares such sum as would have been received in respect of the Shares the subject of such election reduced by an amount equal to the Subscription Price which would otherwise have been payable in respect thereof.

**17. RIGHTS ON SCHEME OF ARRANGEMENT**

In the event of a general offer by way of scheme of arrangement is made to all the holders of Shares with the scheme having been approved by the necessary number of holders of Shares at the requisite meetings, the Grantee may thereafter (but before such time as shall be notified by the Company) exercise the Option to its full extent or to the extent specified in such notice.

**18. PERFORMANCE TARGET**

There is no performance target that has to be achieved before the exercise of any Option except otherwise imposed by the Board and stated in the offer of grant of an Option.

**19. RANKING OF SHARES**

The Shares to be allotted upon the exercise of an Option will be subject to all the provisions of the bye-laws of the Company for the time being in force and will rank *pari passu* in all respects (including the rights arising on a liquidation of the Company) with the fully paid Shares in issue as from the day when the name of the Grantee is registered on the register of members of the Company and will entitle the holders to participate in all dividends or other distributions paid or made on or after the date when the name of the Grantee is registered on the register of members of the Company. A Share allotted upon the exercise of an Option shall not carry any voting right until the name of the Grantee has been duly entered onto the register of members as the holder thereof.

**20. LAPSE OF OPTION**

An Option shall lapse automatically (to the extent not already exercised) on the earliest of:

- (a) the expiry of the Option Period;
- (b) the expiry of any of the periods referred to in paragraphs 13 or 14 above;
- (c) the date on which the offer referred to in paragraph 15 closes;
- (d) subject to paragraph 16, the date of the commencement of the winding-up of the Company;
- (e) the date on which the Grantee ceases to be an Eligible Employee by reason of the termination of his or her employment on any one or more of the grounds that he or she has been guilty of misconduct, or has committed an act of bankruptcy or has become insolvent or has made any arrangement or composition with his or her creditors generally, or has been convicted of any criminal offence involving his or her integrity or honesty or (if so determined by the Board) on any other ground on which an employer would be entitled to terminate his or her employment at common law or pursuant to any applicable laws or under the Grantee's service contract with the Group or the relevant Invested Entity. A resolution of the board of directors of the Company, the relevant subsidiary or the relevant Invested Entity to the effect

that employment of a Grantee has or has not been terminated on any of the aforementioned grounds shall be conclusive;

- (f) subject to paragraph 17, the date when the proposed compromise or arrangement becomes effective;
- (g) the date on which the Grantee commits a breach of paragraph 11; or
- (h) if the Directors at their absolute discretion determine that the Grantee (other than an Eligible Employee) or his or her associate has committed any breach of any contract entered into between the Grantee or his or her associate on the one part and the Group or any Invested Entity on the other part or that the Grantee has committed any act of bankruptcy or has become insolvent or is subject to any winding-up, liquidation or analogous proceedings or has made any arrangement or composition with his or her creditors generally, the Directors shall determine that the outstanding Options granted to the Grantee shall lapse. In such event, his or her Options will lapse automatically and will not in any event be exercisable on or after the date on which the Directors have so determined.

## 21. REORGANISATION OF CAPITAL STRUCTURE

In the event of any alteration in the capital structure of the Company whilst any Option remains exercisable, whether by way of capitalisation of profits or reserves, rights issue, consolidation, subdivision or reduction of the share capital of the Company (other than an issue of Shares or securities as consideration in respect of a transaction to which the Company is a party), such corresponding alterations (if any) shall be made in:

- (a) the number of Shares subject to the Option so far as unexercised; and/or
- (b) the Subscription Price; and/or
- (c) the method of exercise of the Option; and/or
- (d) the maximum number of Shares referred to in paragraphs 7 and 8 above,

as the Company's independent financial adviser or Auditors shall certify in writing to the Board to be in their opinion fair and reasonable, provided that any alteration shall be made on the basis that the proportion of the issued share capital of the Company to which a Grantee is entitled after such alteration shall remain the same as that to which he was entitled before such alteration and that the aggregate Subscription Price payable by a Grantee on the full exercise of any Option shall remain as nearly as possible the same (but shall not be greater than) as it was before such event but so that no such alteration shall be made the effect of which would be to enable any Share to be issued at less than its nominal value and no such adjustment will be required in circumstances where there is an issue of Shares or other securities of the Group as consideration in a transaction. In respect of any alterations made under this paragraph, other than any made on a capitalisation issue, the Company's independent financial adviser or the Auditors must confirm in writing to the Directors that the alteration satisfy the requirements of the relevant provision of the Listing Rules.

**22. ALTERATION OF THE NEW SHARE OPTION SCHEME**

The New Share Option Scheme may be altered by resolution of the Board except that:

- (a) any alteration to the advantage of the Grantees or the Participants (as the case may be) in respect of the matters contained in Rule 17.03 of the Listing Rules;
- (b) any alteration to the terms and conditions of the New Share Option Scheme which are of a material nature;
- (c) any change to the terms of the Options granted;
- (d) any change to the authority of the Board in relation to any alteration to the terms of the New Share Option Scheme,

must be approved by a resolution by the Shareholders in general meeting, except where such alterations take effect automatically under the existing terms of the New Share Option Scheme, provided that (i) the amended terms of the New Share Option Scheme or the Options shall still comply with the requirements of Chapter 17 of the Listing Rules and (ii) if such alteration shall operate to affect adversely the terms of issue of any Option granted or agreed to be granted prior to such alteration, such alteration will be further subject to the Grantee's approval in accordance with the terms of the Share Option Scheme.

**23. TERMINATION**

The Company, by resolution in general meeting, or the Board may at any time terminate the operation of the New Share Option Scheme and in such event no further Option will be offered but the provisions of the New Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of the Options (to the extent not already exercised) granted prior to the termination or otherwise as may be required in accordance with the provision of the New Share Option Scheme. Options (to the extent not already exercised) granted prior to such termination shall continue to be valid and exercisable in accordance with the New Share Option Scheme.

**24. CANCELLATION OF OPTIONS**

Subject to paragraph 11 above, any cancellation of Options granted but not exercised shall require approval of the Board and prior consent in writing from the relevant Grantees. The cancelled options cannot be added back to replenish the scheme mandate.



