
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect about this circular, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitors, professional accountant or other professional advisor.

If you have sold or transferred all your Shares in China Display Optoelectronics Technology Holdings Limited, you should at once hand this circular and proxy form enclosed herein to the purchaser or transferee, or to the bank or stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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China Display Optoelectronics Technology Holdings Limited

華顯光電技術控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 334)

**(1) RENEWAL OF CONTINUING CONNECTED TRANSACTIONS –
MASTER FINANCIAL SERVICES (2023-2025) AGREEMENT
AND
(2) MAJOR TRANSACTION AND ADVANCE TO AN ENTITY
IN RESPECT OF THE DEPOSIT SERVICES UNDER
MASTER FINANCIAL SERVICES (2023-2025) AGREEMENT
AND
(3) PROPOSED AMENDMENTS TO THE BYE-LAWS**

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



Halcyon Capital Limited

A letter from the Board is set out on pages 7 to 34 of this circular.

A letter from the Independent Board Committee containing its recommendation to the Shareholders is set out on page 35 of this circular. A letter from Halcyon Capital Limited, the Independent Financial Advisor, containing its advice to the Independent Board Committee and the Shareholders is set out on pages 36 to 66 of this circular.

A notice convening the SGM to be held at 8th Floor, Building 22E, Phase Three, Hong Kong Science Park, Pak Shek Kok, New Territories, Hong Kong on 23 December 2022, Friday at 3:00 p.m. is set out on pages 155 to 157 of this circular.

If a tropical cyclone signal no. 8 or above or a black rainstorm warning signal or “extreme conditions” as defined under Chapter 1 of the Rules of the Exchange of the Stock Exchange is/are in force at or at any time after 12:00 noon on the date of the SGM and/or the Hong Kong Observatory and/or the government of Hong Kong (as the case may be) has announced at or before 12:00 noon on the date of the SGM that either of the above mentioned warnings is to be issued within the next two hours, the SGM will be adjourned. The Company will publish an announcement to notify Shareholders of the date, time and place of the adjourned SGM.

The SGM will be held as scheduled when an amber or red rainstorm warning signal is in force. Shareholders should decide on their own whether they would attend the SGM under bad weather conditions bearing in mind their own situation.

Whether or not you are able to attend the SGM or any adjournment thereof (as the case may be) in person, please complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, as soon as possible and in any event not later than 48 hours before the time appointed for holding the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish and in such event, the form of proxy shall be deemed to be revoked.

21 November 2022

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DEFINITIONS

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

“Amended Bye-Laws”	the amended and restated Bye-Laws incorporating all the Proposed Amendments proposed to be adopted by the shareholders by way of a special resolution at the SGM (full text of which with the Proposed Amendments marked-up against the Existing Bye-Laws are set out in Appendix III to this circular);
“associate(s)”	has the meaning ascribed to it under the Listing Rules;
“Board”	the board of Directors of the Company;
“Bye-Laws”	the bye-laws of the Company as supplemented or amended or substituted from time to time;
“CBIRC”	China Banking and Insurance Regulatory Commission;
“CDOT Huizhou”	China Display Optoelectronics Technology (Huizhou) Company Limited, a wholly-owned subsidiary of the Company;
“China Display Qualified Member”	such member(s) of the Group which satisfies the qualification of Qualified Member(s) during the term of the Master Financial Services (2023-2025) Agreement;
“close associate(s)”	has the meaning ascribed to it under the Listing Rules;
“Company”	China Display Optoelectronics Technology Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange (stock code: 334);
“connected person(s)”	has the meanings ascribed to it under the Listing Rules;
“Deposit Services”	deposit of money by China Display Qualified Members with Finance Company pursuant to the Master Financial Services (2023-2025) Agreement;
“Director(s)”	the director(s) of the Company;
“Existing Bye-Laws”	the existing Bye-Laws adopted by at a special general meeting of the Company held on 11 March 2015;

DEFINITIONS

“Finance Company”	TCL Technology Finance Co., Ltd.* (TCL科技集團財務有限公司) (formerly known as TCL Finance Co., Ltd.* (TCL集團財務有限公司)), a company established under the laws of the PRC with limited liability and a subsidiary of TCL Technology;
“Financing Services”	the provision of loan and credit services, including but not limited to provision of secured or unsecured loans, bill discounting, non-financing guarantee services and loan and credit services as permitted by the CBIRC or its representative offices (such as bill acceptance, etc.) by TCL Financial Services Associates to China Display Qualified Members pursuant to the Master Financial Services (2023-2025) Agreement;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Independent Board Committee”	an independent committee of the Board established for the purpose of advising the Shareholders in respect of the Master Financial Services (2023-2025) Agreement, the transactions contemplated thereunder and the proposed annual caps comprising all independent non-executive Directors who do not have a material interest in the transactions;
“Independent Financial Advisor”	Halcyon Capital Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial advisor appointed by the Board to advise the Independent Board Committee and the Shareholders in respect of the Master Financial Services (2023-2025) Agreement;
“Independent Third Party(ies)”	a person(s) or company(ies) which is/are independent of and not connected with any directors, chief executives, controlling shareholders and substantial shareholders of the Company or any of its subsidiaries and their respective associates;

DEFINITIONS

“Latest Practicable Date”	means 16 November 2022, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular;
“LCD”	liquid crystal display;
“LCD Module”	the integrated module of liquid crystal display, integrated circuit, connector and other structural components;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Master Financial Services (2020 Renewal) Agreement”	the master financial services (2020 renewal) agreement dated 2 December 2019 entered into among the Company, TCL Technology and Finance Company in respect of, among others, the provision of deposit services, financing services and other financial services by TCL Financial Services Associates;
“Master Financial Services (2023-2025) Agreement”	the master financial services (2023-2025) agreement dated 31 October 2022 entered into among the Company, TCL Technology and Finance Company in respect of the provision of Deposit Services, Financing Services and Other Financial Services by Finance Company and/or TCL Financial Services Associates;
“Memorandum”	the memorandum of association of the Company as amended from time to time;

DEFINITIONS

“Other Financial Services”	all financial services which may be provided by TCL Financial Services Associates to the China Display Qualified Members under the Master Financial Services (2023-2025) Agreement other than the Deposit Services and the Financing Services, namely (i) financing advisory services, credit verification and related consultation and agency services (including but not limited to issuance of letters of credit, back-to-back letters of credit, standby letters of credit, and transfer of letters of credit); (ii) entrusted loans; (iii) collection of transaction payments (including payment and disbursements on import collection bills, export and documents against acceptance bills); (iv) internal transfer and settlement, and corresponding settlement and clearance solutions advisory services; (v) derivative transactions for hedging purposes as permitted by the CBIRC or its representative offices; and (vi) any other services approved by the relevant authority;
“PBOC”	the People’s Bank of China, the central bank of the PRC;
“PRC”	the People’s Republic of China excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan for the purposes of this circular;
“Proposed Amendments”	the proposed amendments to the Existing Bye-Laws to be incorporated in the Amended Bye-Laws as set out in Appendix III to this circular;
“Qualified Member(s)”	all entities for which TCL Financial Services Associates will be allowed to provide services pursuant to application laws and regulations, including but not limited to the Measures for the Administration of Finance Companies of Enterprise Groups* (《企業集團財務公司管理辦法》) promulgated by the CBIRC;
“RMB”	Renminbi, the lawful currency of the PRC;
“SFO”	the Securities and Futures Ordinance (Cap. 571 of Laws of Hong Kong);

DEFINITIONS

“SGM”	the special general meeting of the Company to be convened and held to consider and, if thought fit, approve, (i) the Master Financial Services (2023-2025) Agreement, the transactions contemplated thereunder and the proposed annual caps; and (ii) the amendments to the Existing Bye-Laws by way of adoption of the Amended Bye-Laws;
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of Share(s);
“Shareholders’ Approval Day”	the date on which the Shareholders approve the Master Financial Services (2023-2025) Agreement, the transactions contemplated thereunder and the proposed annual caps;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiary/subsidiaries”	any entity within the meaning of the term “subsidiary” as defined in the Listing Rules and the term “subsidiaries” shall be construed accordingly;
“TCL Associates”	the associate(s) of TCL Technology;
“TCL CSOT”	TCL China Star Optoelectronics Technology Co., Ltd.* (TCL華星光電技術有限公司), formerly known as Shenzhen China Star Optoelectronics Technology Co., Ltd.* (深圳市華星光電技術有限公司), a company established under the laws of the PRC with limited liability and a subsidiary of TCL Technology;
“TCL Industries”	T.C.L. Industries Holdings (H.K.) Limited, a company incorporated in Hong Kong with limited liability, and a wholly-owned subsidiary of TCL Industries Holdings Co., Ltd* (TCL實業控股股份有限公司);

DEFINITIONS

“TCL Financial Services Associate(s)”	members of TCL Technology Group including but not limited to Finance Company which carry on businesses in financial services including but not limited to deposit, provision of credit facilities, clearing, bill discounting, entrusted loans, notes underwriting, non-financing guarantee, financial advisory, credit verification and consulting agency business and such other services as permitted by the CBIRC (e.g. bills acceptance, derivative transactions for hedging purposes and trading of fixed-income instruments);
“TCL Technology”	TCL Technology Group Corporation (TCL科技集團股份有限公司) (formerly known as TCL Corporation (TCL集團股份有限公司)), a joint stock limited company established under the laws of the PRC, the ultimate controlling shareholder of the Company, the shares of which are listed on the Shenzhen Stock Exchange (stock code: 000100);
“TCL Technology Group”	TCL Technology, its subsidiary(ies) and any entity(ies) that may become subsidiary(ies) of TCL Technology from time to time, and for the purpose of the Master Financial Services (2023-2025) Agreement and the transactions contemplated thereunder includes TCL Associates but, unless otherwise specified, excludes the Group;
“Wuhan CDOT”	Wuhan China Display Optoelectronics Technology Company Limited* (武漢華顯光電技術有限公司), a company established under the laws of the PRC with limited liability and a subsidiary of TCL Technology;
“Wuhan CSOT”	Wuhan China Star Optoelectronics Technology Co., Ltd.* (武漢華星光電技術有限公司), a company established under the laws of the PRC with limited liability and a subsidiary of TCL Technology; and
“%”	per cent.

The English transliteration of the Chinese name(s) in this circular, where indicated with “”, is included for information purpose only, and should not be regarded as the official English name(s) of such Chinese names.*

LETTER FROM THE BOARD

China Display Optoelectronics Technology Holdings Limited 華顯光電技術控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 334)

Non-executive Director:
Mr. LIAO Qian *(Chairman)*

Executive Directors:
Mr. OUYANG Hongping *(Chief Executive Officer)*
Mr. WEN Xianzhen
Mr. ZHANG Feng

Independent Non-executive Directors:
Ms. HSU Wai Man, Helen
Mr. LI Yang
Mr. XU Yan

Registered Office:
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

*Principal Place of Business
in Hong Kong:*
8th Floor
Building 22E
Phase Three, Hong Kong Science Park
Pak Shek Kok
New Territories
Hong Kong

21 November 2022

To the Shareholders

Dear Sir or Madam,

- (1) RENEWAL OF CONTINUING CONNECTED TRANSACTIONS –
MASTER FINANCIAL SERVICES (2023-2025) AGREEMENT
AND
(2) MAJOR TRANSACTION AND ADVANCE TO AN ENTITY
IN RESPECT OF THE DEPOSIT SERVICES UNDER
MASTER FINANCIAL SERVICES (2023-2025) AGREEMENT
AND
(3) PROPOSED AMENDMENTS TO THE BYE-LAWS**

INTRODUCTION

Reference is made to the announcement of the Company dated 31 October 2022. As stated therein, the Company, TCL Technology and Finance Company had on 31 October 2022 entered into the Master Financial Services (2023-2025) Agreement for a term commencing from 1 January 2023 to 31 December 2025, subject to Shareholders' approval, and the transactions contemplated thereunder constitute continuing connected transactions and major transaction of the Company. The Master Financial Services (2023-2025) Agreement is in substance renewal of the existing Master Financial Services (2020 Renewal) Agreement and the terms of the Master Financial Services (2023-2025) Agreement are substantially the same as the Master Financial Services (2020 Renewal) Agreement, save as otherwise specified below.

LETTER FROM THE BOARD

The purposes of this circular are:

- (i) to provide the Shareholders with further details regarding the Master Financial Services (2023-2025) Agreement;
- (ii) to set out the recommendations from the Independent Board Committee to the Shareholders regarding the transactions contemplated under the Master Financial Services (2023-2025) Agreement;
- (iii) to set out the advice from Halcyon Capital Limited, the Independent Financial Advisor, regarding the Master Financial Services (2023-2025) Agreement;
- (iv) to provide the Shareholders with information regarding the Proposed Amendments to the Bye-Laws; and
- (v) to give the Shareholders other information in accordance with the requirements of the Listing Rules.

The notice of SGM is enclosed herein as part of this circular.

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS – MASTER FINANCIAL SERVICES (2023-2025) AGREEMENT

On 2 December 2019, the Company, TCL Technology and Finance Company had entered into the Master Financial Services (2020 Renewal) Agreement, which will expire on 31 December 2022. For details, please refer to the circulars of the Company dated 9 December 2019 and 12 July 2021 respectively. As the Company, TCL Technology and Finance Company wish to continue the continuing connected transactions thereunder, on 31 October 2022 (after trading hours), the Company entered into the Master Financial Services (2023-2025) Agreement with TCL Technology and Finance Company, which is on substantially similar terms as the Master Financial Services (2020 Renewal) Agreement save that (i) the scope of the Master Financial Services (2023-2025) Agreement does not include the promotion services provided by members of the Group under the Master Financial Services (2020 Renewal) Agreement; and (ii) the respective scope of service of Financing Services and Other Financial Services has been modified to reflect and comply with the latest regulatory framework imposed by the CBIRC.

LETTER FROM THE BOARD

Set out below are the material terms of the Master Financial Services (2023-2025) Agreement:

- Date: 31 October 2022
- Parties: (1) the Company (for itself and on behalf of its Subsidiaries);
- (2) TCL Technology (for itself and on behalf of TCL Technology Group); and
- (3) Finance Company.
- Duration: From 1 January 2023 or the Shareholders' Approval Date (whichever is later) to 31 December 2025 (both days inclusive).
- Condition precedent: The Master Financial Services (2023-2025) Agreement is conditional on and subject to the compliance by the Company with relevant Listing Rules requirements in respect of the Master Financial Services (2023-2025) Agreement, including but not limited to obtaining the approval from Shareholders at the SGM.

Major terms and pricing policy:

Deposit Services

Any China Display Qualified Member may from time to time and in its absolute discretion request to deposit money with Finance Company, and Finance Company may in its absolute discretion decide whether to accept cash deposits from a China Display Qualified Member (including current deposits, fixed deposits or any other form of deposits), provided that the terms of the Deposit Services to be offered by Finance Company shall be subject to the following requirements:

- (1) for deposits made within the PRC, the interest rate shall not be lower than the highest of:
- (i) the minimum interest rate promulgated by the PBOC for the same type of deposit from time to time;
 - (ii) the interest rates for the same type of deposits offered to the relevant China Display Qualified Member by major commercial banks in the PRC; and

LETTER FROM THE BOARD

- (iii) the interest rates for the same type of deposits offered by Finance Company to any other members of TCL Technology Group (including the Group); and

other terms and conditions offered by Finance Company as a whole shall also be not less favourable than those offered by major commercial banks in the PRC (*see Note 1*) and Finance Company to any other members of the TCL Technology Group (including the Group) for the same type of deposits and shall be on normal commercial terms; and

- (2) for deposits made outside the PRC (*see Note 4*), the interest rate shall not be lower than the highest of:

- (i) the interest rates for the same type of deposits offered to the relevant China Display Qualified Member by major commercial banks located in the place where the relevant China Display Qualified Member is located; and

- (ii) the interest rates for the same type of deposits offered by Finance Company to any other members of the TCL Technology Group (including the Group); and

other terms and conditions offered by Finance Company as a whole shall also be not less favourable than those offered by major commercial banks located in the place where the relevant China Display Qualified Member is located (*see Note 1*) and Finance Company to any other members of the TCL Technology Group (including the Group) for the same type of deposits and shall be on normal commercial terms.