**APPENDIX IV PROPOSED AMENDMENTS TO THE BYE-LAWS**

*Details of the proposed amendments to the Bye-laws are set out as follows:*

Currently in force		Proposed to amended as	
Bye-law 1	<p>The marginal notes to these Bye-Laws shall not be deemed to be part of these Bye-Laws and shall not affect their interpretation and in the interpretation of these Bye-Laws, unless there be something in the subject or context inconsistent therewith:-</p> <p>“appointed newspaper” shall have the meaning as defined in the Companies Act.</p> <p>“associates” shall have the meaning ascribed thereto in the Listing Rules.</p> <p>“Auditors” shall mean the persons for the time being performing the duties of that office.</p> <p>“Bermuda” shall mean the Islands of Bermuda.</p> <p>“the Board” shall mean the Directors from time to time of the Company or (as the context may require) the majority of Directors present voting at a meeting of the Directors.</p> <p>“business day” shall mean a day on which the stock exchange in the Relevant Territory generally is open for the business of dealing in securities in Hong Kong. For the avoidance of doubt, where the stock exchange in the Relevant Territory is closed for the business of dealing in securities in Hong Kong on a business day by reason of a Number 8 or higher typhoon signal or black rainstorm warning, such day shall for the purposes of these Bye-laws be counted as a business day.</p> <p>“these Bye-Laws” or “these presents” shall mean these Bye-Laws in their present form and all supplementary, amended or substituted Bye-Laws for the time being in force.</p>	Bye-law 1	<p>The marginal notes to these Bye-Laws shall not be deemed to be part of these Bye-Laws and shall not affect their interpretation and in the interpretation of these Bye-Laws, unless there be something in the subject or context inconsistent therewith:-</p> <p>“appointed newspaper” shall have the meaning as defined in the Companies Act.</p> <p>“Auditors” shall mean the persons for the time being performing the duties of that office.</p> <p>“Bermuda” shall mean the Islands of Bermuda.</p> <p>“the Board” shall mean the Directors from time to time of the Company or (as the context may require) the majority of Directors present voting at a meeting of the Directors.</p> <p>“business day” shall mean a day on which the stock exchange in the Relevant Territory generally is open for the business of dealing in securities in Hong Kong. For the avoidance of doubt, where the stock exchange in the Relevant Territory is closed for the business of dealing in securities in Hong Kong on a business day by reason of a Number 8 or higher typhoon signal or black rainstorm warning, such day shall for the purposes of these Bye-laws be counted as a business day.</p> <p>“these Bye-Laws” or “these presents” shall mean these Bye-Laws in their present form and all supplementary, amended or substituted Bye-Laws for the time being in force.</p> <p>“call” shall include any instalment of a call.</p>

Currently in force	Proposed to amended as
<p>“call” shall include any instalment of a call.</p> <p>“capital” shall mean the share capital from time to time of the Company.</p> <p>“the Chairman” shall mean the Chairman presiding at any meeting of members or of the Board.</p> <p>“Clearing House” means a recognised clearing house within the meaning of Part I of Schedule 1 to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) or a clearing house or authorised shares depository recognised by the laws of the jurisdiction in which the shares of the Company are listed or quoted on a stock exchange in such jurisdiction.</p> <p>“the Companies Act” shall mean the Companies Act 1981 of Bermuda as may from time to time be amended.</p> <p>“the Company” or “this Company” shall mean WO KEE HONG (HOLDINGS) LIMITED incorporated in Bermuda on the 11th day of December, 1989.</p> <p>“corporate representative” means any person appointed to act in that capacity pursuant to Bye-Laws No. 87(A) or 87(B).</p> <p>The expressions “debenture” and “debenture holder” shall respectively include “debenture stock” and “debenture stockholder”.</p> <p>“Director(s)” shall mean director(s) of the Company.</p> <p>“dividend” shall include scrip dividends, distributions in specie or in kind, capital distributions and capitalisation issues, if not inconsistent with the subject or context.</p>	<p>“capital” shall mean the share capital from time to time of the Company.</p> <p>“the Chairman” shall mean the Chairman presiding at any meeting of members or of the Board.</p> <p>“Clearing House” means a recognised clearing house within the meaning of Part I of Schedule 1 to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) or a clearing house or authorised shares depository recognised by the laws of the jurisdiction in which the shares of the Company are listed or quoted on a stock exchange in such jurisdiction, including but not limited to HKSCC.</p> <p>“close associate” shall mean in relation to any Director, shall have the same meaning as ascribed to it in the Listing Rules except that for purposes of Bye-law 98 where the transaction or arrangement to be approved by the Board is a connected transaction under Chapter 14A of the Listing Rules, it shall have the same meaning as that ascribed to “associate” in the Listing Rules.</p> <p>“the Companies Act” shall mean the Companies Act 1981 of Bermuda as may from time to time be amended.</p> <p>“the Company” or “this Company” shall mean AUTO ITALIA HOLDINGS LIMITED incorporated in Bermuda on the 11th day of December, 1989.</p> <p>“corporate representative” means any person appointed to act in that capacity pursuant to Bye-Laws No. 87(A) or 87(B).</p>

Currently in force	Proposed to amended as
<p>“Head Office” shall mean such office of the Company as the Directors may from time to time determine to be the principal office of the Company.</p> <p>“HK\$” shall mean Hong Kong dollars, the lawful currency of Hong Kong.</p> <p>The expressions “holding company” and “subsidiary” shall have the meanings ascribed to them by the Companies Act.</p> <p>“Listing Rules” shall mean the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time).</p> <p>“month” shall mean a calendar month.</p> <p>“Newspaper”, in relation to any newspaper circulating in the Relevant Territory, shall mean a newspaper published daily and circulating generally in the Relevant Territory and specified for this purpose by the stock exchange in the Relevant Territory.</p> <p>“paid up” shall mean paid up or credited as paid up.</p> <p>“the Principal Register” shall mean the register of members of the Company maintained in Bermuda.</p> <p>“the register” shall mean the Principal Register and any branch register to be kept pursuant to the provisions of the Statutes.</p> <p>“Registered Office” shall mean the registered office of the Company for the time being.</p>	<p>The expressions “debenture” and “debenture holder” shall respectively include “debenture stock” and “debenture stockholder”.</p> <p>“Director(s)” shall mean director(s) of the Company.</p> <p>“dividend” shall include scrip dividends, distributions in specie or in kind, capital distributions and capitalisation issues, if not inconsistent with the subject or context.</p> <p>“Head Office” shall mean such office of the Company as the Directors may from time to time determine to be the principal office of the Company.</p> <p>“HKSCC” shall mean Hong Kong Securities Clearing Company Limited;</p> <p>“HK\$” shall mean Hong Kong dollars, the lawful currency of Hong Kong.</p> <p>The expressions “holding company” and “subsidiary” shall have the meanings ascribed to them by the Companies Act.</p> <p>“Listing Rules” shall mean the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time).</p> <p>“month” shall mean a calendar month.</p> <p>“Newspaper”, in relation to any newspaper circulating in the Relevant Territory, shall mean a newspaper published daily and circulating generally in the Relevant Territory and specified for this purpose by the stock exchange in the Relevant Territory.</p>

Currently in force	Proposed to amended as
<p>“Registration Office” shall mean in respect of any class of share capital, such place or places in the Relevant Territory or elsewhere where the Directors from time to time determine to keep a branch register of shareholders in respect of that class of share capital and where (except in cases where the Directors otherwise agree) transfers of other documents of title for such class of share capital are to be lodged for registration and are to be registered.</p> <p>“Relevant Territory” shall mean Hong Kong or such other territory as the Directors may from time to time decide if the issued ordinary share capital of the Company is listed on a stock exchange in such territory.</p> <p>“Seal” shall mean any one or more common seals from time to time of the Company for use in Bermuda or in any place outside Bermuda.</p> <p>“Secretary” shall mean the person or corporation for the time being performing the duties of that office.</p> <p>“Securities Seal” shall mean a seal for use for sealing certificates for shares or other securities issued by the Company which is a facsimile of the Seal of the Company with the addition on its face of the words “Securities Seal”.</p> <p>“share” shall mean a share in the capital of the Company.</p> <p>“shareholder” or “member” shall mean the duly registered holder from time to time of the shares in the capital of the Company.</p>	<p>“paid up” shall mean paid up or credited as paid up.</p> <p>“the Principal Register” shall mean the register of members of the Company maintained in Bermuda.</p> <p>“the register” shall mean the Principal Register and any branch register to be kept pursuant to the provisions of the Statutes.</p> <p>“Registered Office” shall mean the registered office of the Company for the time being.</p> <p>“Registration Office” shall mean in respect of any class of share capital, such place or places in the Relevant Territory or elsewhere where the Directors from time to time determine to keep a branch register of shareholders in respect of that class of share capital and where (except in cases where the Directors otherwise agree) transfers of other documents of title for such class of share capital are to be lodged for registration and are to be registered.</p> <p>“Relevant Territory” shall mean Hong Kong or such other territory as the Directors may from time to time decide if the issued ordinary share capital of the Company is listed on a stock exchange in such territory.</p> <p>“Seal” shall mean any one or more common seals from time to time of the Company for use in Bermuda or in any place outside Bermuda.</p> <p>“Secretary” shall mean the person or corporation for the time being performing the duties of that office.</p>

Currently in force	Proposed to amended as
<p>“Statutes” shall mean the Companies Act and every other act (as amended from time to time) for the time being in force of the Legislature of the Islands of Bermuda applying to or affecting the Company, the Memorandum of Association and/or these presents.</p> <p>“substantial shareholder” shall mean a person who is entitled to exercise, or to control the exercise of, 10% or more (or such other percentage as may be prescribed by the Listing Rules from time to time) of the voting power at any general meeting of the Company.</p> <p>“Summary Financial Reports” shall mean the summary financial report which is derived from and summaries the complete annual Directors’ report and the Auditors’ report and as defined in the Companies Ordinance, Chapter 32 of Laws of Hong Kong.</p> <p>“Transfer Office” shall mean the place where the Principal Register is situate for the time being.</p> <p>“United States dollars” shall mean the United States of America dollars, the lawful currency of the United States of America.</p> <p>“writing” or “printing” shall include writing, printing, lithography, photography, typewriting and every other mode of representing words or figures in a legible and non-transitory form.</p> <p>Except where the context otherwise requires:</p> <p style="padding-left: 40px;">words denoting the singular shall include the plural and words denoting the plural shall include the singular.</p> <p style="padding-left: 40px;">words importing any gender shall include every gender.</p>	<p>“Securities Seal” shall mean a seal for use for sealing certificates for shares or other securities issued by the Company which is a facsimile of the Seal of the Company with the addition on its face of the words “Securities Seal”.</p> <p>“share” shall mean a share in the capital of the Company.</p> <p>“shareholder” or “member” shall mean the duly registered holder from time to time of the shares in the capital of the Company.</p> <p>“Statutes” shall mean the Companies Act and every other act (as amended from time to time) for the time being in force of the Legislature of the Islands of Bermuda applying to or affecting the Company, the Memorandum of Association and/or these presents.</p> <p>“substantial shareholder” shall mean a person who is entitled to exercise, or to control the exercise of, 10% or more (or such other percentage as may be prescribed by the Listing Rules from time to time) of the voting power at any general meeting of the Company.</p> <p>“Summary Financial Reports” shall mean the summary financial report which is derived from and summaries the complete annual Directors’ report and the Auditors’ report and as defined in the Companies Ordinance, Chapter 32 of Laws of Hong Kong.</p> <p>“Transfer Office” shall mean the place where the Principal Register is situate for the time being.</p> <p>“United States dollars” shall mean the United States of America dollars, the lawful currency of the United States of America.</p>

Currently in force	Proposed to amended as
<p>words importing person shall include partnerships, firms, companies and corporations.</p> <p>Subject as aforesaid, any words or expressions defined in the Companies Act (except any statutory modification thereof not in force when these Bye-Laws become binding on the Company) shall, if not inconsistent with the subject and/or context, bear the same meaning in these Bye-Laws, save that "company" shall where the context permits include any company incorporated in Bermuda or elsewhere.</p> <p>References to any statute or statutory provision shall be construed as relating to any statutory modification or reenactment thereof for the time being in force.</p> <p>A resolution shall be a Special Resolution when it has been passed by a majority of not less than three-fourths of the votes cast by such members as, being entitled so to do, vote in person or, by a duly authorised corporate representative or, where proxies are allowed, by proxy at a general meeting of which notice has been duly given in accordance with Bye-law 63.</p> <p>A resolution shall be an Ordinary Resolution when it has been passed by a simple majority of the votes cast by such members as, being entitled so to do, vote in person or, by a duly authorised corporate representative or, where proxies are allowed, by proxy at a general meeting of which notice has been duly given in accordance with Bye-law 63.</p>	<p>"writing" or "printing" shall include writing, printing, lithography, photography, typewriting and every other mode of representing words or figures in a legible and non-transitory form.</p> <p>Except where the context otherwise requires:</p> <p>words denoting the singular shall include the plural and words denoting the plural shall include the singular.</p> <p>words importing any gender shall include every gender.</p> <p>words importing person shall include partnerships, firms, companies and corporations.</p> <p>Subject as aforesaid, any words or expressions defined in the Companies Act (except any statutory modification thereof not in force when these Bye-Laws become binding on the Company) shall, if not inconsistent with the subject and/or context, bear the same meaning in these Bye-Laws, save that "company" shall where the context permits include any company incorporated in Bermuda or elsewhere.</p> <p>References to any statute or statutory provision shall be construed as relating to any statutory modification or reenactment thereof for the time being in force.</p>

Currently in force	Proposed to amended as
<p data-bbox="413 261 762 449">A Special Resolution shall be effective for any purpose for which an Ordinary Resolution is expressed to be required under any provision of these Bye-Laws or the Statutes.</p>	<p data-bbox="984 261 1350 676">A resolution shall be a Special Resolution when it has been passed by a majority of not less than three-fourths of the votes cast by such members as, being entitled so to do, vote in person or, by a duly authorised corporate representative or, where proxies are allowed, by proxy at a general meeting of which notice has been duly given in accordance with Bye-law 63.</p> <p data-bbox="984 712 1350 1093">A resolution shall be an Ordinary Resolution when it has been passed by a simple majority of the votes cast by such members as, being entitled so to do, vote in person or, by a duly authorised corporate representative or, where proxies are allowed, by proxy at a general meeting of which notice has been duly given in accordance with Bye-law 63.</p> <p data-bbox="984 1129 1332 1319">A Special Resolution shall be effective for any purpose for which an Ordinary Resolution is expressed to be required under any provision of these Bye-Laws or the Statutes.</p> <p data-bbox="984 1355 1350 1896">A resolution shall be an extraordinary resolution (“Extraordinary Resolution”) when it has been passed by a majority of not less than two-thirds of votes cast by such members as, being entitled so to do, vote in person or, in the case of such members as are corporations, by their respective duly authorised corporate representative or, where proxies are allowed, by proxy at a general meeting of which Notice has been duly given in accordance with these Bye-Laws.</p>