LETTER FROM THE BOARD

TCL Technology undertakes and will procure Finance Company and all its TCL Financial Services Associates to jointly and severally with TCL Technology undertake with the Group that subject to compliance with the Measures for the Administration of Finance Companies of Enterprise Groups* (《企業集團財務公司管理辦法》) and all regulatory indicators imposed by the CBIRC and/or other applicable laws and regulations, at any time during the term of the Master Financial Services (2023-2025) Agreement, the maximum amount of loans, financing and guarantees available under the Financing Services of the Master Financial Services (2023-2025) Agreement provided by TCL Financial Services Associates to China Display Qualified Members shall not be less than the total amount of deposits (including normal cash deposit and deposit of cash or bank instruments as security) placed by the China Display Qualified Members with Finance Company. (see Note 2)

If any China Display Qualified Member demands repayment of any money deposited by it with Finance Company in accordance with the relevant terms and procedures and Finance Company fails to follow the repayment demand, such China Display Qualified Member shall then have the right to:

- (a) offset the relevant outstanding deposit amount against up to the same amount of any outstanding loans owed by it and/or any financing provided to it by TCL Financial Services Associates and/or TCL Technology; and/or
- (b) transfer the right mentioned in (a) above to other China Display Qualified Members, so that other China Display Qualified Members have the right to offset the relevant outstanding deposit amount against up to the same amount of any outstanding loans owed by them and/or any financing provided to them by TCL Financial Services Associates and/or TCL Technology; and/or
- (c) request TCL Technology to repay the outstanding deposit amount on behalf of Finance Company in full.

LETTER FROM THE BOARD

Upon enquiry from any China Display Qualified Member, Finance Company shall within one business day (or such other time as agreed by the parties) provide an offer specifying the interest rates and terms of Deposit Services (including but not limited to whether the deposit can be withdrawn before its maturity, as well as the notice period of such withdrawal) (see Note 3). The terms and conditions of any Deposit Services conducted pursuant to the Master Financial Services (2023-2025) Agreement shall be agreed between the relevant China Display Qualified Member and Finance Company in writing by individual agreement(s) from time to time. The terms of such individual agreements shall be consistent with the Master Financial Services (2023-2025) Agreement save and except for the clauses regarding applicable law and dispute resolution.

Financing Services

Any China Display Qualified Member may from time to time and in its absolute discretion request any Financing Services (including bills discounting services) from TCL Financial Services Associates, and the relevant TCL Financial Services Associate may in its absolute discretion decide whether to provide Financing Services, provided that the terms of the Financing Services to be offered by TCL Financial Services Associates shall be subject to the following requirements:

- (1) If any of the TCL Financial Services Associates decides to provide any Financing Services to a China Display Qualified Member within the PRC, the interest rates charged by such TCL Financial Services Associate shall not exceed the lowest of:
 - (i) the maximum interest rates promulgated by the PBOC from time to time in respect of same type of financing services;
 - (ii) the interest rates offered by major commercial banks in the PRC for same type of financing services; and

LETTER FROM THE BOARD

- (iii) the interest rates for same type of financing services provided by such TCL Financial Services Associate to any other members of TCL Technology Group (including the Group) with the same credit rating; and

other terms and conditions offered by such TCL Financial Services Associate in respect of the Financing Services as a whole shall not be less favourable than those offered by other major commercial banks in the PRC and TCL Financial Services Associates to any other members of the TCL Technology Group (including the Group) with the same credit rating in respect of same type of financing services and shall be on normal commercial terms.

- (2) If any of the TCL Financial Services Associates decides to provide any Financing Services to a China Display Qualified Member outside the PRC (*see Note 4*), the interest rates charged by such TCL Financial Services Associate shall not exceed the lower of:

- (i) the interest rates offered by major commercial banks located in the place where the relevant China Display Qualified Member is located for same type of financing services; and

- (ii) the interest rates for same type of financing services provided by such TCL Financial Services Associate to any other members of the TCL Technology Group (including the Group) with the same credit rating; and

other terms and conditions offered by such TCL Financial Services Associate in respect of the Financing Services as a whole shall not be less favourable than those offered by such TCL Financial Services Associate to any other members of TCL Technology Group (including the Group) with the same credit rating and major commercial banks located in the place where the relevant China Display Qualified Member is located in respect of same type of financing services and shall be on normal commercial terms.

LETTER FROM THE BOARD

TCL Financial Services Associates may request China Display Qualified Member(s) to provide security (*see Note 5*) to TCL Financial Services Associates in respect of the Financing Services.

Upon enquiry from any China Display Qualified Member, the respective TCL Financial Services Associate shall within three business days (or such other time as agreed by the parties) provide an offer specifying the interest rates and terms of Financing Services. The terms and conditions of any Financing Services conducted pursuant to the Master Financial Services (2023-2025) Agreement shall be agreed between the relevant China Display Qualified Member and TCL Financial Services Associate in writing by individual agreement(s) from time to time. The terms of such individual agreements shall be consistent with the Master Financial Services (2023-2025) Agreement save and except for the clauses regarding applicable law and dispute resolution.

Other Financial Services

Any China Display Qualified Member may from time to time and in its absolute discretion request TCL Financial Services Associates to provide Other Financial Services, and the relevant TCL Financial Services Associate may in its absolute discretion decide whether to provide Other Financial Services, provided that the terms of the Other Financial Services to be offered by TCL Financial Services Associates shall be subject to the following requirements:

- (1) The fees charged by TCL Financial Services Associates in respect of provision of Other Financial Services within the PRC shall not exceed the lowest of:
 - (i) the fees promulgated by PBOC (if applicable) for relevant services from time to time;
 - (ii) the fees charged by major commercial banks in the PRC in respect of same type of services; and
 - (iii) the fees charged for the same type of services offered by TCL Financial Services Associates to any other members of the TCL Technology Group (including the Group) with the same credit rating; and

LETTER FROM THE BOARD

other terms and conditions of the Other Financial Services offered by TCL Financial Services Associates as a whole within the PRC shall not be less favourable than those offered by PBOC, major commercial banks in the PRC and TCL Financial Services Associates to any other members of the TCL Technology Group (including the Group) with the same credit rating for the same type of services and shall be on normal commercial terms.

- (2) The fees charged by TCL Financial Services Associates in respect of provision of Other Financial Services outside the PRC (*see Note 4*) shall not exceed the lower of:
- (i) the fees promulgated by the major commercial banks located in the place where the relevant China Display Qualified Member is located for the same type of services; and
 - (ii) the fees charged for the same type of services offered by TCL Financial Services Associates to any other members of the TCL Technology Group (including the Group) with the same credit rating; and

other terms and conditions of the Other Financial Services offered by TCL Financial Services Associates outside the PRC as a whole shall not be less favourable than those offered the major commercial banks located in the place where the relevant China Display Qualified Member is located and by TCL Financial Services Associates to any other members of the TCL Technology Group (including the Group) with the same credit rating for the same type of services and shall be on normal commercial terms.

The relevant China Display Qualified Member may from time to time determine in its absolute discretion choose to use Other Financial Services provided by TCL Financial Services Associates or any other independent financial institutions.

LETTER FROM THE BOARD

The terms and conditions of any Other Financial Services conducted pursuant to the Master Financial Services (2023-2025) Agreement shall be agreed between the relevant China Display Qualified Member and TCL Financial Services Associate in writing by individual agreement(s) from time to time. The terms of such individual agreements shall be consistent with the Master Financial Services (2023-2025) Agreement save and except for the clauses regarding applicable law and dispute resolution.

TCL Technology's undertakings:

TCL Technology undertakes with the Company, among others, that:

- (1) it will procure TCL Financial Services Associates to perform its obligations under the Master Financial Services (2023-2025) Agreement; and
- (2) in case TCL Financial Services Associates experience any financial difficulties, TCL Technology will, subject to internal approvals and the applicable rules and regulations, inject capital to TCL Financial Services Associates based on the needs of TCL Financial Services Associates so as to enable the relevant TCL Financial Services Associate to duly perform its obligations under the Master Financial Services (2023-2025) Agreement and the relevant individual agreements thereunder.

Notes:

1. The major commercial banks in PRC include (but not limited to) Bank of China, Industrial and Commercial Bank of China, Agricultural Bank of China and China Construction Bank. The major commercial banks located in the place where the relevant China Display Qualified Member is located include (but not limited to), in the case of Hong Kong, Bank of China (Hong Kong), The Hongkong and Shanghai Banking Corporation and China Construction Bank (Asia).
2. With this undertaking, China Display Qualified Members could be assured that facilities available to them under the Master Financial Services (2023-2025) Agreement could be of at least the amount of deposits they maintain with Finance Company.
3. Finance Company would offer to the China Display Qualified Members deposit services of different durations depending on the operational need of the relevant China Display Qualified Member, including but not limited to demand deposits and time deposits, provided that the maximum duration shall not exceed the term of the Master Financial Services (2023-2025) Agreement. In general, the China Display Qualified Members would usually demand, and Finance Company would provide, demand deposit and time deposits for 1 month and 6 months.

LETTER FROM THE BOARD

4. As at the Latest Practicable Date, neither Finance Company nor any TCL Financial Services Associates is eligible for providing the Deposit Services, Financing Services and Other Financial Services to China Display Qualified Members outside the PRC. Nevertheless, the scope of the Master Financial Services (2023-2025) Agreement still covers Financial Services outside the PRC in order to provide more flexibility to cater for the business needs of China Display Qualified Members in the event Finance Company or any TCL Financial Services Associates is eligible to do so. For the avoidance of doubt, neither Finance Company nor any TCL Financial Services Associates will provide any Deposit Services, Financing Services and Other Financial Services to China Display Qualified Members outside the PRC unless they are eligible to do so under applicable laws of the relevant jurisdiction.

5. TCL Financial Services Associates usually do not require collateral or security from China Display Qualified Members for Financing Services. Nevertheless, if TCL Financial Services Associates request collateral or security, the terms thereof (such as the type and amount of collateral or security) will be determined on arm's length basis and with reference to a basket of factors (such as the facility amount and the financial position of the relevant China Display Qualified Members).

General settlement terms under the Master Financial Services (2023–2025) Agreement

Deposit Services

Generally, the agreed deposit account maintained by China Display Qualified Member(s) with Finance Company is akin to a current account, such that China Display Qualified Member(s) will make deposit and withdrawal from such account (provided that the deposit terms offered by Finance Company to the Group are no less favourable than those offered by Independent Third Parties). Usually, interest for the period starting on the 22nd day of the previous month to the 21st day of the current month will be settled on the 21st day of each month.

Financing Services

In respect of bill discounting, bills generally have a credit period of 30 to 90 days, whilst cash to be received by China Display Qualified Members on discounting the bill will normally be settled on the same day or the next business day. In respect of loan facility, subject to the loan agreement, the draw-down date of the loan is usually one or two days after entering into the agreement, whilst interests are usually settled monthly or on the maturity date of the loan.

Other Financial Services

Letters of credit are normally issued upon the supplier having submitted all requisite documents to the relevant TCL Financial Services Associate.

LETTER FROM THE BOARD

Internal control procedures and pricing policy for conducting transactions under the Master Financial Services (2023–2025) Agreement

The Group will follow the following internal control procedures and pricing policies when conducting the transactions under the Master Financial Services (2023-2025) Agreement:

Deposit Services

- (1) If Finance Company decides to accept any amount of cash deposits from a China Display Qualified Member (including current deposits, fixed deposits or any other form of deposits), the interest rates offered by Finance Company will be determined in accordance with the pricing policy as set out in the Master Financial Services (2023-2025) Agreement. The Group will also compare from time to time and at least every quarter the interest rates offered by Finance Company against (i) the benchmark interest rates promulgated by the PBOC (in the case of deposit made in PRC), (ii) interest rates quoted by at least three major commercial banks in the relevant jurisdiction and (iii) interest rates for similar deposit service quoted by Finance Company to other members of TCL Technology Group to ensure those offered by Finance Company is no less favourable or better than the said benchmark interest rates.
- (2) The Group's finance department will monitor the maximum daily balance of the deposits on a daily basis to ensure that the aggregate deposits do not exceed the applicable annual caps.
- (3) The Group will also maintain accounts with independent banks. Should the balance at the end of any day exceed the maximum daily balance of deposits, the excess funds will be transferred to the Group's bank accounts with an independent commercial bank.
- (4) The Group will request Finance Company, TCL Financial Services Associates and TCL Technology to provide the Group with sufficient information including various financial indicators, such as its asset size, liquidity ratios, operation ratios, level of bad assets and its risk rating assessed by CBIRC (if and when available) at the end of every year as well as annual and interim financial statements to enable the Group to monitor and review the financial condition of the Finance Company and/or TCL Financial Services Associates. Finance Company, TCL Financial Services Associates and TCL Technology shall notify the Group, subject to compliance with applicable laws and regulations, should it be subject to any judicial, legal or regulatory proceedings or investigations which are reasonably likely to have a material impact on the financial condition of any of them. If the Group considers that there is any material adverse change in the financial condition of Finance Company and/or TCL Financial Services Associates, the Group will take appropriate measures (for example, early uplift of deposits and a moratorium on further deposits) to protect the Group's financial position.

LETTER FROM THE BOARD

- (5) Finance Company and/or TCL Financial Services Associates will also provide the Group with a monthly report on the status of the Group's deposits so as to enable the Group to monitor and ensure that the relevant annual cap under the Master Financial Services (2023-2025) Agreement has not been exceeded. Particularly, the Group has in place an internal control system to monitor the usage of annual cap, and Finance Company would monitor the daily ending balance of cash deposited by the Group and would issue a warning to the Group when the balance reaches 90% of the relevant annual cap. Upon receiving the warning, the Group will instruct Finance Company to transfer and deposit such amount in excess with other independent financial institutions as soon as possible within the same day and in any event no later than the next business day. The Group will also conduct a weekly forecast on its level of operating cash to determine the amount to be deposited with Finance Company in the following week, so as to ensure the maximum outstanding daily ending balance of deposits deposited with Finance Company will not exceed the relevant annual cap at any given time. If it is expected that the amount of cash to be generated from Finance Company (e.g. cash received from bills discounting service provided by Finance Company), if deposited with Finance Company, will cause the total balance of cash deposited by the Group with Finance Company exceeding the relevant annual cap, the Group will instruct Finance Company to transfer and deposit such amount in excess with other independent financial institutions in advance so as to ensure the maximum outstanding daily ending balance of deposits deposited with Finance Company will not exceed the relevant annual cap at any given time.
- (6) The Group will, from time to time at its sole discretion, request for the deposits with Finance Company to be withdrawn (either in full or in part) to assess and ensure the liquidity and safety of the Group's deposits.
- (7) Pursuant to the Master Financial Services (2023-2025) Agreement, TCL Technology has undertaken that if Finance Company fails to make any repayment in accordance with the relevant terms and procedure, TCL Technology shall repay any outstanding deposit amount on behalf of Finance Company in full and/or offset the relevant outstanding deposit amount against and up to the same amount of any outstanding loans owed by it to and/or any trade financing provided to it by Finance Company and/or TCL Financial Services Associates and/or TCL Technology. Such undertaking provides indemnification for the deposits with Finance Company under the Master Financial Services (2023-2025) Agreement.

LETTER FROM THE BOARD

- (8) The Company will prepare risk assessment reports and data in respect of the funds deposited with Finance Company every quarter which will be submitted to the Board for consideration. The contents of such risk assessment reports include the total balance and maximum daily balance of the deposits for the reporting period, a summary of the interest rates of the deposits with Finance Company during the reporting period, and the terms thereof. It will also report to the Board every six months with respect to the deposits under the Master Financial Services (2023-2025) Agreement including compliance with annual caps and any potential change in the risk profile of Finance Company.

Financing Services

- (1) In general, the interest rates or bill discount rate (as the case may be) offered by TCL Financial Services Associates in respect of the financing services shall not be higher than those charged by other independent financial institutions in the PRC or those offered to other members of the TCL Technology Group. Other terms and conditions offered by TCL Financial Services Associates as a whole shall also not be less favourable than those offered by other independent financial institutions or those offered to other members of the TCL Technology Group, and shall be on normal commercial terms negotiated on arm's length basis. However, in cases where the relevant financing service is not provided by other independent financial institutions (other than TCL Financial Services Associates), for example where the value of the bill is small, the Group will, after taking into account such factor, assess whether the overall terms and conditions offered by TCL Financial Services Associates as a whole are no less favourable to the Group than those terms of general financing services offered by other independent financial institutions or those offered to other members of the TCL Technology Group.
- (2) The Group will, for every transaction, (i) obtain bill discount rates or interest rates (as the case may be) from at least three major PRC commercial banks such as Bank of China Limited in respect of financing service, and (ii) obtain bill discount rates or interest rates (as the case may be) offered by TCL Financial Services Associates to other members of the TCL Technology Group, and make comparisons with those offered by TCL Financial Services Associates.
- (3) The Group's finance department will monitor the aggregate financing amount (including interest payable and service fees) under the Financing Services to ensure that it does not exceed the applicable annual caps.