**APPENDIX IV      PROPOSED AMENDMENTS TO THE BYE-LAWS**

Currently in force		Proposed to amended as	
Bye-law 2	Without prejudice to any other requirements of the Statutes, a Special Resolution shall be required to alter the objects and powers contained in the Memorandum of Association, to approve any amendment of these presents or to change the name of the Company.	Bye-law 2	Without prejudice to any other requirements of the Statutes, a Special Resolution shall be required to alter the objects and powers contained in the Memorandum of Association, to approve any amendment of these presents or to change the name of the Company. No Bye-law shall be rescinded, altered or amended and no new Bye-law shall be made until the same has been approved by a resolution of the Directors and confirmed by a Special Resolution.



Currently in force		Proposed to amended as	
Bye-law 14	<p>(A) The Board shall cause to be kept a register of the members and there shall be entered therein the particulars required under the Companies Act.</p> <p>(B) Subject to the provisions of the Companies Act, if the Board considers it necessary or appropriate, the Company may establish and maintain a local or branch register at such location outside Bermuda as the Board thinks fit and, while the issued share capital of the Company is, with the consent of the Board, listed on any stock exchange in Hong Kong, the Company shall keep a branch register in Hong Kong.</p>	Bye-law 14	<p>(A) The Board shall cause to be kept a register of the members and there shall be entered therein the particulars required under the Companies Act.</p> <p>(B) Subject to the provisions of the Companies Act, if the Board considers it necessary or appropriate, the Company may establish and maintain a local or branch register at such location outside Bermuda as the Board thinks fit and, while the issued share capital of the Company is, with the consent of the Board, listed on any stock exchange in Hong Kong, the Company shall keep a branch register in Hong Kong.</p> <p>(C) The register including the Principal Register and any branch register of members, as the case may be, shall be open to inspection between 10 a.m. and 12 noon during business hours by members of the public without charge at the office or such other place at which the register is kept in accordance with the Companies Act. The register including any overseas or local or other branch register of members may, after notice has been given by advertisement in an appointed newspaper and where applicable, any other newspapers in accordance with the requirements of the stock exchange in the Relevant Territory or by any means (electronic or otherwise) in such manner as may be accepted by the stock exchange in the Relevant Territory to that effect, be closed at such times or for such periods not exceeding in the whole thirty (30) days in each year as the Board may determine and either generally or in respect of any class of shares.</p>

**APPENDIX IV PROPOSED AMENDMENTS TO THE BYE-LAWS**

Currently in force		Proposed to amended as	
Bye-law 60	The Company shall in each year hold a general meeting as its annual general meeting in addition to any other meeting in that year and shall specify the meeting as such in the notice calling it; and not more than fifteen months shall elapse between the date of one annual general meeting of the Company and that of the next. The annual general meeting shall be held in the Relevant Territory or elsewhere as may be determined by the Board and at such time and place as the Board shall appoint.	Bye-law 60	The Company shall in each financial year hold a general meeting as its annual general meeting in addition to any other meeting in that financial year and shall specify the meeting as such in the notice calling it; and such annual general meeting must be held within six (6) months after the end of the Company’s financial year (unless a longer period would not infringe the Listing Rules). The annual general meeting shall be held in the Relevant Territory or elsewhere as may be determined by the Board and at such time and place as the Board shall appoint.
Bye-law 62	The Board may, whenever it thinks fit, convene a special general meeting, and special general meetings shall also be convened on requisition, as provided by the Companies Act, or, in default, may be convened by the requisitionists.	Bye-law 62	The Board may, whenever it thinks fit, convene a special general meeting, and members holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Secretary of the Company, to require a special general meeting to be called by the Board for the transaction of any business or resolution specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting, the requisitionists themselves may do so in accordance with the provisions of Section 74(3) of the Companies Act.

Currently in force		Proposed to amended as	
Bye-law 63	<p>An annual general meeting shall be called by notice of not less than twenty-one (21) clear days or not less than twenty (20) clear business days, whichever is later and any special general meeting at which the passing of a Special Resolution is to be considered shall be called by notice of not less than twenty-one (21) clear days or not less than ten (10) clear business days, whichever is later. All other special general meetings shall be called by notice of not less than fourteen (14) clear days or not less than ten (10) clear business days, whichever is later. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the place, the day and the hour of meeting and, in case of special business, the general nature of that business, and shall be given, in manner hereinafter mentioned or in such other manner, if any, as may be prescribed by the Company in general meeting, to such persons as are, under these Bye-Laws, entitled to receive such notices from the Company, provided that subject to the provisions of the Companies Act and the Listing Rules, a meeting of the Company shall notwithstanding that it is called by shorter notice than that specified in this Bye-Law be deemed to have been duly called if it is so agreed:-</p> <p>(i) in the case of a meeting called as the annual general meeting, by all the members entitled to attend and vote thereat; and</p> <p>(ii) 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 ninety-five per cent. in nominal value of the shares giving that right.</p>	Bye-law 63	<p>An annual general meeting shall be called by notice of not less than twenty-one (21) clear days. All other general meetings (including a special general meeting) shall be called by notice of not less than fourteen (14) clear days. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the place, the day and the hour of meeting and, in case of special business, the general nature of that business, and shall be given, in manner hereinafter mentioned or in such other manner, if any, as may be prescribed by the Company in general meeting, to such persons as are, under these Bye-Laws, entitled to receive such notices from the Company, provided that subject to the provisions of the Companies Act and the Listing Rules, a meeting of the Company shall notwithstanding that it is called by shorter notice than that specified in this Bye-Law be deemed to have been duly called if it is so agreed:-</p> <p>(i) in the case of a meeting called as the annual general meeting, by all the members entitled to attend and vote thereat; and</p> <p>(ii) 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 representing not less than ninety-five per cent. (95%) of the total voting rights at the meeting of all the members.</p>

Currently in force		Proposed to amended as	
Bye-law 76	<p>(A) 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 who is present in person or by a duly authorized corporate representative or by proxy shall have one vote, and on a poll every member present in person or by a duly authorized corporate representative or by proxy, shall have one vote for every share of which he is the holder which is fully paid up or credited as fully paid up (but so that no amount paid up or credited as paid up on a share in advance of calls or instalments shall be treated for the purposes of this Bye-Law as paid up on a share). On a poll a member entitled to more than one vote need not use all his votes or cast his votes in the same way.</p> <p>(B) 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.</p>	Bye-law 76	<p>(A) 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 who is present in person or by a duly authorized corporate representative or by proxy shall have one vote, and on a poll every member present in person or by a duly authorized corporate representative or by proxy, shall have one vote for every share of which he is the holder which is fully paid up or credited as fully paid up (but so that no amount paid up or credited as paid up on a share in advance of calls or instalments shall be treated for the purposes of this Bye-Law as paid up on a share). On a poll a member entitled to more than one vote need not use all his votes or cast his votes in the same way.</p> <p>(B) 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.</p> <p>(C) All members shall have the right to (a) speak at a general meeting; and (b) vote at a general meeting except where a member is required, by the Listing Rules, to abstain from voting to approve the matter under consideration</p>

Currently in force		Proposed to amended as	
Bye-law 82	The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised.	Bye-law 82	The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised. In the case of an instrument of proxy purporting to be signed on behalf of a corporation by an officer thereof it shall be assumed, unless the contrary appears, that such officer was duly authorised to sign such instrument of proxy on behalf of the corporation without further evidence of the facts.
Bye-law 87(B)	(B) If a Clearing House (or its nominee) is a member of the Company, it may appoint such person or persons as it thinks fit to act as its proxy or proxies or as its corporate representative at any meeting of the Company or at any meeting of any class of members of the Company provided that, if more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed. A person so appointed under the provisions of this Bye-Law shall be entitled to exercise the same powers on behalf of the Clearing House (or its nominee) which he represents as that Clearing House (or its nominee) could exercise as if it were an individual member of the Company, including the right to vote individually on a show of hands notwithstanding the provisions of Bye-Laws Nos. 76 and 81.	Bye-law 87(B)	(B) If a Clearing House (or its nominee) is a member of the Company, it may appoint such person or persons as it thinks fit to act as its proxy or proxies or as its corporate representative at any meeting of the Company or at any meeting of any class of members of the Company provided that, if more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed. A person so appointed under the provisions of this Bye-Law shall be entitled to exercise the same powers on behalf of the Clearing House (or its nominee) which he represents as that Clearing House (or its nominee) could exercise as if it were an individual member of the Company, including the right to speak, and the right to vote individually on a show of hands notwithstanding the provisions of Bye-Laws Nos. 76 and 81.

**APPENDIX IV      PROPOSED AMENDMENTS TO THE BYE-LAWS**

Currently in force		Proposed to amended as	
Bye-law 97 (A)	<p>A Director shall vacate his office:-</p> <p>(i) if he becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors generally;</p> <p>(ii) if he becomes a lunatic or of unsound mind;</p> <p>(iii) if he absents himself from the meetings of the Board during a continuous period of six months, without special leave of absence from the Board, and his alternate Director (if any) shall not during such period have attended in his stead, and the Board passes a resolution that he has by reason of such absence vacated his office;</p> <p>(iv) if he becomes prohibited by law from acting as a Director;</p> <p>(v) if by notice in writing delivered to the Company at its Registered Office or at the Head Office he resigns his office;</p> <p>(vi) if he shall be removed from office by a Special Resolution of the Company under Bye-Law 104.</p>	Bye-law 97(A)	<p>A Director shall vacate his office:-</p> <p>(i) if he becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors generally;</p> <p>(ii) if he becomes a lunatic or of unsound mind;</p> <p>(iii) if he absents himself from the meetings of the Board during a continuous period of six months, without special leave of absence from the Board, and his alternate Director (if any) shall not during such period have attended in his stead, and the Board passes a resolution that he has by reason of such absence vacated his office;</p> <p>(iv) if he becomes prohibited by law from acting as a Director;</p> <p>(v) if by notice in writing delivered to the Company at its Registered Office or at the Head Office he resigns his office;</p> <p>(vi) if he shall be removed from office by an Ordinary Resolution of the Company under Bye-Law 104.</p>

Currently in force		Proposed to amended as	
Bye-law 98(H)	<p>A Director shall not be entitled to vote (nor be counted in the quorum) on any resolution of the Board in respect of any contract or arrangement or any other proposal in which he or any of his associates has/have any material interest, and if he shall do so, his vote shall not be counted (nor shall he to be counted in that quorum for the resolution), but this prohibition shall not apply to any of the following matters namely:</p> <p>(i) the giving of any security or indemnity either:</p> <p>(a) to the Director or his associate(s) 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</p> <p>(b) to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his associate(s) has/have 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;</p> <p>(ii) 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 his associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;</p>	Bye-law 98(H)	<p>A Director shall not be entitled to vote (nor be counted in the quorum) on any resolution of the Board in respect of any contract or arrangement or any other proposal in which he or any of his close associates has/have any material interest, but this prohibition shall not apply to any of the following matters namely:</p> <p>(i) the giving of any security or indemnity either:</p> <p>(a) to the Director or his close associate(s) 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</p> <p>(b) to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his close associate(s) has/have 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;</p> <p>(ii) 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 his close associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;</p>

**APPENDIX IV      PROPOSED AMENDMENTS TO THE BYE-LAWS**

Currently in force		Proposed to amended as	
	<p>(iii) [Deleted]</p> <p>(iv) any proposal or arrangement concerning the benefit of employees of the Company or its subsidiaries including:</p> <p style="padding-left: 40px;">(a) the adoption, modification or operation of any employees’ share scheme or any share incentive or share option scheme under which the Director or his associate(s) may benefit; or</p> <p style="padding-left: 40px;">(b) the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates both to Directors, their associates and employees of the Company or any of its subsidiaries and does not provide in respect of any Director or his associate(s), as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates; and</p> <p>(v) any contract or arrangement in which the Director or his associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company.</p> <p>The expression “subsidiary” in this Bye-law shall have the meaning ascribed thereto in the Listing Rules.</p>		<p>(iii) [Deleted]</p> <p>(iv) any proposal or arrangement concerning the benefit of employees of the Company or its subsidiaries including:</p> <p style="padding-left: 40px;">(a) the adoption, modification or operation of any employees’ share scheme or any share incentive or share option scheme under which the Director or his close associate(s) may benefit; or</p> <p style="padding-left: 40px;">(c) the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates both to Directors, their associates and employees of the Company or any of its subsidiaries and does not provide in respect of any Director or his close associate(s), as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates; and</p> <p>(v) any contract or arrangement in which the Director or his close associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company.</p> <p>The expression “subsidiary” in this Bye-law shall have the meaning ascribed thereto in the Listing Rules.</p>