LETTER FROM THE BOARD

Other Financial Services

- (1) The fees to be charged by Finance Company and/or TCL Financial Services Associates in respect of Other Financial Services shall not be higher than the fees determined by PBOC (if applicable) and the fees charged by other independent financial institutions service providers in respect of such services.
- (2) The Group will, for every transaction, obtain quotes of fees from at least three independent financial institutions in respect of services similar to the Other Financial Services, and make comparisons to review the fairness and reasonableness of fees charged by Finance Company and/or TCL Financial Services Associates which shall be no less favourable than those offered by Independent Third Parties. Other terms and conditions of Other Financial Services offered by Finance Company and/or TCL Financial Services Associates as a whole shall also be no less favourable than those offered by other independent financial institutions service providers and shall be on normal commercial terms. In case of such market comparable is not available, the fees to be charged by Finance Company and/or TCL Financial Services Associates shall be no less favourable to the Group than the rate charged by Finance Company and/or TCL Financial Services Associates to other members of TCL Technology Group for providing similar services in respect of Other Financial Services.

The Company's audit committee will also scrutinize the implementation and enforcement of the transactions under the Master Financial Services (2023-2025) Agreement. If the Company's audit committee is of the view that it would be in the Company's interests to reduce the level of deposits and/or other continuing connected transactions with any TCL Financial Services Associates, the Group will take appropriate steps to implement its decision. Any material findings in the risk assessment reports, the views of the Company's audit committee on the deposits and/or other continuing connected transactions under the Master Financial Services (2023-2025) Agreement (including its views on how the terms of the Master Financial Services (2023-2025) Agreement have been complied with) and its decisions on matters in relation thereto, if any and where appropriate, will be disclosed in the Company's annual reports.

The responsible personnel conducting the above internal control procedures are all employees of the Company who are independent to TCL Technology, Finance Company and their associates.

LETTER FROM THE BOARD

HISTORICAL FIGURES AND PROPOSED ANNUAL CAPS

The following table sets out the respective historical figures of the continuing connected transactions under the Master Financial Services (2020 Renewal) Agreement, and the proposed annual caps of the Master Financial Services (2023-2025) Agreement:

	Master Financial Services (2020 Renewal) Agreement			Master Financial Services (2023-2025) Agreement		
	For the year ended 31 December 2020 (audited) RMB'000	For the year ended 31 December 2021 (audited) RMB'000	For the nine months ended 30 September 2022 (unaudited) (for actual amount only)/ For the year ending 31 December 2022 (for historical annual cap only) RMB'000	For the year ending 31 December 2023 RMB'000	For the year ending 31 December 2024 RMB'000	For the year ending 31 December 2025 RMB'000
Deposit Services – Maximum outstanding daily ending balances of deposits (including interest receivables in respect of these deposits and deposits as security)						
- Historical Annual Cap	895,000	1,450,000	1,690,000			
- Actual amount	560,528	1,123,408	1,302,286			
- Proposed Annual Cap				1,700,000	1,870,000	2,057,000
Financing Services – aggregate financing amount (including interest payable and service fees) (see Notes 1 and 2)						
- Historical Annual Cap	600,000	660,000	726,000			
- Actual amount	Nil	Nil	Nil			
- Proposed Annual Cap				400,000	400,000	400,000
Other Financial Services – financial service charges						
- Historical Annual Cap	1,300	1,500	1,600			
- Actual amount	Nil	Nil	Nil			
- Proposed Annual Cap				1,000	1,100	1,200

Notes:

- The amount excludes the facility amount without cash or bank instruments as security and other unsecured loans, financing and guarantees available under the facility line provided by TCL Financial Services Associates to the China Display Qualified Members which, if conducted on normal commercial terms or better, are fully exempt connected transactions under Rule 14A.90 of the Listing Rules.

LETTER FROM THE BOARD

2. The annual caps of financing services under the Master Financial Services (2020 Renewal) Agreement were set only for bills discounting (measured in terms of aggregate face value of bills discounted) as no other type of financing services were contemplated thereunder. Under the Master Financial Services (2023-2025) Agreement, the proposed annual caps of Financing Services are set for aggregate financing amount (including but not limited to principal amount of bank loans and financing instruments, interest payable, service fees and aggregate face value of bills discounted) under the scope of Financing Services as it is contemplated that different types of financing services (including but not limited to bill discounting) may be received by China Display Qualified Members during the term of the Master Financial Services (2023-2025) Agreement.

BASIS FOR DETERMINING THE PROPOSED ANNUAL CAPS

The proposed annual caps in relation to the Master Financial Services (2023-2025) Agreement are determined with reference to the following factors:

Deposit Services

- (i) The historical amounts of the balance of deposit that the Group placed with Finance Company pursuant to the Master Financial Services (2020 Renewal) Agreement.
- (ii) It is estimated that the maximum amount of balance of deposit to be placed by the Group pursuant to the Master Financial Services (2023-2025) Agreement in 2023 would reach approximately RMB1,531 million. Taking into account the Group's internal control measures to keep the maximum deposit amount below 90% of the relevant annual cap (as discussed in paragraph 5 of the sub-section headed "Deposit Services" under the section headed "Internal control procedures and pricing policy for conducting transactions under the Master Financial Services (2023-2025) Agreement"), the proposed annual cap of RMB1,700 million for year 2023 would be just enough to cater for the deposit needs of China Display Qualified Members. The proposed annual caps of Deposit Services for year 2024 and 2025 are set with reference to the expected increase of approximately 10% per annum in balance of deposits with Finance Company during the term of the Master Financial Services (2023-2025) Agreement in view of business growth.
- (iii) Having been satisfied by the services and the benefits provided by Finance Company such as higher interest rates than available from other financial institutions, it is likely that the Group will allocate more of its cash to be deposited with Finance Company if and when the terms offered by it are more favourable than the commercial terms offered by other financial institutions.
- (iv) In view of uncertainty and fluctuation in the peak of cash inflow from customers of China Display Qualified Members, a buffer has been included in the estimation of proposed annual caps.

LETTER FROM THE BOARD

Financing Services

- (i) The expected financing need of China Display Qualified Members during the term of the Master Financial Services (2023-2025) Agreement.
- (ii) The financing services under the Master Financial Services (2020 Renewal) Agreement have not been utilised by China Display Qualified Members since external financial institutions have provided more favourable terms. Nevertheless, China Display Qualified Members may still consider receiving Financing Services during the term of the Master Financial Services (2023-2025) Agreement if the terms offered by TCL Financial Services Associates become more favourable and satisfy the pricing policies of the Group. In this regard, smaller annual caps (representing a decrease of approximately 45% from 2022 to 2023) are still proposed.
- (iii) The historical financing amount of China Display Qualified Members provided by independent PRC commercial banks amounting to approximately RMB316 million, RMB497 million and RMB251 million for the two years ended 31 December 2020 and 2021, and nine months ended 30 September 2022 respectively.

Other Financial Services

- (i) The expected demand for Other Financial Services from China Display Qualified Members during the term of the Master Financial Services (2023-2025) Agreement.
- (ii) Other financing services under the Master Financial Services (2020 Renewal) Agreement have not been utilised by China Display Qualified Members since external financial institutions have provided more favourable terms. Nevertheless, for the purpose of providing flexibility to China Display Qualified Members, smaller annual caps (representing a decrease of 37.5% from 2022 to 2023) are still proposed.
- (iii) The historical amount of fees in the amount of approximately RMB496,000, RMB1,397,000 and RMB1,123,000 paid by China Display Qualified Members to independent financial institutions for other financing services (such as issuance of letters of credit) for the two years ended 31 December 2020 and 2021, and for the nine months ended 30 September 2022 respectively.
- (iv) An expected increase of approximately 10% per annum in demand for Other Financial Services during the term of the Master Financial Services (2023-2025) Agreement in view of business growth.

LETTER FROM THE BOARD

FINANCIAL EFFECT OF THE DEPOSIT SERVICES

Whilst the Company will be able to continue to earn interest income from the deposits made with Finance Company, given such interest income earned from Finance Company for the year ended 31 December 2021 was only approximately RMB18,721,000 and represented a small proportion of the Company's earnings and net assets, the Company anticipates that the Deposit Services contemplated under the Master Financial Services (2023-2025) Agreement will not have any material impact on the Company's earnings, assets and liabilities.

REASONS FOR AND BENEFITS OF ENTERING INTO THE MASTER FINANCIAL SERVICES (2023-2025) AGREEMENT

The Directors (excluding the independent non-executive Directors whose views will be set out in the Letter from Independent Board Committee included in this circular) consider that the terms of the Master Financial Services (2023-2025) Agreement and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms or better and in the ordinary and usual course of business of the Group, and it is in the interest of the Company and the Shareholders as a whole to enter into the Master Financial Services (2023-2025) Agreement and the transactions contemplated thereunder for the following reasons:

1. The Master Financial Services (2023-2025) Agreement allows TCL Financial Services Associates to provide cost efficient finance and treasury services to all China Display Qualified Members. The Company believes that TCL Financial Services Associates, which are financial institutions duly established in or outside the PRC and the pricing policies and the operation of which are subject to guidelines issued by the CBIRC or relevant authorities where the financial institutions duly established outside the PRC, may facilitate the China Display Qualified Members to obtain cheaper financing from other financial institutions in or outside the PRC by taking advantage of the inter-bank lending rates which TCL Financial Services Associates may enjoy in respect of their own borrowings from other financial institutions. Since the credit ranking of TCL Technology is better than that of China Display Qualified Members, TCL Financial Services Associates may obtain better financing options from the financial institutions outside through TCL Technology by making use of its advantage in credit ranking, and in turn the TCL Financial Services Associates may offer favourable financing options to China Display Qualified Members. It is expected that the inter-bank interest rates are usually lower than the interest rates of other corporate commercial loans.
2. Finance Company has been providing financial services to the Group under the Master Financial Services (2020 Renewal Agreement) and has a thorough understanding of the operations and development needs of the Group. Accordingly, it is expected that TCL Financial Services Associates (including Finance Company) will be more efficient in terms of processing transactions for the Group than other financial institutions given their close relationships.

LETTER FROM THE BOARD

3. Further, the Master Financial Services (2023-2025) Agreement provides more flexibility to China Display Qualified Members in respect of managing cash flow and financing needs as China Display Qualified Members may choose to receive services from both TCL Financial Services Associates and independent financial service providers. For illustration, China Display Qualified Members may receive commercial bills which are not backed by PRC commercial banks, and hence are generally not accepted by independent PRC commercial banks for discounting, whereas TCL Financial Services Associates are more flexible in accepting those commercial bills for discounting purpose.

The Directors consider that Deposit Services contemplated under the Master Financial Services (2023-2025) Agreement will not result in the Group having excessive reliance on TCL Technology Group for the following reasons:

1. China Display Qualified Members are not obliged to make deposits with Finance Company and any China Display Qualified Member shall only make such deposits if the interest rate offered by Finance Company is no less favourable than those rates offered by other independent financial institutions. And in any event, China Display Qualified Members are at liberty to withdraw any amount deposited with Finance Company pursuant to the terms of the Master Financial Services (2023-2025) Agreement;
2. Even if Finance Company fails to provide the best interest rate to China Display Qualified Members, given cash deposit services are widely available, China Display Qualified Members can easily find alternative independent third-party service providers;
3. The Company considers that the risk associated with depositing cash with Finance Company is low:
 - (a) to the best knowledge and belief of the Company after making all reasonable enquiries, in order to manage the credit risks, Finance Company would carefully evaluate the operational and financial position of the member companies within the Group and TCL Technology Group when receiving loan application from them and only provides loans to such member companies who have sound financial position;
 - (b) Finance Company has been conducting its business in compliance with the relevant applicable rules and regulations and every financial indicators of each of Finance Company is normal;

LETTER FROM THE BOARD

- (c) as set out in the articles of association of Finance Company, in the event that Finance Company faces any financial difficulty in making payments, TCL Technology has the obligation to take all necessary steps to restore Finance Company's financial position, including making capital injection into Finance Company based on its funding needs. Given TCL Technology, a company listed on the Shenzhen Stock Exchange, is a substantial company, the Company considers that it would be extremely unlikely for Finance Company to fail to restore its financial position; and
- (d) as set out in the section headed "Major Terms and Pricing Policy" under "Renewal Of Continuing Connected Transactions – Master Financial Services (2023-2025) Agreement", TCL Technology undertook jointly and severally with TCL Financial Services Associates that the maximum amount of loans, financing and guarantees available under the Financing Services of the Master Financial Services (2023-2025) Agreement provided by TCL Financial Services Associates to China Display Qualified Members shall not be less than the total amount of deposits (including normal cash deposit and deposit of cash or bank instruments as security) placed by the China Display Qualified Members with Finance Company, accordingly, China Display Qualified Members will still be able to obtain sufficient cash from TCL Financial Services Associates as and when necessary after depositing with Finance Company.

LISTING RULES IMPLICATIONS

As at the Latest Practicable Date, TCL Technology, the ultimate controlling shareholder of the Company, indirectly held approximately 64.20% of the number of issued Shares and therefore is a connected person of the Company under the Listing Rules. Finance Company, being a subsidiary of TCL Technology, is also a connected person of the Company. Therefore, the transactions (including the Deposit Services) contemplated under the Master Financial Services (2023-2025) Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (other than the profits ratio) with reference to the proposed annual caps of the Master Financial Services (2023-2025) Agreement exceed 5%, the continuing connected transactions contemplated thereunder are subject to the reporting, announcement, circular (including independent financial advice), Shareholders' approval and annual review requirements under Chapter 14A of the Listing Rules.

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As one or more of the applicable percentage ratios in relation to the proposed annual caps of Deposit Services under the Master Financial Services (2023-2025) Agreement exceed 25% and the assets ratio thereof exceeds 8%, in addition to being continuing connected transactions, the Deposit Services also constitute major transactions of the Company and are subject to the relevant major transaction requirements under Chapter 14 of the Listing Rules; and the Deposit Services further constitute advances to an entity and are subject to the relevant disclosure requirements under Chapter 13 of the Listing Rules.

An Independent Board Committee has been established by the Company to advise the Shareholders on the terms and the proposed caps of the Master Financial Services (2023-2025) Agreement. The Company has appointed the Independent Financial Advisor to advise the Independent Board Committee and the Shareholders in this regard.

In accordance with the Listing Rules, any connected person of the Company and any Shareholder with a material interest in the Master Financial Services (2023-2025) Agreement and its associate(s) must abstain from voting on the relevant resolution(s) at the SGM. Accordingly, TCL Technology and TCL Associates will abstain from voting on the resolution in respect of the Master Financial Services (2023-2025) Agreement to be put forward at the SGM. Save as the aforesaid, the Directors are not aware of any other Shareholders who are required to abstain from voting on the resolution(s) in respect of the Master Financial Services (2023-2025) Agreement to be put forward at the SGM.

As at the Latest Practicable Date, 1,357,439,806 Shares are held by High Value Ventures Limited, an indirect subsidiary of TCL Technology and a TCL Associate. Hence, as at the Latest Practicable Date, holders of a total number of 1,357,439,806 Shares, representing approximately 64.20% of the total number of issued Shares, will abstain from voting on the resolution(s) in respect of the Master Financial Services (2023-2025) Agreement to be put forward at the SGM.

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Notwithstanding the respective interest and/or roles of certain Directors in TCL Technology Group, in particular, as at the Latest Practicable Date, (i) Mr. LIAO Qian is deemed to be interested in 1,775,339 shares in TCL Technology (representing approximately 0.0127% of the issued share capital of TCL Technology) within the meaning of Part XV of the SFO and is an executive director, the senior vice president and the secretary of the board of directors of TCL Technology; (ii) Mr. OUYANG Hongping is deemed to be interested in 517,605 shares in TCL Technology (representing approximately 0.0037% of the issued share capital of TCL Technology) within the meaning of Part XV of the SFO and is also a general manager of low-temperature polysilicon division of small and medium-sized display business group of TCL CSOT, a director and a general manager of Wuhan CDOT, a general manager of Wuhan CSOT; and (iii) Mr. ZHANG Feng is deemed to be interested in 1,500,067 shares in TCL Technology (representing approximately 0.0107% of the issued share capital of TCL Technology) within the meaning of Part XV of the SFO and is also the legal representative of Wuhan CSOT and Wuhan CDOT, the senior vice president and the general manager of small and medium-sized display business group of TCL CSOT, and a director and the general manager of Wuhan China Star Optoelectronics Semiconductor Display Technology Company Limited* (武漢華星光電半導體顯示技術有限公司); as each of their respective interest in TCL Technology Group is either by virtue of common directorship/senior management role or the immaterial shareholding in TCL Technology, their respective direct or indirect interests in TCL Technology Group are insignificant, none of them is considered as having a material interest in the transactions contemplated under the Master Financial Services (2023-2025) Agreement. Further, none of the TCL Associates are associates of any of the Directors. Accordingly, all Directors are entitled to vote on the Board resolutions for considering and approving the Master Financial Services (2023-2025) Agreement pursuant to the Bye-laws.