Currently in force		Proposed to amended as	
Bye-law 98(J)	<p>If any question shall arise at any meeting of the Board as to the materiality of the interest of a Director (other than the Chairman) or any of his associate(s) or as to the entitlement of any Director (other than such Chairman) to vote or be counted in the quorum and such question is not resolved by his voluntarily agreeing to abstain from voting or not to be counted in the quorum, such question shall be referred to the Chairman and his ruling in relation to such other Director shall be final and conclusive except in a case where the nature or extent of the interest of the Director or any of his associate(s) concerned as known to such Director has not been fairly disclosed to the Board. If any question as aforesaid shall arise in respect of the Chairman or his associate(s) such question shall be decided by a resolution of the Board (for which purpose such Chairman shall not be counted in the quorum and shall not vote thereon) and such resolution shall be final and conclusive except in a case where the nature or extent of the interest of such Chairman or any of his associate(s) concerned as known to such Chairman has not been fairly disclosed to the Board.</p>	Bye-law 98(J)	<p>If any question shall arise at any meeting of the Board as to the materiality of the interest of a Director (other than the Chairman) or as to the entitlement of any Director (other than such Chairman) to vote or be counted in the quorum and such question is not resolved by his voluntarily agreeing to abstain from voting or not to be counted in the quorum, such question shall be referred to the Chairman and his ruling in relation to such other Director shall be final and conclusive except in a case where the nature or extent of the interest of the Director concerned as known to such Director has not been fairly disclosed to the Board. If any question as aforesaid shall arise in respect of the Chairman such question shall be decided by a resolution of the Board (for which purpose such Chairman shall not vote thereon) and such resolution shall be final and conclusive except in a case where the nature or extent of the interest of such Chairman concerned as known to such Chairman has not been fairly disclosed to the Board.</p>

**APPENDIX IV      PROPOSED AMENDMENTS TO THE BYE-LAWS**

Currently in force		Proposed to amended as	
Bye-law 102	<p>(A) The Company may from time to time in general meeting by Ordinary Resolution elect any person to be 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 general meeting of the Company and shall then be eligible for re-election at the meeting but shall not be taken into account in determining the Directors who are to retire by rotation at such meeting.</p> <p>(B) 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 but so that the maximum number of directors so appointed shall not exceed the number determined from time to time by the members in general meeting. Any Director so appointed shall hold office only until the next following general meeting of the Company and shall then be eligible for re-election at the meeting.</p>	Bye-law 102	<p>(A) The Company may from time to time in general meeting by Ordinary Resolution elect any person to be 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 annual general meeting of the Company and shall then be eligible for re-election at the meeting but shall not be taken into account in determining the Directors who are to retire by rotation at such meeting.</p> <p>(B) 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 but so that the maximum number of directors so appointed shall not exceed the number determined from time to time by the members in general meeting. Any Director so appointed shall hold office only until the first annual general meeting of the Company after his appointment and shall then be eligible for re-election at the meeting.</p>

**APPENDIX IV      PROPOSED AMENDMENTS TO THE BYE-LAWS**

Currently in force		Proposed to amended as	
Bye-law 104	The Company may by Special Resolution at a special general meeting called for the purpose remove any Director (including a Managing Director or other Executive Director) before the expiration of his period of office notwithstanding anything in these Bye-Laws or in any agreement between the Company and such Director (but without prejudice to any claim which such Director may have for damages for any breach of any contract between him and the Company). Provided that notice of any such meeting shall be served on the Director concerned not less than 14 days before the meeting and such Director shall be entitled to be heard at such meeting. The Members may elect another person in place of any Director removed hereby and hereunder. Any person so elected shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election, but shall not be taken into account in determining the Directors who are to retire by rotation at such meeting.	Bye-law 104	The Company may by Ordinary Resolution remove any Director (including a Managing Director or other Executive Director) before the expiration of his period of office notwithstanding anything in these Bye-Laws or in any agreement between the Company and such Director (but without prejudice to any claim which such Director may have for damages for any breach of any contract between him and the Company). Provided that notice of any such meeting shall be served on the Director concerned not less than 14 days before the meeting and such Director shall be entitled to be heard at such meeting. The members may elect another person in place of any Director removed hereby and hereunder. Any person so elected shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election, but shall not be taken into account in determining the Directors who are to retire by rotation at such meeting.

Currently in force		Proposed to amended as	
Bye-law 163	<p>(A) Auditors shall be appointed and the terms and tenure of such appointment and their duties at all times regulated in accordance with the provisions of the Companies Act.</p> <p>(B) The Company shall at each annual general meeting appoint one or more auditors to hold office until the conclusion of the next annual general meeting, but if an appointment is not made, the Auditor or Auditors in office shall continue in office until a successor is appointed. A Director, officer or employee of the Company or of any of its subsidiaries or a partner, officer or employee of any such Director, officer or employee shall not be capable of being appointed Auditor of the Company. 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. Subject as otherwise provided by the Companies Act, the remuneration of the Auditor or Auditors shall be fixed by or on the authority of the Company in the annual general meeting except that in any particular year the Company in general meeting may delegate the fixing of such remuneration to the Board and the remuneration of any Auditor appointed to fill any casual vacancy may be fixed by the Directors.</p>	Bye-law 163	<p>(A) Auditors shall be appointed and the terms and tenure of such appointment and their duties at all times regulated in accordance with the provisions of the Companies Act.</p> <p>(B) The Company shall at each annual general meeting appoint one or more auditors to hold office until the conclusion of the next annual general meeting, but if an appointment is not made, the Auditor or Auditors in office shall continue in office until a successor is appointed. A Director, officer or employee of the Company or of any of its subsidiaries or a partner, officer or employee of any such Director, officer or employee shall not be capable of being appointed Auditor of the Company. 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. Subject as otherwise provided by the Companies Act, the remuneration of the Auditor or Auditors shall be fixed by or on the authority of the Company in the annual general meeting except that in any particular year the Company in general meeting may delegate the fixing of such remuneration to the Board and the remuneration of any Auditor appointed to fill any casual vacancy may be fixed by the Directors.</p> <p>(C) The shareholders may, at any general meeting convened and held in accordance with these Bye-laws, by Extraordinary Resolution remove the Auditor at any time before the expiration of his term of office and shall by Ordinary Resolution at that meeting appoint another Auditor in his stead for the remainder of his term.</p>

**APPENDIX IV      PROPOSED AMENDMENTS TO THE BYE-LAWS**

Currently in force		Proposed to amended as	
Bye-law 166A	Subject to the provisions of the Companies Act and notwithstanding anything in these Bye-Laws or in any agreement between the Company and the Auditors, the Company may, by a Special Resolution passed at a general meeting of which notice specifying the intention to pass such resolution was given, remove the Auditors before the expiration of their term of office and shall by a majority of the votes cast at that meeting appoint another Auditors for the remaining term of the Auditors so removed provided that, not less than twenty one clear days before the date of the general meeting, notice in writing of the proposed resolutions is given to the incumbent Auditors and to the Auditors proposed to be appointed at such general meeting. The Company must allow the Auditors to attend the general meeting and make written and/or verbal representation to members at the general meeting.	Bye-law 166A	[Deleted]

Reference is also made to the announcement of the Company dated 9 October 2012 in relation to, among other things, the change of the English name of the Company from “WO KEE HONG (HOLDINGS) LIMITED” to “AUTO ITALIA HOLDINGS LIMITED” (the “Change of Company Name”).

To reflect the Change of Company Name, all references to “WO KEE HONG (HOLDINGS) LIMITED” are proposed to be replaced with “AUTO ITALIA HOLDINGS LIMITED” in the Bye-laws.

# NOTICE OF ANNUAL GENERAL MEETING



## AUTO ITALIA HOLDINGS LIMITED 意達利控股有限公司\*

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 720)**

### NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting (the “AGM”) of AUTO ITALIA HOLDINGS LIMITED (the “Company”) will be held with the combination of a physical meeting at 49th Floor, One Exchange Square, 8 Connaught Place Central, Hong Kong and an online virtual meeting via the e-Meeting System, on Wednesday, 25 May 2022 at 2:00 p.m. or any adjournment thereof, for the purposes of considering and, if thought fit, passing, with or without modification, each of the following resolutions numbered 1, 2 and 3 as ordinary resolutions:

1. To receive and consider the audited consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2021 and the reports of directors and independent auditor of the Company.
2. (A) To re-elect Mr KONG Kai Chuen Frankie as a director of the Company (“**Director(s)**”).  
  
(B) To re-elect Mr LEE Ben Tiong Leong as a Director.  
  
(C) To re-elect Mr LIN Chun Ho Simon as a Director.  
  
(D) To authorise the board of Directors (the “**Board**”) to fix the Directors’ remuneration.
3. To re-appoint Messrs. Deloitte Touche Tohmatsu, Certified Public Accountants, as the independent auditor of the Company to hold office until the conclusion of the next annual general meeting of the Company and to authorise the Board to fix its remuneration;

\* for identification purpose only

## NOTICE OF ANNUAL GENERAL MEETING

and, by way of special business, to consider and, if thought fit, to pass each of the following resolutions numbered 4, 5, 6 and 7, with or without modification, as ordinary resolutions:

### ORDINARY RESOLUTIONS

4. **“THAT:**
- (a) subject to paragraph (b) of this resolution, the Directors be and are hereby generally and unconditionally authorised to exercise during the Relevant Period (as that term is defined below) all the powers of the Company to allot, issue and deal with additional Shares (as that term is defined below) and to make or grant offers, agreements, and options (including warrants, bonds and debentures, notes and any securities which carry rights to subscribe for or are convertible into ordinary shares of the Company (the **“Shares”**)) which would or might require the exercise of any of such powers during or after the end of the Relevant Period;
  - (b) the aggregate number of the shares of the Company allotted, issued or otherwise dealt with or agreed conditionally or unconditionally to be allotted, issued or otherwise dealt with (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) of this resolution, other than pursuant to (i) a Rights Issue (as that term is defined below); or (ii) an issue of the Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into the Shares; or (iii) an issue of the Shares of the Company by way of script dividend pursuant to the bye-laws of the Company (the **“Bye-laws”**) from time to time; or (iv) the exercise of any option granted under any option scheme or similar arrangement for the time being adopted for the grant or issue to employees of the Company and/or its subsidiaries, of options to subscribe for, or rights to acquire the Shares, shall not in total exceed 20% of the aggregate number of the shares of the Company in issue as at the date of passing of this resolution;
  - (c) for the purpose of this resolution, **“Relevant Period”** means the period from the passing of this resolution until whichever is the earliest of:
    - (i) the conclusion of the next annual general meeting of the Company;
    - (ii) the revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders of the Company in general meeting; or
    - (iii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws, or any applicable laws, to be held; and

## NOTICE OF ANNUAL GENERAL MEETING

- (d) for the purpose of this resolution, “**Rights Issue**” means an offer of Shares for subscription open for a fixed period by the Company to holders of Shares on the register of members of the Company on a fixed record date in proportion to their then holdings of shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong).”

5. “**THAT:**

- (a) subject to paragraph (b) of this Resolution, the Directors be and are hereby generally and unconditionally authorised to exercise during the Relevant Period (as that term is defined below) all the powers of the Company to buy back its shares in the share capital of the Company, subject to and in accordance with the applicable laws and regulations of Bermuda, the Bye-laws and the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) as amended from time to time;
- (b) the aggregate number of the shares of the Company which may be purchased pursuant to the approval in paragraph (a) above shall not in total exceed 10% of the aggregate number of shares of the Company in issue as at the date of passing of this resolution; and
- (c) for the purpose of this resolution, “**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:
  - (i) the conclusion of the next annual general meeting of the Company;
  - (ii) the revocation or variation of the authority given under this resolution by ordinary resolution of the shareholders in general meeting; or
  - (iii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws, or any applicable laws, to be held.”



## NOTICE OF ANNUAL GENERAL MEETING

6. “**THAT** conditional upon the resolutions numbered 4 and 5 contained in the notice convening this meeting being approved, the aggregate number of the shares of the Company which are to be bought back by the Company pursuant to and in accordance with the resolution numbered 5 shall be added to the aggregate number of shares of the Company that may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to and in accordance with resolution numbered 4.”
  
7. “**THAT** subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting the approval of the listing of, and permission to deal in the shares falling to be issued and allotted pursuant to the exercise of any options that may be granted under the share option scheme of the Company (the “**New Share Option Scheme**”), the rules of which are contained in the document marked “A” produced to the AGM and signed by the chairman of the AGM for the purpose of identification,
  - (a) upon the New Share Option Scheme becoming unconditional, the existing share option scheme of the Company adopted on 28 May 2012 (the “**Existing Share Option Scheme**”) be and is hereby terminated; and
  - (b) the New Share Option Scheme be and is hereby approved and adopted and the Directors be and are hereby authorised to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the termination of the Existing Share Option Scheme and the adoption of the New Share Option Scheme including without limitation:
    - (i) administering the New Share Option Scheme and granting options under the New Share Option Scheme;
    - (ii) issuing and allotting from time to time such number of Shares in the capital of the Company as may be required to be issued pursuant to the exercise of the options granted under the New Share Option Schemes, subject to a maximum amount of 10% of the total number of issued Shares as at the date of approval of the Share Option Scheme;
    - (iii) modifying and/or amending the New Share Option Scheme from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the New Share Option Scheme relating to modification and/or amendment thereof and is subject to the requirements of the Listing Rules; and

## NOTICE OF ANNUAL GENERAL MEETING

- (iv) making application at the appropriate time or times to the Listing Committee for the listing of, and permission to deal in, any Shares or any part thereof that may hereafter from time to time be issued and allotted pursuant to the exercise of the options granted under the New Share Option Scheme.”;

and, by way of special business, to consider and, if thought fit, to pass the following resolution numbered 8, with or without modification, as a special resolution:

### SPECIAL RESOLUTION

8. “**THAT** the amendments to the Bye-laws (the “**Proposed Amendments**”) set out in Appendix IV to the circular of the Company dated 22 April 2022 of which this notice forms part (the “**Circular**”) be and are hereby approved and the amended and restated Bye-laws which contain all the Proposed Amendments (the “**Amended and Restated Bye-laws**”), a copy of which is produced to the AGM marked “B” and signed by the chairman of the AGM for the purpose of identification, be and is hereby approved and adopted as the new Bye-laws of the Company in substitution for, and to the exclusion of the existing Bye-laws of the Company with immediate effect after the close of the AGM and **THAT** the Directors be and are hereby authorised to do all such acts necessary to effect and record the adoption of the Amended and Restated Bye-laws.”