GENERAL INFORMATION OF THE PARTIES

Headquartered in the PRC, the Group is principally engaged in the research and development, manufacture, sales and distribution of LCD modules. The Group is also one of the major suppliers of small and medium sized display modules in the PRC. The Group has its manufacturing plants in the PRC and distributes its products in Asia, with focus on Hong Kong and the PRC markets. For more information on the Group, please visit its official website at www.cdoth8.com (the information that appears in this website does not form part of this circular).

TCL Technology is a major PRC conglomerate and is principally engaged in semi-conductor display and material business. For more information on TCL Technology, please visit its official website at <http://www.tcltech.com> (the information that appears in that website does not form part of this circular). As at the Latest Practicable Date, based on the information available to the Directors, no shareholder of TCL Technology holds 10% or more equity interest in TCL Technology.

LETTER FROM THE BOARD

Finance Company, a subsidiary of TCL Technology, is owned as to 82% by TCL Technology and 18% by TCL CSOT as at the Latest Practicable Date. It is principally engaged in provision of financial services including corporate finance advisory services, credit worthiness verification and related consultancy and agency services, collection and payment services, approved insurance agency services, guarantee services, agency lending and investment services, discounting bills and design of various schemes for settlement and clearing in respect of group fund transfer, and any other services approved by the CBIRC.

Finance Company and TCL Financial Services Associates have the relevant qualification and license to provide the Deposit Services, Financing Services and Other Financial Services, including but not limited to the Financial Permit* (金融許可證) issued by CBIRC.

PROPOSED AMENDMENTS TO THE BYE-LAWS

Pursuant to the Consultation Conclusion on Listing Regime for Overseas Issuers published by the Stock Exchange in November 2021, the Stock Exchange has revised the core shareholder protection standards under Appendix 3 to the Listing Rules with effect from 1 January 2022. Listed issuers are required to make necessary amendments to their constitutional documents by the second annual general meeting following 1 January 2022 to bring the constitutional documents to conformation with the revised Appendix 3 to the Listing Rules.

The Existing Bye-Laws have not been amended since 2015. Accordingly, the Board proposed to amend the Existing Bye-Laws by adopting the Amended Bye-Laws in order to (i) bring the Bye-Laws in line with the relevant requirements of the Listing Rules as well as the applicable laws of Bermuda; (ii) allow general meetings of the Company to be held in the form of a hybrid meeting or electronic meeting where Shareholders may attend by electronic means in addition to a physical meeting where Shareholders attend in person; and (iii) provide flexibility to the Company in relation to the conduct of general meetings. Other housekeeping and consequential amendments to the Bye-Laws are also proposed, including making consequential amendments in connection with the above amendments to the Bye-Laws and for clarity and consistency with the other provisions of the Bye-Laws where it is considered desirable and to better align the wording with those of the Listing Rules and the applicable laws of Bermuda.

The full text of the Amended Bye-Laws (with the Proposed Amendments marked-up against the Existing Bye-Laws), which incorporated the Proposed Amendments, are set out in Appendix III to this circular. The Amended Bye-Laws is written in English. The Chinese translation of the Amended Bye-Laws is for reference only and in case there are any inconsistencies between the English version and the Chinese version, the English version shall prevail.

LETTER FROM THE BOARD

The legal adviser to the Company as to Hong Kong laws has confirmed that the Proposed Amendments conform with the requirements of the Listing Rules. The legal adviser to the Company as to Bermuda laws has confirmed that the Proposed Amendments are not inconsistent with the applicable laws of Bermuda. The Company also confirms that there is nothing unusual about the Proposed Amendments for a company listed on the Stock Exchange.

The Proposed Amendments and the proposed adoption of the Amended Bye-Laws are subject to, and will become effective upon, the approval of the Shareholders by way of passing a special resolution at the SGM.

SGM

The Company will convene the SGM at 8th Floor, Building 22E, Phase Three, Hong Kong Science Park, Pak Shek Kok, New Territories, Hong Kong on 23 December 2022, Friday at 3:00 p.m., at which resolutions will be proposed for the purposes of considering and, if thought fit, (i) approving the Master Financial Services (2023-2025) Agreement, the transactions contemplated thereunder and the proposed annual caps in relation thereto; and (ii) approving the Proposed Amendments by way of adoption of the Amended Bye-Laws. The notice of the SGM is set out on pages 155 and 157 of this circular.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, TCL Technology and TCL Associates are required to abstain from voting on the resolution(s) to be put forward at the SGM in respect of the Master Financial Services (2023-2025) Agreement; whereas no Shareholders are required to abstain from voting on the resolution(s) to be put forward at the SGM in respect of approving the Proposed Amendments by way of adoption of the Amended Bye-Laws.

A form of proxy for use at the SGM is enclosed. Whether or not you are able to attend the SGM or any adjournment thereof (as the case may be) in person, please complete the form of proxy in accordance with the instructions printed thereon and return the same to the Hong Kong branch share registrar of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, as soon as possible and in any event not later than 48 hours before the time appointed for holding the SGM or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting at the SGM or any adjourned meeting should you so wish and in such event, the form of proxy shall be deemed to be revoked.

LETTER FROM THE BOARD

RECORD DATE

The record date (being the last date of registration of any transfer of Shares given there will be no closure of register of members) for determining the entitlements of the Shareholders to attend and vote at the SGM is 20 December 2022, Tuesday. In order to qualify to attend and vote at the SGM, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong by no later than 4:30 p.m. on 20 December 2022, Tuesday.

VOTING BY POLL

In accordance with Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Accordingly, the voting on all resolution(s) at the SGM will be conducted by way of poll.

RECOMMENDATION

Master Financial Services (2023-2025) Agreement

Your attention is drawn to (i) the Letter from the Independent Board Committee set out on page 35 of this circular which contains the recommendation of the Independent Board Committee to the Shareholders regarding the resolution(s) in respect of the Master Financial Services (2023-2025) Agreement and the proposed annual caps to be proposed at the SGM; (ii) the letter from Halcyon Capital Limited, the Independent Financial Advisor, set out on pages 36 to 66 of this circular which contains its advice to the Independent Board Committee and the Shareholders in respect of the Master Financial Services (2023-2025) Agreement; and (iii) additional information set out in the appendices to this circular.

The Independent Board Committee, having taken into account the advice (together with principal factors and reasons considered in arriving at such advice) of the Independent Financial Advisor, considers that the Master Financial Services (2023-2025) Agreement and the proposed annual cap are fair and reasonable, on normal commercial terms or better and are entered in the ordinary and usual course of business of the Group, and are in the interests of the Company and its Shareholders as a whole. Accordingly, the Independent Board Committee recommends the Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM in respect of the Master Financial Services (2023-2025) Agreement, the transactions contemplated thereunder and the proposed annual caps.

The Board considers that the terms of the Master Financial Services (2023-2025) Agreement and the proposed annual cap are fair and reasonable; on normal commercial terms or better and in the ordinary and usual course of business of the Group; and in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

The Board also considers that the resolution(s) proposed in the notice of SGM in respect of Master Financial Services (2023-2025) Agreement are in the best interests of the Company and the Shareholders as a whole and therefore recommend you to vote in favour of all the relevant resolutions to be proposed at the SGM in respect of the Master Financial Services (2023-2025) Agreement.

Proposed Amendments to the Bye-Laws

The Board considers that the Proposed Amendments and the adoption of the Amended Bye-Laws are in the interests of the Company and the Shareholders as a whole.

The Board also considers that the resolution(s) in respect of the Proposed Amendments by way of adoption of the Amended Bye-Laws proposed in the notice of SGM are in the interests of the Company and the Shareholders as a whole and therefore recommend you to vote in favour of all the relevant resolution(s) to be proposed at the SGM in respect of the Proposed Amendments by way of adoption of the Amended Bye-Laws.

PRECAUTIONARY MEASURES FOR THE SGM IN VIEW OF COVID-19 PANDEMIC

In view of the recent development of the pandemic caused by corona virus disease 2019 (COVID-19), and in order to better protect the safety and health of the Shareholders, a series of pandemic precautionary measures will be implemented at the venue of the SGM:-

- (i) compulsory body temperature check will be conducted for every person at the entrance of the venue of SGM. Any person with a body temperature of over 37.5 degree Celsius will not be admitted to the venue;
- (ii) every person is required to wear facial mask at the venue of the SGM;
- (iii) seating in the SGM venue will be arranged so as to allow for appropriate social distancing; and
- (iv) no refreshments will be served at the SGM.

Subject to the development of the COVID-19 pandemic and in compliance with applicable laws and regulations, the Company may implement further precautionary measures at the SGM.

The Company wishes to remind the Shareholders that physical attendance in person at the SGM is not necessary for the purpose of exercising their voting rights and strongly advises the Shareholders to appoint the chairman of the SGM as a proxy to vote on relevant resolution(s) as instructed in accordance with the relevant proxy form as an alternative to attending the SGM in person in light of the continuing risks posed by the COVID-19 pandemic. For more details, please refer to the proxy form for the SGM.

LETTER FROM THE BOARD

Shareholders and other participants who will attend the SGM in person are advised to (a) consider carefully the risk of attending the SGM, which will be held in an enclosed environment; (b) follow and comply with any laws, regulations, guidelines or requirements implemented by the Hong Kong Government relating to COVID-19 pandemic; and (c) not to attend the SGM if they have contracted or are suspected to have contracted COVID-19 or have been in close contact with anybody who has contracted or is suspected to have contracted COVID-19.

Yours faithfully,
By order of the Board
LIAO Qian
Chairman

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

China Display Optoelectronics Technology Holdings Limited
華顯光電技術控股有限公司
(Incorporated in Bermuda with limited liability)
(Stock Code: 334)

21 November 2022

To the Shareholders

Dear Sirs or Madam,

**(1) RENEWAL OF CONTINUING CONNECTED TRANSACTIONS –
MASTER FINANCIAL SERVICES (2023-2025) AGREEMENT
AND
(2) MAJOR TRANSACTION AND ADVANCE TO AN ENTITY
IN RESPECT OF THE DEPOSIT SERVICES UNDER
MASTER FINANCIAL SERVICES (2023-2025) AGREEMENT**

We refer to the circular of the Company dated 21 November 2022 (the “**Circular**”) to the Shareholders, of which this letter forms part. Terms defined in the Circular bear the same meanings when used in this letter unless the context otherwise requires.

We have been appointed as the members of the Independent Board Committee to consider and advise the Shareholders in respect of the Master Financial Services (2023-2025) Agreement and their respective proposed annual caps, details of which are set out in the Circular.

We wish to draw your attention to the letter from the Board and the letter from the Independent Financial Advisor set out on pages 7 to 34 and pages 36 to 66 of the Circular respectively.

Having taken into account the advice (together with principal factors and reasons considered in arriving at such advice) of Halcyon Capital Limited, the Independent Financial Advisor, we consider that the terms of the Master Financial Services (2023-2025) Agreement and the proposed annual cap are fair and reasonable, on normal commercial terms or better and are entered into in the ordinary and usual course of business of the Group, and are in the interests of the Company and its Shareholders as a whole. Accordingly, we recommend the Shareholders to vote in favour of the resolution(s) to be proposed at the SGM in respect of the Master Financial Services (2023-2025) Agreement.

Yours faithfully,
HSU Wai Man, Helen,
XU Yan,
LI Yang
Independent Board Committee

LETTER FROM THE INDEPENDENT FINANCIAL ADVISOR

The following is the full text of the letter of advice from Halcyon Capital Limited to the Independent Board Committee and the independent Shareholders, which has been prepared for the purpose of the inclusion in this circular.



Halcyon Capital Limited
11/F, 8 Wyndham Street,
Central, Hong Kong

21 November 2022

*To the Independent Board Committee and
the independent Shareholders*

Dear Sirs,

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS – MASTER FINANCIAL SERVICES (2023-2025) AGREEMENT

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the independent Shareholders in relation to the renewal of the annual caps of the Master Financial Services (2023-2025) Agreement (the “**Transactions**”), details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular of the Company dated 21 November 2022 (the “**Circular**”) of which this letter forms part. Terms used in this letter shall have the same meanings as those defined in the Circular unless the context otherwise requires.

On 31 October 2022, the Company, TCL Technology and Finance Company entered into the Master Financial Services (2023-2025) Agreement for the renewal of the existing Master Financial Services (2020 Renewal) Agreement with associated amendments.

As at the Latest Practicable Date, TCL Technology, the ultimate controlling Shareholder, indirectly held approximately 64.20% of the total number of issued Shares, and therefore is a connected person of the Company under the Listing Rules. Finance Company, being a subsidiary of TCL Technology, is also a connected person of the Company. Therefore, the renewal of the annual caps contemplated under the Master Financial Services (2020 Renewal) Agreement constitutes continuing connected transactions of the Company. As one or more of the applicable percentage ratios (other than the profits ratio) with reference to the proposed annual caps of the Master Financial Services (2023-2025) Agreement (the “**Renewal Annual Caps**”) exceed 5%, the continuing connected transactions contemplated thereunder are subject to the reporting, announcement, independent Shareholders’ approval and annual review requirements under Chapter 14A of the Listing Rules.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISOR

As one or more of the applicable percentage ratios in relation to the proposed annual caps of the Deposit Services (the “**Deposit Caps**”) exceed 25% and the assets ratio thereof exceeds 8%, in addition to being continuing connected transactions, the Deposit Services also constitute major transactions of the Company and are subject to the relevant major transaction requirements under Chapter 14 of the Listing Rules. Furthermore, the Deposit Services constitute advances to an entity and are subject to the relevant disclosure requirements under Chapter 13 of the Listing Rules.

The Independent Board Committee comprising all the independent non-executive Directors, namely Ms. Hsu Wai Man Helen, Mr. Li Yang and Mr. Xu Yan has been established to advise the independent Shareholders as to whether the Renewal Annual Caps and the transactions contemplated thereunder are fair and reasonable so far as the independent Shareholders are concerned, whether they are on normal commercial terms or better and in the ordinary and usual course of business of the Group, whether they are in the interest of the Company and the independent Shareholders as a whole and how to vote on the relevant resolution in the SGM. In our capacity as the Independent Financial Adviser to the Independent Board Committee and the independent Shareholders, our role is to provide the Independent Board Committee and the independent Shareholders with an independent opinion and recommendation in this regard.

Except for being appointed as the independent financial adviser to the then independent board committees and independent Shareholders of the Company (details of which have been set out in the letter from the independent financial adviser contained in the circulars of the Company dated 12 July 2021 and 30 November 2021) and this appointment as the Independent Financial Adviser and normal professional fees paid or payable to us in connection therewith, no arrangements exist whereby we had received or will receive any fees or benefits from the Company or any other parties that could reasonably be regarded as relevant to our independence. We are hence independent from the Company pursuant to Rule 13.84 of the Listing Rules.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISOR

BASIS OF OUR OPINION

In formulating our opinion and recommendation, we have relied on the information, financial information and facts included in the Circular and supplied to us, and the representations expressed by the Directors and/or management of the Group (the “**Management**”), and have assumed that all such information, financial information, facts and any representations made to us, or referred to in the Circular, in all material aspects, were true, accurate and complete as at the time they were made and as at the Latest Practicable Date, have been properly extracted from the relevant underlying accounting records (in the case of financial information) and made after due and careful inquiry by the Directors and/or the Management. The Directors and/or the Management have confirmed that, having made all reasonable enquiries and to the best of their knowledge and belief, all relevant information has been supplied to us and that no material facts have been omitted from the information supplied and representations expressed to us. We have also relied on certain information available to the public and have assumed such information to be accurate and reliable. We have no reason to doubt the completeness, truth or accuracy of the information and representations provided and we are not aware of any facts or circumstances which would render such information provided and representations made to us untrue, inaccurate or misleading.

Our review and analyses were based upon, among others, the information provided by the Group including the announcements, financial reports of the Company and the Circular. We have also discussed with the Directors and/or the Management with respect to the terms of and reasons for the transactions contemplated under the Master Financial Services (2023-2025) Agreement (including the Renewal Annual Caps) and considered that we have reviewed sufficient information to reach an informed view and to justify reliance on the information provided and to provide a reasonable basis for our opinion. We have not, however, conducted any independent verification of the information included in the Circular and supplied to us by the Directors and/or the Management nor have we conducted any form of in-depth investigation into the businesses, affairs, financial position, profitability or prospects of the Group (including the China Display Qualified Member), TCL Technology, Finance Company, and each of their respective associates, and the parties involved in the transactions contemplated under the Master Financial Services (2023-2025) Agreement.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISOR

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Renewal Annual Caps and the transactions contemplated thereunder, we have considered the following principal factors and reasons:

1. Background information of the Group

As stated in the Letter from the Board, headquartered in the PRC, the Group is principally engaged in the research and development, manufacture, sales and distribution of LCD modules. The Group is also one of the major suppliers of small and medium sized display modules in the PRC. The Group has its manufacturing plants in the PRC and distributes its products in Asia, with focus on Hong Kong and the PRC markets.

The following table sets out the summary of financial performance and financial position of the Group for the two years ended 31 December 2020 and 2021 as extracted from the Company's annual report and the six months ended 30 June 2022 as extracted from the Company's interim report:

	For the year ended		For the six
	31 December		months end
	2020	2021	30 June
	(audited)	(audited)	(unaudited)
	(restated)		
	RMB'000	RMB'000	RMB'000
Revenue	3,571,170	5,840,094	2,735,253
Gross profit	278,962	494,632	208,896
Profit attributable to owners of the parent of the Company	25,147	193,215	133,973
Cash and cash equivalents	416,730	1,053,445	1,015,860
Net cash flows from operating activities	1,358,875	600,255	2,542

LETTER FROM THE INDEPENDENT FINANCIAL ADVISOR

For the financial year ended 31 December 2021

According to the annual report of the Group for the year ended 31 December 2021, the COVID-19 pandemic has had devastating impact on the world and significantly changed the global political and economic landscape. The US-China trade tension, the pandemic resurgence across the world, and the economic downturn have amplified risks and uncertainties. The Chinese economy, especially the manufacturing industry, has been heavily impacted. The harsh external environment will continue for a long period, but every crisis is an opportunity in disguise. In the first half of 2021, as the COVID-19 pandemic subsided, coupled with the increased demand for internet access driven by the “stay-at-home economy”, the demand for smartphones have been given impetus to rise, which brought the display module industry back to a state of prosperity. In the second half of 2021, the pandemic resurgence has caused supply chain disruptions and component shortages, resulting in reduced product inventory and production delays, ultimately affecting the sales volume of smartphones. Throughout the year, the gradual popularisation of 5G networks has propelled the demand for 5G smartphones. As a result, 5G mobile phones accounted for 75.9% in the total domestic shipments of mobile phones in 2021. At the same time, the “stay-at-home economy” has consistently boosted the demand for products including medium-sized laptops, tablets and smart educational products. In addition, since the yield rate and production capacity of domestic AMOLED panels have not yet fully met the needs of end-product manufacturers, LCD modules with relatively stable supply, especially the cost-effective A-Si LCD modules, have been particularly in demand.

Whilst the COVID-19 pandemic continued to linger, benefitting from the growth in sales to smartphone brand customers, the Group achieved a total sales volume of 66.7 million units, representing a year-on-year increase of 34.0%. Propelled by the growth in the sales of A-Si LCD modules which has a high cost-performance ratio, the Group’s sales volume of modules for sale increased by 53.1% year-on-year to 63.7 million units, accounting for 95.5% of the Group’s total sales volume. The Group’s revenue increased to RMB5,840 million as it optimised its product mix, representing a year-on-year increase of 63.5%.

While the Group was still affected by the rising costs and unstable supply chain in 2021, benefiting from the enhanced efficiency brought about by the increase in scale and the automation upgrade of production line equipment, the Group recorded a gross profit of RMB495 million with gross profit margin of 8.5%, representing an increase of 0.7 percentage points as compared to 2020, which drove the profit attributable to owners of the parent of the Company to grow significantly to RMB193 million, representing a year-on-year increase of 668.3%.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISOR

With the recording of net cash inflow from operating activities in 2021 of RMB600 million, the Group recorded a substantial increase cash and cash equivalents balance from RMB417 million as at 31 December 2020 to RMB1,053 million as at 31 December 2021.

For the six-month financial period ended 30 June 2022

Pursuant to the interim report of the Group for the six months ended 30 June 2022, global economic conditions were weaker than expected. Under the significant pressure from the reduction in inventory level and orders by major brand customers, the Group has benefited from its strategic cooperation with key customers and successfully outperformed the industry. During the six months ended 30 June 2022 (“1H2022”), the Group recorded a total sales volume of 32.4 million units, representing a year-on-year decrease of 4.1% and the sales volume of modules for sale also decreased by 2.3% year-on-year to 31.2 million units which accounted for 96.5% of the Group’s total sales volume, the Group’s revenue therefore decreased to RMB2,735 million, representing a year-on-year decrease of 4.1%.

While the Group was still affected by the fluctuations in the supply chain, by stringent production cost control, the Group recorded a gross profit of RMB209 million with the gross profit margin recorded at 7.6%, representing a slight decrease of 0.2 percentage points year-on-year. During 1H2022, the Group recorded profit for the period from continuing operations of RMB134 million, representing a year-on-year increase of 89.2%, which is mainly attributable to (i) an increase in subsidies in the form of tax reduction arising from increased number of eligible research and development projects booked by the Group in the first half of 2022; and (ii) the implementation of various budget and cost-control policies which facilitated the operational efficiency of the Group by keeping the administrative and operating expenditures at a relatively low level.

In terms of the latest liquidity and financial resources of the Group, as at 30 June 2022, the Group’s cash and cash equivalents and time deposits balance as at 30 June 2022 were amounted to RMB1,035 million, of which 8.6% was in US dollars, 91.0% was in RMB and 0.4% was in HK dollars. As at 30 June 2022, the Group’s interest-bearing bank and other borrowings were RMB87 million, which were denominated in RMB.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISOR

2. Background to and reasons for entering into the Master Financial Services (2023-2025) Agreement

The Company entered into the Master Financial Services (2020 Renewal) Agreement on 2 December 2019, which will expire on 31 December 2022. As the Company wishes to continue the continuing connected transactions contemplated thereunder, on 31 October 2022 the Company entered into the Master Financial Services (2023-2025) Agreement, which is substantially similar in nature as the Master Financial Services (2020 Renewal) Agreement save that (i) the scope of the Master Financial Services (2023-2025) Agreement does not include the promotion services provided by members of the Group under the Master Financial Services (2020 Renewal) Agreement; and (ii) the respective scope of service of Financing Services and Other Financial Services has been modified to reflect and comply with the latest regulatory framework imposed by the CBIRC.

TCL Technology is a major PRC conglomerate and is principally engaged in semiconductor display and material business.

Finance Company, a subsidiary of TCL Technology, is owned as to 82% by TCL Technology and 18% by TCL CSOT as at the Latest Practicable Date. It is principally engaged in provision of financial services including corporate finance advisory services, credit worthiness verification and related consultancy and agency services, collection and payment services, approved insurance agency services, guarantee services, agency lending and investment services, discounting bills and design of various schemes for settlement and clearing in respect of group fund transfer, and any other services approved by the CBIRC.

As discussed with the Management, the Group requests for various financial services including deposit, bills discounting, issuance of letter of credit services in its daily operation. Through entering into the Master Financial Services (2023-2025) Agreement, the Group can continue to enjoy the discretion and flexibility to use the financial services provided by the TCL Financial Services Associates (including Finance Company), which are financial institutions duly established and supported by TCL Technology. Backed by TCL Technology, a conglomerate listed on the Shenzhen Stock Exchange, the TCL Financial Services Associates (including Finance Company) may obtain better financing options from the financial institutions outside through TCL Technology by making use of its advantage in credit ranking, and in turn the TCL Financial Services Associates may offer favourable financing options to China Display Qualified Members including the Group. Finance Company has been providing financial services to the Group and has a thorough understanding of the operations and development needs of the Group and it is expected that TCL Financial Services Associates (including Finance Company) will be more efficient in terms of processing transactions for the Group than other financial institutions given their closer relationships. As advised by the Directors, the Group is neither obliged nor committed to engage TCL Financial Services Associates for any of the services under the Master Financial Services (2023-2025) Agreement and any of TCL Financial Services

LETTER FROM THE INDEPENDENT FINANCIAL ADVISOR

Associates is merely one of the financial institutions which provides financial services to the Group. This allows the Group to have the flexibility and discretion to select the most appropriate services provider that is in the best interest of the Group.

In view of the above and as the Renewal Annual Caps will only provide flexibility but not an obligation to China Display Qualified Members to engage the TCL Financial Services Associates (including Finance Company) for various financial services and such services been carried out in their respective ordinary and usual course of businesses and the continuing business relationship among China Display Qualified Members and Finance Company, we considered that the various financial services are conducted in the ordinary and usual course of business of the Group.

3. Principal terms of the Master Financial Services (2023-2025) Agreement

The principal terms of the Master Financial Services (2023-2025) Agreement are summarised as follows:

- Date: 31 October 2022
- Parties: (1) the Company (for itself and on behalf of its Subsidiaries);
- (2) TCL Technology (for itself and on behalf of TCL Technology Group); and
- (3) Finance Company.
- Duration: From 1 January 2023 or the Shareholders' Approval Date (whichever is later) to 31 December 2025 (both days inclusive).
- Condition precedent: The Master Financial Services (2023-2025) Agreement is conditional on and subject to the compliance by the Company with relevant Listing Rules requirements in respect of the Master Financial Services (2023-2025) Agreement, including but not limited to obtaining the approval from Shareholders at the SGM.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISOR

Major terms and
pricing policy:

Deposit Services

Any China Display Qualified Member may from time to time and in its absolute discretion request to deposit money with Finance Company, and Finance Company may in its absolute discretion decide whether to accept cash deposits from a China Display Qualified Member (including current deposits, fixed deposits or any other form of deposits), provided that the terms of the Deposit Services to be offered by Finance Company shall be subject to the following requirements:

- (1) for deposits made within the PRC, the interest rate shall not be lower than the highest of:
 - (i) the minimum interest rate promulgated by the PBOC for the same type of deposit from time to time;
 - (ii) the interest rates for the same type of deposits offered to the relevant China Display Qualified Member by major commercial banks in the PRC; and
 - (iii) the interest rates for the same type of deposits offered by Finance Company to any other members of TCL Technology Group (including the Group); and

other terms and conditions offered by Finance Company as a whole shall also be not less favourable than those offered by major commercial banks in the PRC (*see Note 1*) and Finance Company to any other members of the TCL Technology Group (including the Group) for the same type of deposits and shall be on normal commercial terms; and

LETTER FROM THE INDEPENDENT FINANCIAL ADVISOR

- (2) for deposits made outside the PRC (*see Note 4*), the interest rate shall not be lower than the highest of:
- (i) the interest rates for the same type of deposits offered to the relevant China Display Qualified Member by major commercial banks located in the place where the relevant China Display Qualified Member is located; and
 - (ii) the interest rates for the same type of deposits offered by the Finance Company to any other members of the TCL Technology Group (including the Group); and

other terms and conditions offered by Finance Company as a whole shall also be not less favourable than those offered by major commercial banks located in the place where the relevant China Display Qualified Member is located (*see Note 1*) and the Finance Company to any other members of the TCL Technology Group (including the Group) for the same type of deposits and shall be on normal commercial terms.

TCL Technology undertakes and will procure Finance Company and all its TCL Financial Services Associates to jointly and severally with TCL Technology undertake with the Group that subject to compliance with the Measures for the Administration of Finance Companies of Enterprise Groups* (*《企業集團財務公司管理辦法》*) and all regulatory indicators imposed by the CBIRC and/or other applicable laws and regulations, at any time during the term of the Master Financial Services (2023-2025) Agreement, the maximum amount of loans, financing and guarantees available under the Financing Services of the Master Financial Services (2023-2025) Agreement provided by TCL Financial Services Associates to China Display Qualified Members shall not be less than the total amount of deposits (including normal cash deposit and deposit of cash or bank instruments as security) placed by the China Display Qualified Members with Finance Company. (*see Note 2*)

LETTER FROM THE INDEPENDENT FINANCIAL ADVISOR

If any China Display Qualified Member demands repayment of any money deposited by it with Finance Company in accordance with the relevant terms and procedures and Finance Company fails to follow the repayment demand, such China Display Qualified Member shall then have the right to:

- (a) offset the relevant outstanding deposit amount against up to the same amount of any outstanding loans owed by it and/or any financing provided to it by TCL Financial Services Associates and/or TCL Technology; and/or
- (b) transfer the right mentioned in (a) above to other China Display Qualified Members, so that other China Display Qualified Members have the right to offset the relevant outstanding deposit amount against up to the same amount of any outstanding loans owed by them and/or any financing provided to them by TCL Financial Services Associates and/or TCL Technology; and/or
- (c) request TCL Technology to repay the outstanding deposit amount on behalf of Finance Company in full.

Upon enquiry from any China Display Qualified Member, Finance Company shall within one business day (or such other time as agreed by the parties) provide an offer specifying the interest rates and terms of Deposit Services (including but not limited to whether the deposit can be withdrawn before its maturity, as well as the notice period of such withdrawal) (*see Note 3*). The terms and conditions of any Deposit Services conducted pursuant to the Master Financial Services (2023-2025) Agreement shall be agreed between the relevant China Display Qualified Member and Finance Company in writing by individual agreement(s) from time to time. The terms of such individual agreements shall be consistent with the Master Financial Services (2023-2025) Agreement save and except for the clauses regarding applicable law and dispute resolution.

Financing Services

Any China Display Qualified Member may from time to time and in its absolute discretion request any Financing Services (including bills discounting services) from TCL Financial Services Associates, and the relevant TCL Financial Services Associate may in its absolute discretion decide whether to provide Financing Services, provided that the terms of the Financing Services to be offered by TCL Financial Services Associates shall be subject to the following requirements:

- (1) If any of the TCL Financial Services Associates decides to provide any Financing Services to a China Display Qualified Member within the PRC, the interest rates charged by such TCL Financial Services Associate shall not exceed the lowest of:
 - (i) the maximum interest rates promulgated by the PBOC from time to time in respect of same type of financing services;
 - (ii) the interest rates offered by major commercial banks in the PRC for same type of financing services; and
 - (iii) the interest rates for same type of financing services provided by such TCL Financial Services Associate to any other members of TCL Technology Group (including the Group) with the same credit rating; and

other terms and conditions offered by such TCL Financial Services Associate in respect of the Financing Services as a whole shall not be less favourable than those offered by other major commercial banks in the PRC and TCL Financial Services Associates to any other members of the TCL Technology Group (including the Group) with the same credit rating in respect of same type of financing services and shall be on normal commercial terms.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISOR

- (2) If any of the TCL Financial Services Associates decides to provide any Financing Services to a China Display Qualified Member outside the PRC (see Note 4), the interest rates charged by such TCL Financial Services Associate shall not exceed the lower of:
- (i) the interest rates offered by major commercial banks located in the place where the relevant China Display Qualified Member is located for same type of financing services; and
 - (ii) the interest rates for same type of financing services provided by such TCL Financial Services Associate to any other members of the TCL Technology Group (including the Group) with the same credit rating; and

other terms and conditions offered by such TCL Financial Services Associate in respect of the Financing Services as a whole shall not be less favourable than those offered by such TCL Financial Services Associate to any other members of TCL Technology Group (including the Group) with the same credit rating and major commercial banks located in the place where the relevant China Display Qualified Member is located in respect of same type of financing services and shall be on normal commercial terms.

TCL Financial Services Associates may request China Display Qualified Member(s) to provide security (see Note 5) to TCL Financial Services Associates in respect of the Financing Services.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISOR

Upon enquiry from any China Display Qualified Member, the respective TCL Financial Services Associate shall within three business days (or such other time as agreed by the parties) provide an offer specifying the interest rates and terms of Financing Services. The terms and conditions of any Financing Services conducted pursuant to the Master Financial Services (2023-2025) Agreement shall be agreed between the relevant China Display Qualified Member and TCL Financial Services Associate in writing by individual agreement(s) from time to time. The terms of such individual agreements shall be consistent with the Master Financial Services (2023-2025) Agreement save and except for the clauses regarding applicable law and dispute resolution.