By Order of the Board  
**AUTO ITALIA HOLDINGS LIMITED**  
**CHONG Tin Lung Benny**  
*Executive Chairman and Chief Executive Officer*

Hong Kong, 22 April 2022

*Registered office:*

Victoria Place, 5th Floor  
31 Victoria Street  
Hamilton HM10  
Bermuda

*Principal place of business  
in Hong Kong:*

49th Floor, One Exchange Square  
8 Connaught Place  
Central, Hong Kong

*Notes:*

1. Any member of the Company entitled to attend and vote at the meeting may appoint another person as his/her proxy to attend and vote in his/her stead. A proxy need not be a member of the Company but must attend the meeting in person or via the e-Meeting System to represent him/her. A member who is the holder of two or more shares may appoint more than one proxy to attend on the same occasion. However, given the special arrangements adopted by the Company as set out in the section headed “Special Arrangements for the AGM” of the Circular (of which this notice forms part), the Company strongly encourages shareholders to exercise their rights to attend and vote at the Meeting via the e-Meeting System, if a shareholder (other than those who are required to attend the AGM physically to form a quorate meeting) wishes to vote on any resolution at the AGM by proxy, he/she/it should complete the proxy form and is strongly encouraged to appoint the chairman of the AGM as his/her/its proxy to exercise his/her/its right to vote at the AGM in accordance with his/her/its instructions.

## NOTICE OF ANNUAL GENERAL MEETING

2. Where there are joint registered holders of any share, any one of such persons may vote at the meeting, either personally or by proxy, in respect of such share of the Company as if he/she was solely entitled thereto; but if more than one of such joint holders be present at the meeting personally or by proxy, 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.

Only ONE PAIR of log-in username and password for the e-Meeting System will be provided to the joint registered holders. Any one of such joint registered holders may attend or vote in respect of such share(s) as if he/she/it was solely entitled thereto.

3. In order to be valid, the form of proxy duly completed and signed in accordance with the instructions printed thereon together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof must be delivered to the Company's share registrar and transfer office in Hong Kong, Tricor Standard Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, or via the designated website (<https://spot-meeting.tricor.hk>) by using the username and password provided on the notification letter sent by the Company not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof (as the case may be).
4. Completion and return of the form of proxy will not preclude member from attending the meeting and voting via the e-Meeting System if you so wish. In the event that you attend the meeting after having lodged the proxy form, it will be deemed to have been revoked.
5. The register of members will be closed from Thursday, 19 May 2022 to Wednesday, 25 May 2022 (both dates inclusive), during which period no transfer of shares will be effected. In order to be entitled to attend and vote at this meeting, all transfer documents together with the relevant share certificates must be lodged for registration with the Company's share registrar and transfer office in Hong Kong, Tricor Standard Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, no later than 4:30 p.m. on Wednesday, 18 May 2022.
6. Pursuant to Rule 13.39(4) of the Listing Rules, the resolutions set out in this notice will be decided by poll at the meeting.
7. The Chinese version of this notice is for reference only. Should there be any discrepancies, the English version shall prevail.
8. If typhoon signal No. 8 or above is hoisted, or a "black" rainstorm warning is issued, or "extreme conditions" resulting from a typhoon or rainstorm is announced by the HKSAR government, in each case at any time between 11 a.m. to 2 p.m. on the date of the AGM, the meeting will be adjourned in accordance with the Bye-laws and the shareholders of the Company (the "Shareholders") will be informed of the date, time and place of the adjourned meeting and, if necessary, be given notice thereof pursuant to the Bye-laws.
9. In light of the continuing risks posed by the COVID-19 pandemic, the Company will implement the following special arrangements for the AGM for the purpose of public health and safety:
  - (a) **The AGM will be a hybrid meeting.** The AGM will be held with the minimum number of persons present as is required under the Bye-laws of the Company to form a quorate meeting, together with a limited number of other attendees (including the Chairman of the AGM) to ensure the proper conduct of the meeting. The quorum will be formed by senior management members and/or senior staff members of the Company who are Shareholders and/or their proxies to maintain an internal grouping and minimise the continuing risks posed by the COVID-19 pandemic at the AGM. No other Shareholder, proxy or corporate representative should attend the AGM in person. **Other than those in the quorum and the limited number of other attendees to ensure the proper conduct of the meeting, any other person who attempts to attend the AGM in person will be denied entry to the venue of the AGM.**
  - (b) **Shareholders can attend, participate and vote at the AGM through the e-Meeting System** provided by the share registrar and transfer office of the Company in Hong Kong, Tricor Standard Limited (the "Share Registrar"), by visiting the website - <https://spot-meeting.tricor.hk> (the "Online Platform") by using the username and password provided on the notification letter sent by the Company. Shareholders participating in the AGM using the Online Platform will also be counted towards the quorum and they will be able to cast their vote and submit questions through the Online Platform.

## NOTICE OF ANNUAL GENERAL MEETING

- (c) Shareholders attending the AGM using the Online Platform will be able to submit questions relevant to the proposed resolution(s) online during the AGM. Shareholders can also send their questions by email from 9:00 a.m. on Thursday, 19 May 2022 to 6:00 p.m. on Monday, 23 May 2022 to [ir@autoitalia.com.hk](mailto:ir@autoitalia.com.hk). Whilst the Company will endeavour to respond to as many questions as possible at the AGM, due to time constraints, unanswered questions may be responded to after the AGM as appropriate.

Further details of special arrangements for the AGM are set out in the section headed “Special Arrangements for the AGM” of the Circular.

Due to the constantly evolving COVID-19 pandemic situation in Hong Kong, the Company may be required to change the AGM arrangements at short notice. Shareholders should check the Company’s website ([www.autoitalia.com.hk](http://www.autoitalia.com.hk)) or the website of The Stock Exchange of Hong Kong Limited ([www.hkex.com.hk](http://www.hkex.com.hk)) for future announcements and update on the AGM arrangement.

10. As at the date hereof, the Board comprises Mr CHONG Tin Lung Benny (Executive Chairman and Chief Executive Officer), Mr HUANG Zuie-Chin, Mr NG Siu Wai and Mr LIN Chun Ho Simon, each being an executive director of the Company; and Mr KONG Kai Chuen Frankie, Mr LEE Ben Tiong Leong and Mr TO Chun Wai, each being an independent non-executive director of the Company.
11. All registered shareholders will be able to join the Meeting or any adjourned meeting thereof via the e-Meeting System. The e-Meeting System can be accessed from any location with access to the internet via smartphone, tablet device or computer. All non-registered Shareholders may consult directly with their banks, brokers, custodians, nominees or HKSCC Nominees Limited through which their shares are held (as the case may be) for necessary arrangement to attend and vote via the e-Meeting System at the Meeting or any adjourned meeting thereof if they wish.