Other Financial Services

Any China Display Qualified Member may from time to time and in its absolute discretion request TCL Financial Services Associates to provide Other Financial Services, and the relevant TCL Financial Services Associate may in its absolute discretion decide whether to provide Other Financial Services, provided that the terms of the Other Financial Services to be offered by TCL Financial Services Associates shall be subject to the following requirements:

- (1) The fees charged by TCL Financial Services Associates in respect of provision of Other Financial Services within the PRC shall not exceed the lowest of:
 - (i) the fees promulgated by PBOC (if applicable) for relevant services from time to time;
 - (ii) the fees charged by major commercial banks in the PRC in respect of same type of services; and
 - (iii) the fees charged for the same type of services offered by TCL Financial Services Associates to any other members of the TCL Technology Group (including the Group) with the same credit rating; and

LETTER FROM THE INDEPENDENT FINANCIAL ADVISOR

other terms and conditions of the Other Financial Services offered by TCL Financial Services Associates as a whole within the PRC shall not be less favourable than those offered by PBOC, major commercial banks in the PRC and by TCL Financial Services Associates to any other members of the TCL Technology Group (including the Group) with the same credit rating for the same type of services and shall be on normal commercial terms.

- (2) The fees charged by TCL Financial Services Associates in respect of provision of Other Financial Services outside the PRC (*see Note 4*) shall not exceed the lower of:
- (i) the fees promulgated by the major commercial banks located in the place where the relevant China Display Qualified Member is located for the same type of services; and
 - (ii) the fees charged for the same type of services offered by TCL Financial Services Associates to any other members of the TCL Technology Group (including the Group) with the same credit rating; and

other terms and conditions of the Other Financial Services offered by TCL Financial Services Associates outside the PRC as a whole shall not be less favourable than those offered by the major commercial banks located in the place where the relevant China Display Qualified Member is located and by TCL Financial Services Associates to any other members of the TCL Technology Group (including the Group) with the same credit rating for the same type of services and shall be on normal commercial terms.

The relevant China Display Qualified Member may from time to time determine in its absolute discretion choose to use Other Financial Services provided by TCL Financial Services Associates or any other independent financial institutions.

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The terms and conditions of any Other Financial Services conducted pursuant to the Master Financial Services (2023-2025) Agreement shall be agreed between the relevant China Display Qualified Member and TCL Financial Services Associate in writing by individual agreement(s) from time to time. The terms of such individual agreements shall be consistent with the Master Financial Services (2023-2025) Agreement save and except for the clauses regarding applicable law and dispute resolution.

TCL Technology's undertakings:

TCL Technology undertakes with the Company, among others, that:

- (1) it will procure TCL Financial Services Associates to perform its obligations under the Master Financial Services (2023-2025) Agreement; and
- (2) in case TCL Financial Services Associates experience any financial difficulties, TCL Technology will, subject to internal approvals and the applicable rules and regulations, inject capital to TCL Financial Services Associates based on the needs of TCL Financial Services Associates so as to enable the relevant TCL Financial Services Associate to duly perform its obligations under the Master Financial Services (2023-2025) Agreement and the relevant individual agreements thereunder.

Notes:

1. The major commercial banks in PRC include (but not limited to) Bank of China, Industrial and Commercial Bank of China, Agricultural Bank of China and China Construction Bank. The major commercial banks located in the place where the relevant China Display Qualified Member is located include (but not limited to), in the case of Hong Kong, Bank of China (Hong Kong), The Hongkong and Shanghai Banking Corporation and China Construction Bank (Asia).
2. With this undertaking, China Display Qualified Members could be assured that facilities available to them under the Master Financial Services (2023-2025) Agreement could be of at least the amount of deposits they maintain with Finance Company.

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3. Finance Company would offer to the China Display Qualified Members deposit services of different durations depending on the operational need of the relevant China Display Qualified Member, including but not limited to demand deposits and time deposits, provided that the maximum duration shall not exceed the term of the Master Financial Services (2023-2025) Agreement. In general, the China Display Qualified Members would usually demand, and Finance Company would provide, demand deposit and time deposits for 1 month and 6 months.
4. As at the Latest Practicable Date, neither Finance Company nor any TCL Financial Services Associates is eligible for providing the Deposit Services, Financing Services and Other Financial Services to China Display Qualified Members outside the PRC. Nevertheless, the scope of the Master Financial Services (2023-2025) Agreement still covers Financial Services outside the PRC in order to provide more flexibility to cater for the business needs of China Display Qualified Members in the event Finance Company or any TCL Financial Services Associates is eligible to do so. For the avoidance of doubt, neither Finance Company nor any TCL Financial Services Associates will provide any Deposit Services, Financing Services and Other Financial Services to China Display Qualified Members outside the PRC unless they are eligible to do so under applicable laws of the relevant jurisdiction.
5. TCL Financial Services Associates usually do not require collateral or security from China Display Qualified Members for Financing Services. Nevertheless, if TCL Financial Services Associates request collateral or security, the terms thereof (such as the type and amount of collateral or security) will be determined on arm's length basis and with reference to a basket of factors (such as the facility amount and the financial position of the relevant China Display Qualified Members).

4. Internal control, general settlement terms and credit risk

The Group will follow the following internal control procedures, pricing policies and general settlement terms when conducting the transactions under the Master Financial Services (2023-2025) Agreement:

Internal control

Deposit Services

- (1) If Finance Company decides to accept any amount of cash deposits from a China Display Qualified Member (including current deposits, fixed deposits or any other form of deposits), the interest rates offered by Finance Company will be determined in accordance with the pricing policy as set out in the Master Financial Services (2023-2025) Agreement. The Group will also compare from time to time and at least every quarter the interest rates offered by Finance Company against (i) the benchmark interest rates promulgated by the PBOC (in the case of deposit made in PRC), (ii) interest rates quoted by at least three major commercial banks in the relevant jurisdiction and (iii) interest rates for similar deposit service quoted by Finance Company to other members of TCL Technology Group to ensure those offered by Finance Company is no less favourable or better than the said benchmark interest rates.

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- (2) The Group's finance department will monitor the maximum daily balance of the deposits on a daily basis to ensure that the aggregate deposits do not exceed the applicable annual caps.
- (3) The Group will also maintain accounts with independent banks. Should the balance at the end of any day exceed the maximum daily balance of deposits, the excess funds will be transferred to the Group's bank accounts with an independent commercial bank.
- (4) The Group will request Finance Company, TCL Financial Services Associates and TCL Technology to provide the Group with sufficient information including various financial indicators, such as its asset size, liquidity ratios, operation ratios, level of bad assets and its risk rating assessed by CBIRC (if and when available) at the end of every year as well as annual and interim financial statements to enable the Group to monitor and review the financial condition of the Finance Company and/or TCL Financial Services Associates. Finance Company, TCL Financial Services Associates and TCL Technology shall notify the Group, subject to compliance with applicable laws and regulations, should it be subject to any judicial, legal or regulatory proceedings or investigations which are reasonably likely to have a material impact on the financial condition of any of them. If the Group considers that there is any material adverse change in the financial condition of Finance Company and/or TCL Financial Services Associates, the Group will take appropriate measures (for example, early uplift of deposits and a moratorium on further deposits) to protect the Group's financial position.

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- (5) Finance Company and/or TCL Financial Services Associates will also provide the Group with a monthly report on the status of the Group's deposits so as to enable the Group to monitor and ensure that the relevant annual cap under the Master Financial Services (2023-2025) Agreement has not been exceeded. Particularly, the Group has in place an internal control system to monitor the usage of annual cap, and Finance Company would monitor the daily ending balance of cash deposited by the Group and would issue a warning to the Group when the balance reaches 90% of the relevant annual cap. Upon receiving the warning, the Group will instruct Finance Company to transfer and deposit such amount in excess with other independent financial institutions as soon as possible within the same day and in any event no later than the next business day. The Group will also conduct a weekly forecast on its level of operating cash to determine the amount to be deposited with Finance Company in the following week, so as to ensure the maximum outstanding daily ending balance of deposits deposited with Finance Company will not exceed the relevant annual cap at any given time. If it is expected that the amount of cash to be generated from Finance Company (e.g. cash received from bills discounting service provided by Finance Company), if deposited with Finance Company, will cause the total balance of cash deposited by the Group with Finance Company exceeding the relevant annual cap, the Group will instruct Finance Company to transfer and deposit such amount in excess with other independent financial institutions in advance so as to ensure the maximum outstanding daily ending balance of deposits deposited with Finance Company will not exceed the relevant annual cap at any given time.
- (6) The Group will, from time to time at its sole discretion, request for the deposits with Finance Company to be withdrawn (either in full or in part) to assess and ensure the liquidity and safety of the Group's deposits.
- (7) Pursuant to the Master Financial Services (2023-2025) Agreement, TCL Technology has undertaken that if Finance Company fails to make any repayment in accordance with the relevant terms and procedure, TCL Technology shall repay any outstanding deposit amount on behalf of Finance Company in full and/or offset the relevant outstanding deposit amount against and up to the same amount of any outstanding loans owed by it to and/or any trade financing provided to it by Finance Company and/or TCL Financial Services Associates and/or TCL Technology. Such undertaking provides indemnification for the deposits with Finance Company under the Master Financial Services (2023-2025) Agreement.

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- (8) The Company will prepare risk assessment reports and data in respect of the funds deposited with Finance Company every quarter which will be submitted to the Board for consideration. The contents of such risk assessment reports include the total balance and maximum daily balance of the deposits for the reporting period, a summary of the interest rates of the deposits with Finance Company during the reporting period, and the terms thereof. It will also report to the Board every six months with respect to the deposits under the Master Financial Services (2023-2025) Agreement including compliance with annual caps and any potential change in the risk profile of Finance Company.

Financing Services

- (1) In general, the interest rates or bill discount rate (as the case may be) offered by TCL Financial Services Associates in respect of the financing services shall not be higher than those charged by other independent financial institutions in the PRC or those offered to other members of the TCL Technology Group. Other terms and conditions offered by TCL Financial Services Associates as a whole shall also not be less favourable than those offered by other independent financial institutions or those offered to other members of the TCL Technology Group, and shall be on normal commercial terms negotiated on arm's length basis. However, in cases where the relevant financing service is not provided by other independent financial institutions (other than TCL Financial Services Associates), for example where the value of the bill is small, the Group will, after taking into account such factor, assess whether the overall terms and conditions offered by TCL Financial Services Associates as a whole are no less favourable to the Group than those terms of general financing services offered by other independent financial institutions or those offered to other members of the TCL Technology Group.
- (2) The Group will, for every transaction, (i) obtain bill discount rates or interest rates (as the case may be) from at least three major PRC commercial banks such as Bank of China Limited in respect of financing service, and (ii) obtain bill discount rates or interest rates (as the case may be) offered by TCL Financial Services Associates to other members of the TCL Technology Group, and make comparisons with those offered by TCL Financial Services Associates.
- (3) The Group's finance department will monitor the aggregate financing amount (including interest payable and service fees) under the Financing Services to ensure that it does not exceed the applicable annual caps.

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Other Financial Services

- (1) The fees to be charged by Finance Company and/or TCL Financial Services Associates in respect of Other Financial Services shall not be higher than the fees determined by PBOC (if applicable) and the fees charged by other independent financial institutions service providers in respect of such services.
- (2) The Group will, for every transaction, obtain quotes of fees from at least three independent financial institutions in respect of services similar to the Other Financial Services, and make comparisons to review the fairness and reasonableness of fees charged by Finance Company and/or TCL Financial Services Associates which shall be no less favourable than those offered by Independent Third Parties. Other terms and conditions of Other Financial Services offered by Finance Company and/or TCL Financial Services Associates as a whole shall also be no less favourable than those offered by other independent financial institutions service providers and shall be on normal commercial terms. In case of such market comparable is not available, the fees to be charged by Finance Company and/or TCL Financial Services Associates shall be no less favourable to the Group than the rate charged by Finance Company and/or TCL Financial Services Associates to other members of TCL Technology Group for providing similar services in respect of Other Financial Services.

Furthermore, the Company's audit committee will also scrutinize the implementation and enforcement of the transactions under the Master Financial Services (2023-2025) Agreement. If the Company's audit committee is of the view that it would be in the Company's interests to reduce the level of deposits and/or other continuing connected transactions with any TCL Financial Services Associates, the Group will take appropriate steps to implement its decision.

Any material findings in the risk assessment reports, the views of the Company's audit committee on the deposits and/or other continuing connected transactions under the Master Financial Services (2023-2025) Agreement (including its views on how the terms of the Master Financial Services (2023-2025) Agreement have been complied with) and its decisions on matters in relation thereto, if any and where appropriate, will be disclosed in the Company's annual reports.

The responsible personnel conducting the above internal control procedures are all employees of the Company who are independent to TCL Technology, Finance Company and their associates.

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In addition, as stated in the 2021 annual report of the Company, the independent non-executive Directors have confirmed that the continuing connected transactions (including the Deposit Services) were entered into: (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms or better; and (iii) according to the agreement governing them on terms that were fair and reasonable and in the interests of the Company and its shareholders as a whole. Ernst & Young, the Company's auditors, were engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 Assurance Engagements Other Than Audits or Reviews of Historical Financial Information and with reference to Practice Note 740 Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules issued by the Hong Kong Institute of Certified Public Accountants. Ernst & Young have issued their unqualified letter containing their findings and conclusions in respect of the continuing connected transactions disclosed above by the Group in accordance with Rule 14A.56 of the Listing Rules. A copy of the auditors' letter has also been provided by the Company to the Stock Exchange in respect of the continuing connected transactions in 2021.

General settlement terms

Deposit Services

Generally, the agreed deposit account maintained by China Display Qualified Member(s) with Finance Company is akin to a current account, such that China Display Qualified Member(s) will make deposit and withdrawal from such account (provided that the deposit terms offered by Finance Company to the Group are no less favourable than those offered by Independent Third Parties). Usually, interest for the period starting on the 22nd day of the previous month to the 21st day of the current month will be settled on the 21st day of each month.

Financing Services

In respect of bill discounting, bills generally have a credit period of 30 to 90 days, whilst cash to be received by China Display Qualified Members on discounting the bill will normally be settled on the same day or the next business day. In respect of loan facility, subject to the loan agreement, the draw-down date of the loan is usually one or two days after entering into the agreement, whilst interests are usually settled monthly or on the maturity date of the loan.

Other Financial Services

Letters of credit are normally issued upon the supplier having submitted all requisite documents to the relevant TCL Financial Services Associate.

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Credit risk

Pursuant to the terms of the Master Financial Services (2023-2025), TCL Technology undertakes and will procure Finance Company and all its TCL Financial Services Associates to jointly and severally with TCL Technology undertake with the Group that subject to compliance with the Measures for the Administration of Finance Companies of Enterprise Groups* (《企業集團財務公司管理辦法》) and all regulatory indicators imposed by the CBIRC and/or other applicable laws and regulations, at any time during the term of the Master Financial Services (2023-2025) Agreement, the maximum amount of loans, financing and guarantees available under the Financing Services of the Master Financial Services (2023-2025) Agreement provided by TCL Financial Services Associates to China Display Qualified Members shall not be less than the total amount of deposits (including normal cash deposit and deposit of cash or bank instruments as security) placed by the China Display Qualified Members with Finance Company.

In view of the above, given (i) the available facilities to the Group from the Finance Company will always exceed the deposit balances placed by the Group in the Finance Company (subject to the Renewal Annual Caps); (ii) the Finance Company has been conducting its business in compliance with the relevant applicable rules and regulations and as set out in the articles of association of Finance Company pursuant to the understanding of the Management; (iii) the Finance Company and TCL Financial Services Associates have the relevant qualification and license to provide the Deposit Services, Financing Services and Other Financial Services, including but not limited to the Financial Permit* (金融許可證) issued by CBIRC; and (iv) in the event that Finance Company faces any financial difficulty in making payments, TCL Technology has the obligation to take all necessary steps to restore Finance Company's financial position, including making capital injection into Finance Company based on its funding needs, to restore its financial position. Given TCL Technology, a company listed on the Shenzhen Stock Exchange with market capitalization of over RMB50 billion as at the Latest Practicable Date, the Company considers, and we concur that the credit risk regarding placing deposit in the Finance Company would be low.

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5. Comparison of terms with independent third parties

Out of the three types continuing connected transactions to be carried out under the Master Financial Services (2020 Renewal) Agreement, the Group only utilized the deposit services during the two years ended 31 December 2021 and for the nine months ended 30 September 2022. As such our comparison of terms with independent third parties will only be carried out in respect of deposit services.

We have noted from the notice of interest rate offered by Finance Company issued in 2020, 2021 and the first nine months of 2022 that, the interest rate offered by Finance Company was no less favorable than (i) the benchmark interest rate promulgated by the PBOC; (ii) interest rates quoted by three PRC major commercial banks; and (iii) such interest rates to be offered by Finance Company will be available to any members of TCL Technology Group for similar deposit service.

Based on the foregoing, we are of the view that the terms of the Master Financial Services (2023-2025) Agreement in respect of the deposit services are on normal commercial terms and are fair and reasonable so far as the Company and the independent Shareholders are concerned.

6. Basis of the Renewal Annual Caps

The transactions contemplated under the Master Financial Services (2023-2025) Agreement are subject to the Listing Rules' requirements and conditions as further discussed under the section headed "7. Reporting requirements and conditions of the Renewal Annual Caps and the transactions contemplated thereunder" below. In particular, the Transactions are also subject to the Renewal Annual Caps as discussed below.

In assessing the reasonableness of the Renewal Annual Cap, we have discussed with the Management, the basis and assumptions underlying the relevant transactions stipulated under the Master Financial Services (2023-2025) Agreement.

(i) Review of the historical figures

During the two years ended 31 December 2021 and the nine months ended 30 September 2022, the Group only utilized the deposit services. As such our review on historical figures will only be carried out for the utilization of deposit services.

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The following table sets out the relevant historical figures of the deposit services carried out under the Master Financial Services (2020 Renewal) Agreement for the year ended 31 December 2020, 2021 and for the nine months ended 30 September 2022 and the existing annual caps for the three years ending 31 December 2022 (the “Existing Caps”):

	For the year ended 31 December 2020 RMB'000	For the year ended 31 December 2021 RMB'000	For the nine months ended 30 September 2022 RMB'000
Deposit Services			
Existing Cap (<i>Note 1</i>)	895,000	1,450,000	1,690,000
Actual	560,528	1,123,408	1,302,286
Utilization rate	62.6%	77.5%	77.1%

Note:

Note 1: Maximum outstanding daily ending balances of deposits (including interest receivables in respect of these deposits and deposits as security).

After the then Existing Caps for deposit services pursuant to the Master Financial Services (2020 Renewal) Agreement have been approved in December 2019, the actual amounts of the maximum outstanding daily ending balances of deposits (including interest receivables in respect of these deposits and deposits as security) of the Group under the Master Financial Services (2020 Renewal) Agreement had been increased substantially from RMB561 million for the year ended 31 December 2020 to RMB903 million for the five months ended 31 May 2021 and reached 91.6% of the then existing cap of RMB985 million in May 2021, the Group had therefore required to once again seek for independent Shareholders’ approval to revise the deposit cap and was subsequently approved by the then independent shareholders on 29 July 2021. The above-mentioned Existing Caps for deposit services for 2021 and 2022 represented the relevant Existing Caps for deposit services were revised and approved in July 2021.

As discussed with the Management, such increase in utilization in 2021 was mainly contributed by the increase in operating cash inflow of the Group during the period. The Group recorded a net increase in its cash and cash equivalents of RMB637 million to RMB1,053 million for the year ended 31 December 2021 and remained at a comparable level of over RMB1,000 million the six months ended 30 June 2022. As a result, the utilization rate of the Existing Caps for deposit services (being the highest daily ending balances of deposits) increased from 62.6% to around 77% as of 2021 and for nine months ended 30 September 2022.

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(ii) Assessment of the Renewal Annual Caps

When assessing the reasonableness of the Renewal Annual Caps, we have discussed with the Management about the basis and assumptions underlying the projection of the Renewal Annual Caps. Set out below are the Renewal Annual Caps being proposed for the Transactions for the three years ending 31 December 2023, 2024 and 2025:

	For the year ending 31 December 2023 RMB'000	For the year ending 31 December 2024 RMB'000	For the year ending 31 December 2025 RMB'000
Deposit Services	1,700,000	1,870,000	2,057,000
Financing Services – aggregate financing amount (including interest payable and service fees)	400,000	400,000	400,000
Other Financial Services – financial service charges	1,000	1,100	1,200

Deposit Services

When determining the Renewal Annual Caps for deposit services, the Management took into consideration factors including (i) the historical amounts of the balance of deposit that the Group placed with Finance Company pursuant to the Master Financial Services (2020 Renewal) Agreement; (ii) it is estimated that the maximum amount of balance of deposit to be placed by the Group pursuant to the Master Financial Services (2023-2025) Agreement in 2023 would reach approximately RMB1,531 million. Taking into account the Group's internal control measures to keep the maximum deposit amount below 90% of the relevant annual cap (as discussed in paragraph 5 of the sub-section headed "Deposit Services" under the section headed "Internal control procedures and pricing policy for conducting transactions under the Master Financial Services (2023-2025) Agreement" in the Letter from the Board), the proposed annual cap of RMB1,700 million for year 2023 would be just enough to cater for the deposit needs of China Display Qualified Members. The proposed annual caps are set with reference to an expected increase of approximately 10% per annum in balance of deposits with Finance Company during the term of the Master Financial Services (2023-2025) Agreement in view of business growth; (iii) having been satisfied by the services and the benefits provided by Finance Company such as higher interest rates than available from other financial institutions, it is likely that the Group

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will allocate more of its cash to be deposited with Finance Company if and when the terms offered by it are more favourable than the commercial terms offered by other financial institutions; and (iv) a buffer of 10% for the relevant Renewal Annual Caps for deposit services for 2023.

The Renewal Annual Cap for deposit services for 2023 of RMB1,700 million represented an increase of 30.6% as compared to the highest deposit amount for the first nine months ended 30 September 2022. We noted from the annual report of the Group that cash and cash equivalent balances have increased substantially in from RMB101 million as at 31 December 2019 to RMB1,015.9 million as at 30 June 2022, representing an increase of over 900% in the past two and a half years. Having considered that the interest rates offered by Finance Company have been more favorable than other financial institutions as elaborated in the section handed “5. Comparison of terms with independent third parties” above, it would be acceptable to estimate such growth in the Renewal Annual Caps for deposit services for 2023, as the Management considered that should Finance Company continue to provide more favorable terms in 2023, the Group would consider continue to utilize Finance Company’s services in a similar magnitude.

Noting from the net cash flows from operating activities for the six months ended 30 June 2021 and 2022 were amounted to RMB392.6 million and RMB2.5 million, which shown a huge fluctuation in cash inflow, as such the Management considers that and we concur, given cash inflow and outflow varies from time-to-time, it would be acceptable to factor in a 10% buffer to cater for any unexpected fluctuation in cashflows and hence resulting in more demand for deposit services from Finance Company.

Financing Services – aggregate financing amount (including interest payable and service fees)

When determining the Renewal Annual Caps for financing services, the Management took into consideration factors including the expected financing need of China Display Qualified Members during the term of the Master Financial Services (2023-2025) Agreement and the fact that the financing services under the Master Financial Services (2020 Renewal) Agreement have not been utilised by China Display Qualified Members since external financial institutions have provided more favourable terms. Nevertheless, China Display Qualified Members may still consider receiving Financing Services during the term of the Master Financial Services (2023-2025) Agreement if the terms offered by TCL Financial Services Associates become more favourable and satisfy the pricing policies of the Group. In this regard, smaller annual caps (representing a decrease of approximately 45% from 2022 to 2023) are still proposed.

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We understand that the Renewal Annual Caps for financing services under the Master Financial Services (2020 Renewal) Agreement were set only for bills discounting (measured in terms of aggregate face value of bills discounted) as no other type of financing services were contemplated thereunder. Under the Master Financial Services (2023-2025) Agreement, the Renewal Annual Caps for Financing Services are set for aggregate financing amount (including but not limited to interest payable, service fees and aggregate face value of bills discounted) under the scope of Financing Services as it is contemplated that different types of financing services (including but not limited to bill discounting and/or loan financing) may be received by China Display Qualified Members during the term of the Master Financial Services (2023-2025) Agreement.

As advised by the Management, the Group has not engaged the bills discounting services from TCL Financial Services Associates in the past while all bills were discounted to independent PRC commercial banks, with the aggregate face value of discounted bills amounting to approximately RMB292 million, RMB443 million and RMB125 million for the two years ended 31 December 2020 and 2021, and nine months ended 30 September 2022 respectively. Furthermore, the Group as at 30 June 2022 also had outstanding interest-bearing bank and other borrowings of RMB87.3 million. Taking into consideration the above-mentioned financing needs of the Group, should more favourable terms would be offered by the TCL Financial Services Associates, the Group may utilize such financing services from TCL Financial Services Associates.

We noted from the interim report of the Group for the six months ended 30 June 2022 that the Group had trade payable amounted to RMB1,477.8 million and RMB1,286.5 million respectively as at 31 December 2021 and as at 30 June 2022. The Renewal Annual Caps for financing services represented approximately 31% of the Group total cash resources required for settlement of trade payable as at 30 June 2022 of which the Management considered, and we concur such smaller size Renewal Annual Caps for financing services would provide flexibility and additional option to the Group to secure financing with favorable terms to finance their daily operation needs.

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Other Financial Services – financial service charges

When determining the Renewal Annual Caps for other financing services, the Management took into consideration (i) the expected demand for other financial services from China Display Qualified Members during the term of the Master Financial Services (2023-2025) Agreement; and (ii) an expected increase of approximately 10% per annum in demand for Other Financial Services during the term of the Master Financial Services (2023-2025) Agreement in view of business growth. Furthermore, the Management considered that despite other financing services under the Master Financial Services (2020 Renewal) Agreement have not been utilised by China Display Qualified Members since external financial institutions have provided more favorable terms. Nevertheless, for the purpose of providing flexibility to China Display Qualified Members, smaller annual caps (representing a decrease of 37.5% from 2022 to 2023) are still proposed.

The historical services charges for issuance of letters of credits by independent financial institutions amounted to approximately RMB496,000, RMB1,397,000 and RMB1,123,000 for the years ended 31 December 2020 and 31 December 2021 and for the nine months ended 30 September 2022 respectively. The Renewal Annual Caps for the other financial service fees is estimated to be approximately RMB1.0 million, RMB1.1 million and RMB1.2 million for each of three years ending 31 December 2025. We understood from the Management that since the Group's operation have been increasing with sales and processing volume increased by 34% in 2021 as compared to 2020 and stabilized at around 32 million units in the first six months of 2022, we therefore concur with the Management that to support with the increase in sales and processing volume, sourcing from other independent overseas suppliers would increase and hence issuance of letters of credit and other financial services for overseas purchase from independent suppliers would therefore also increase accordingly and resulted in an increase in other financial service from TCL Financial Services Associates. In view of such we consider a RMB100,000 increase in the Renewal Annual Caps for other financial service fees to be appropriate and acceptable.

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7. Reporting requirements and conditions of the Renewal Annual Caps and the transactions contemplated thereunder

Pursuant to Rules 14A.55 to 14A.59 of the Listing Rules, the Renewal Annual Caps and the transactions contemplated under the Master Financial Services (2023-2025) Agreement are subject to the following annual review requirements:

- (a) each year the independent non-executive Directors must review the continuing connected transactions and confirm in the annual report that the continuing connected transactions have been entered into:
 - (i) in the ordinary and usual course of business of the Group;
 - (ii) on normal commercial terms or better; and
 - (iii) in accordance with the agreement governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole;
- (b) each year the auditors of the Company must provide a letter to the Board (with a copy provided to the Stock Exchange at least ten business days prior to the bulk printing of the Company's annual report) confirming that the continuing connected transactions:
 - (i) have received the approval of the Board;
 - (ii) are, in all material respects, in accordance with the pricing policies of the Group (if applicable);
 - (iii) have been entered into, in material respects, in accordance with the relevant agreement governing the continuing connected transactions; and
 - (iv) have not exceeded the annual caps;
- (c) the Company shall allow, and shall procure the relevant counterparties to the continuing connected transactions to allow, the Company's auditors sufficient access to their records for the purpose of the reporting on the continuing connected transactions as set out in paragraph (b); and
- (d) the Company shall promptly notify the Stock Exchange and publish an announcement in accordance with the Listing Rules if it knows or has reason to believe that the independent non-executive Directors and/or auditors of the Company will not be able to confirm the matters set out in paragraphs (a) and/or (b) respectively.

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In light of (i) the restriction of the value of the Transactions by way of the Renewal Annual Caps; (ii) the Group's internal control policies as detailed in the section headed "Internal control"; and (iii) the on-going review by the independent non-executive Directors and auditors of the Company of the terms of the Transactions and the Renewal Annual Caps not being exceeded, we are of the view that appropriate measures will be in place to effectively monitor the conduct of the Transactions, the Renewal Annual Caps and the transactions contemplated thereunder and assist to safeguard the interests of the independent Shareholders.

RECOMMENDATION

Having considered the above principal factors and reasons, we consider that the entering into of the Master Financial Services (2023-2025) Agreement is in the ordinary and usual course of business of the Group and in the interests of the Company and the independent Shareholders as a whole, the terms of which are on normal commercial terms and are fair and reasonable so far as the Company and the independent Shareholders are concerned, and the basis for determining the proposed annual caps is fair and reasonable so far as the Company and the independent Shareholders are concerned.

Accordingly, we would recommend the independent Shareholders, and advise the Independent Board Committee to recommend the independent Shareholders to vote in favour of the relevant resolution to be proposed at the SGM in respect of the Master Financial Services (2023-2025) Agreement and the transactions thereunder (including the Renewal Annual Caps).

Yours faithfully,
For and on behalf of
Halcyon Capital Limited

Terry Chu
Managing Director

Mr. Terry Chu is a person licensed under the SFO to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO and regarded as a responsible officer of Halcyon Capital Limited and has over 22 years of experience in corporate finance industry.

1. THREE-YEAR FINANCIAL INFORMATION OF THE GROUP

The Company is required to set out in this circular the information for the last three financial years with respect to the profits and losses, financial record and position, set out as comparative table and the latest published audited statement of financial position together with the notes on the annual accounts for the last financial year of the Group.

The audited consolidated financial statements of the Company for the years ended 31 December 2021, 2020 and 2019 together with the relevant notes to the financial statements of the Company can be found on pages 54 to 127 of the annual report of the Company for the year ended 31 December 2021, pages 54 to 125 of the annual report of the Company for the year ended 31 December 2020, and pages 55 to 131 of the annual report of the Company for the year ended 31 December 2019. The unaudited interim condensed consolidated financial statements for the six months ended 30 June 2022 together with the relevant notes to the financial information of the Company can be found on pages 3 to 33 of the interim report of the Company for the six months ended 30 June 2022. Please see below the hyperlinks to the said annual reports and interim report.

Interim report for the six months ended 30 June 2022:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0830/2022083000415.pdf>

Annual report for the year ended 31 December 2021:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0413/2022041300337.pdf>

Annual report for the year ended 31 December 2020:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0416/2021041600615.pdf>

Annual report for the year ended 31 December 2019:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0424/2020042400683.pdf>

2. STATEMENT OF INDEBTEDNESS

Bank and other borrowings

As at 30 September 2022, being the latest practicable date for the purpose of this statement of indebtedness, the Group had bank borrowings of bank advance on discounted bill receivables of RMB2,805,394 and secured bank loans of RMB59,508,187, unsecured bank loans of RMB67,000,000, and interest payable of RMB495,308.

Finance lease liabilities, contingent liabilities and commitments

As at 30 September 2022, the Group had nil finance lease liabilities, and contracted but not provided capital commitments for plants and machineries of RMB182,301,566.

Save as aforesaid, the Group did not have any outstanding indebtedness in respect of any borrowings, mortgages, charges or debentures, loan capital, bank loans and overdrafts, term loans or other loans, debt securities or other similar indebtedness, liabilities under acceptances (other than normal trade bills), acceptance credits or hire purchase commitments, finance lease commitments, guarantees or other material contingent liabilities or indebtedness as at the close of business on 30 September 2022, being the latest practicable date for the purpose of this statement of indebtedness.

The Directors have confirmed that there has not been any material change in the indebtedness or the contingent liabilities of the Group since 30 September 2022.

3. WORKING CAPITAL

As at the Latest Practicable Date, the Directors, after due and careful enquiry, are of the opinion that, after taking into consideration of the effect of the transactions contemplated under the Master Financial Services (2023-2025) Agreement and the financial resources available to the Group, including internally generated financial resources, the Group will have sufficient working capital for its present requirement, that is for at least the next 12 months from the date of publication of this circular, in the absence of unforeseeable circumstances. The Company has obtained the relevant confirmation as required under Rule 14.66(12) of the Listing Rules.

4. FINANCIAL AND TRADING PROSPECTS

According to the latest report from International Data Corporation (“IDC”), an international research institute, due to global inflation, geopolitical tensions, the global shipments of smartphones is expected to decline by 6.5% to 1.27 billion units for the full year of 2022, representing a further reduction of 3 percentage points from previous projections. In the third quarter of 2022, due to the intensified decline in global economic growth, both the supply and demand sides of the mobile phone market faced downward pressure.

For the nine months ended September 2022, amid the impact of the global economic downturn and other factors including the resurgence of the COVID-19 pandemic and control measures in Mainland China, the Group recorded a total sales volume of 44.6 million units, representing a year-on-year decrease of 12.3% and a total revenue of RMB3,647 million, representing a year-on-year decrease of 17.1%.

Despite all the challenges facing by the whole industry, the Group's new display module factory located in Chenjiang, Huizhou will be gradually put into operation by the end of 2022, and the production capacity of the Group is expected to gradually increase. In addition, as the Group has completed the acquisition of 100% equity interest in Huizhou Gaoshengda Zhixian Technology Co., Ltd.* (惠州高盛達智顯科技有限公司, hereinafter "Gaoshengda Zhixian") in August 2022, it is expected that Gaoshengda Zhixian will become a supplier of Internet of Things (IoT) related products of the Group and create synergy effect with the existing display module business of the Group.

According to IDC, the global shipments of smartphones is expected to rebound in 2023 with a growth rate of 5.2% year-on-year. The Group remains cautiously optimistic about the development of its display module business in 2022, and believes that through long-term production chain planning and the advantages in strictly controlled production and economies of scale, the Group will be able to seize the huge opportunities in the medium-size display module market.

5. ACQUISITIONS AFTER THE DATE OF THE LATEST PUBLISHED AUDITED ACCOUNTS

The Group has acquired 100% of equity interest in and of Gaoshengda Zhixian in August 2022 pursuant to the equity transfer agreement dated 1 August 2022 entered into among CDOT Huizhou, Huizhou Gaoshengda Technology Co., Ltd.* (惠州高盛達科技有限公司), Huizhou Zhicheng Investment Management Partnership (Limited Partnership)* (惠州市智誠投資管理合夥企業(有限合夥)), Huizhou Zhihe Investment Management Partnership (Limited Partnership)* (惠州市智合投資管理合夥企業(有限合夥)) and Huizhou Gaoshengda Zhixian Technology Co., Ltd.* (惠州高盛達智顯科技有限公司). For details, please refer to the announcements of the Company dated 1 August 2022 and 11 August 2022. The Directors are of the view that the acquisition of Gaoshengda Zhixian will not make a material contribution to the figures in the auditors' report or next published accounts of the Group.

Save as disclosed above, as at the Latest Practicable Date, the Group has not made or agreed to make or is proposing to make any acquisition of a business or an interest in the share capital of a company whose profits or assets make or will make a material contribution to the figures in the auditor's report or next published accounts of the Group after the date of the latest published audited accounts required to be disclosed in this circular pursuant to the Listing Rules.

1. RESPONSIBILITY OF THE DIRECTORS

This document, 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 document is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this document misleading.

2. DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules (“**Model Code**”), to be notified to the Company and the Stock Exchange, were as follows:

(a) Interest in the Company – Long Positions

Name of Directors	Nature of interest	Number of ordinary Shares held		Number of underlying shares held under equity derivatives	Total	Approximate percentage of total number of issued Shares (Note 1)
		Personal interest	Other interests			
OUYANG Hongping	Beneficial owner	14,037,998	–	–	–	0.66%

Note:

- Such percentage was calculated based on the number of shares and underlying shares of the Company in which the relevant Director was interested as notified to the Company and disclosed on the website of the Stock Exchange pursuant to Part XV of the SFO, against the number of issued Shares as at the Latest Practicable Date, being 2,114,307,929 Shares in issue.

(b) Interest in associated corporations of the Company – Long Positions

TCL Technology (Note 1)

Name of Directors	Nature of interest	Number of ordinary shares held		Number of underlying shares held under equity derivatives	Total	Approximate percentage of issued share capital of TCL Technology (Note 3)
		Personal Interest (Note 2)	Other Interest			
LIAO Qian	Beneficial owner	481,306	1,294,033	–	1,775,339	0.0127%
OUYANG Hongping	Beneficial owner	34,654	482,951	–	517,605	0.0037%
ZHANG Feng	Beneficial owner	511,756	988,311	–	1,500,067	0.0107%

Notes:

1. TCL Technology, a joint stock limited company established under the laws of the PRC, is the ultimate controlling shareholder of the Company.
2. These interests are incentive shares that has been granted to the relevant Director under the incentive scheme adopted by TCL Technology and were not vested as at the Latest Practicable Date.
3. Such percentage was calculated based on the number of issued share capital of TCL Technology as at the Latest Practicable Date, being 14,030,642,421 shares in issue, as informed by TCL Technology.

Mr. LIAO Qian is also an executive director, the senior vice president and the secretary of the board of directors of TCL Technology. Mr. OUYANG Hongping is also a general manager of low-temperature polysilicon division of small and medium-sized display business group of TCL CSOT, a director and the general manager of Wuhan CDOT and a general manager of Wuhan CSOT. Mr. ZHANG Feng is also the legal representative of Wuhan CSOT and Wuhan CDOT, the senior vice president of TCL CSOT, the general manager of small and medium-sized display business group of TCL CSOT, a director and the general manager of Wuhan China Star Optoelectronics Semiconductor Display Technology Company Limited* (武漢華星光電半導體顯示技術有限公司, a subsidiary of TCL CSOT).

Save as disclosed in this paragraph 2, as at the Latest Practicable Date, none of the Directors and chief executives of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporation (within the meaning of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

3. MATERIAL ADVERSE CHANGES

The Directors confirm that, as at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since the date to which the latest published audited accounts for the financial year ended 31 December 2021 of the Group were made up.

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with the Company or any of its subsidiaries which will not expire or is not determinable by the employer within one year without payment of compensation (other than statutory compensation).

5. DIRECTORS' INTEREST IN THE GROUP'S ASSETS

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which have been, since 31 December 2021 (being the date to which the latest published audited accounts of the Company were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group as referred to in paragraph 40 of Appendix 1B to the Listing Rules.

As at the Latest Practicable Date, none of the Directors had any material interest in any contract or arrangement which was subsisting and significant in relation to the business of the Group.

6. COMPETING INTERESTS

As at the Latest Practicable Date, the Directors were not aware that any of them (or his/her respective close associates) had direct or indirect interests in any business which competes or was likely to compete, either directly or indirectly, with the business of the Group which would fall to be discloseable under the Listing Rules.

7. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation, arbitration or claim of material importance and, so far as the Directors are aware, no litigation, arbitration or claim of material importance was pending or threatened against any member of the Group.

8. EXPERT AND CONSENT

The following is the qualifications of the expert who has given opinion or advice, which are contained or referred to in this circular:

Name	Qualification
Halcyon Capital Limited	A licensed corporation under the SFO to conduct Type 6 (advising on corporate finance) regulated activities for the purpose of the SFO

Halcyon Capital Limited, the Independent Financial Advisor, has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter dated 21 November 2022 and references to its name, in the form and context in which it is included.

As at the Latest Practicable Date, Halcyon Capital Limited did not have (i) any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group and (ii) any direct or indirect interest in any assets which have, since 31 December 2021 (being the date to which the latest published audited consolidated financial statements of the Company were made up), been acquired or disposed of by, or leased to any member of the Group, or are proposed to be acquired or disposed of by, or leased to any member of the Group.

9. MATERIAL CONTRACTS

In the two years immediately preceding the date of this circular and up to the Latest Practicable Date, the following contracts, not being contracts entered into in the ordinary course of business, were entered into by the Company or any of its subsidiaries which are or may be material:

- (a) the equity transfer agreement dated 1 August 2022 entered into among CDOT Huizhou, Huizhou Gaoshengda Technology Co., Ltd.* (惠州高盛達科技有限公司), Huizhou Zhicheng Investment Management Partnership (Limited Partnership)* (惠州市智誠投資管理合夥企業(有限合夥)), Huizhou Zhihe Investment Management Partnership (Limited Partnership)* (惠州市智合投資管理合夥企業(有限合夥)) and Huizhou Gaoshengda Zhixian Technology Co., Ltd.* (惠州高盛達智顯科技有限公司) in relation to the acquisition of 100% of the equity interest in and of Huizhou Gaoshengda Zhixian Technology Co., Ltd. at a consideration of RMB51 million (for details, please refer to the announcements of the Company dated 1 August 2022 and 11 August 2022);

- (b) the conditional share transfer agreement dated 25 May 2021 entered into between CDOT Huizhou and Wuhan CSOT in relation to the disposal of 70% equity interest in Wuhan CDOT by CDOT Huizhou to Wuhan CSOT at a consideration of RMB286 million (for details, please refer to the announcement and circular of the Company dated 25 May 2021 and 26 May 2021 respectively);
- (c) the deed dated 25 May 2021 entered into between TCL Technology, TCL Industries, TCL CSOT and the Company in relation to the variation of the non-competition deed dated 17 April 2015 executed by TCL technology and TCL Industries, both as covenantors, in favour of the Company (for details, please refer to the announcement and circular of the Company dated 25 May 2021 and 26 May 2021 respectively); and
- (d) the construction agreement dated 8 April 2021 entered into between CDOT Huizhou and Fujian Liantai Construction Engineering Co., Ltd.* (*福建聯泰建設工程有限公司) in respect of the construction of factory plant, dormitories and ancillary facilities located at Huizhou, Guangdong Province, the PRC at a consideration of RMB211,366,388.68, subject to adjustments, provided that in any event the consideration (inclusive of adjustments, if any) shall not exceed RMB220,000,000.00 (for details, please refer to the announcement of the Company dated 8 April 2021).

10. MISCELLANEOUS

- (a) The registered office of the Company is situated at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and its principal place of business in Hong Kong is 8th Floor, Building 22E, Phase Three, Hong Kong Science Park, Pak Shek Kok, New Territories, Hong Kong.
- (b) The Company's Hong Kong branch share registrar and transfer office is Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.
- (c) The secretary of the Company is Ms. CHEUNG Bo Man, a practising solicitor of Hong Kong.
- (d) This circular is prepared in both English and Chinese. In the event of inconsistency, the English text shall prevail.

11. DOCUMENTS ON DISPLAY

Electronic copies of the following documents are published on the website of the Stock Exchange (<http://www.hkexnews.hk>) and the website of the Company (www.cdoth8.com) for a period of 14 days from the date of this circular (both days inclusive):

- (a) the Master Financial Services (2023-2025) Agreement;
- (b) the letter from the Independent Board Committee, the text of which is set out in this circular;
- (c) the letter from Halcyon Capital Limited, the Independent Financial Advisor, the text of which is set out in this circular; and
- (d) the written consent from Halcyon Capital Limited referred to in the section headed “EXPERT AND CONSENT” in this appendix.

AMENDED AND RESTATED BYE-LAWS

OF

China Display Optoelectronics Technology~~Proview International~~ Holdings Limited

華顯光電技術控股有限公司

(Adopted at a ~~Special General Meeting~~ special general meeting held on ~~[•]11 March, 2015~~)

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INTERPRETATION

1. In these Bye-laws, unless the context otherwise requires, the words standing in the first column of the following table shall bear the meaning set opposite them respectively in the second column.

<u>WORD</u>	<u>MEANING</u>
<u>“announcement”</u>	<u>an official publication of a Notice or document of the Company, including a publication, subject to and to such extent permitted by the Listing Rules, by electronic communication or by advertisement published in the newspapers or in such manner or means ascribed and permitted by the Listing Rules and applicable laws.</u>
<u>“associate”</u>	<u>shall have the meaning given to it in the Listing Rules.</u>
“Act”	the Companies Act 1981 of Bermuda.
“Auditor”	the auditor of the Company for the time being and may include any individual or partnership.
“business day”	shall mean a day on which the Designated Stock Exchange generally is open for the business of dealing in securities in Hong Kong. For the avoidance of doubt, where the Designated Stock Exchange is closed for the business of dealing in securities in Hong Kong on a business day by reason of a Number 8 or higher typhoon signal gale warning, black rainstorm warning, extreme condition or other similar event, such day shall for the purposes of any notice sent under these Bye-laws be counted as a business day.
“Bye-laws”	these Bye-laws in their present form or as supplemented or amended or substituted from time to time.
“Board” or “Directors”	the board of directors of the Company or the directors present at a meeting of directors of the Company at which a quorum is present.

“capital”	the share capital of the Company from time to time.
“clear days”	in relation to the period of notice that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect.
“clearing house”	a clearing house recognised by the laws of the jurisdiction in which the shares of the Company are listed or quoted on a stock exchange in such jurisdiction.
“close associate”	in relation to any Director, shall have the same meaning as defined in the rules of the Designated Stock Exchange (“Listing Rules”) <u>Listing Rules</u> as modified from time to time, except that for purposes of Bye-law 100 where the transaction or arrangement to be approved by the Board is a connected transaction referred to in the Listing Rules, it shall have the same meaning as that ascribed to “associate” in the Listing Rules. Ch.13.44
“Company”	<u>China Display Optoelectronics Technology Preview International Holdings Limited</u> <u>華顯光電技術控股有限公司</u> .
“competent regulatory authority”	a competent regulatory authority in the territory where the shares of the Company are listed or quoted on a stock exchange in such territory.
“debenture” and “debenture holder”	include debenture stock and debenture stockholder respectively.

“Designated Stock Exchange”	a stock exchange which is an appointed stock exchange for the purposes of the Act in respect of which the shares of the Company are listed or quoted and where such appointed stock exchange deems such listing or quotation to be the primary listing or quotation of the shares of the Company.
“dollars” and “\$”	dollars, the legal currency of Hong Kong.
<u>“electronic communication”</u>	<u>a communication sent, transmitted, conveyed and received by wire, by radio, by optical means or by other similar means in any form through any medium.</u>
<u>“electronic means”</u>	<u>include sending or otherwise making available to the intended recipient(s) of the communication an electronic communication</u>
<u>“electronic meeting”</u>	<u>a general meeting held and conducted wholly and exclusively by virtual attendance and participation by Members and/or proxies by means of electronic facilities.</u>
<u>“gale warning”</u>	<u>shall have the meaning ascribed thereto in the Interpretation and General Clauses Ordinance (Cap.1 of the Laws of Hong Kong).</u>
“head office”	such office of the Company as the Directors may from time to time determine to be the principal office of the Company.
<u>“Hong Kong”</u>	<u>the Hong Kong Special Administrative Region of the People’s Republic of China.</u>

<u>“hybrid meeting”</u>	<u>a general meeting convened for the (i) physical attendance by Members and/or proxies at the Principal Meeting Place and where applicable, one or more Meeting Locations and (ii) virtual attendance and participation by Members and/or proxies by means of electronic facilities.</u>
<u>“Listing Rules”</u>	<u>the rules and regulations of the Designated Stock Exchange.</u>
“Member”	a duly registered holder from time to time of the shares in the capital of the Company.
<u>“Meeting location”</u>	<u>has the meaning given to it in Bye-law 64A, and for the avoidance of doubt shall include the Principal Meeting Place unless otherwise specified.</u>
“month”	a calendar month.
“Notice”	written notice unless otherwise specifically stated and as further defined in these Bye-laws.
“Office”	the registered office of the Company for the time being.
“paid up”	paid up or credited as paid up.
<u>“physical meeting”</u>	<u>a general meeting held and conducted by physical attendance and participation by Members and/or proxies at the Principal Meeting Place and/or where applicable, one or more Meeting Locations.</u>
<u>“Principal Meeting Place”</u>	<u>shall have the meaning given to it in Bye-law 59(2).</u>

“Register”	the principal register and where applicable, any branch register of Members to be kept pursuant to the provisions of the Act.
“Registration Office”	in respect of any class of share capital such place as the Board may from time to time determine to keep a branch register of Members in respect of that class of share capital and where (except in cases where the Board otherwise directs) the transfers or other documents of title for such class of share capital are to be lodged for registration and are to be registered.
“Seal”	common seal or any one or more duplicate seals of the Company (including a securities seal) for use in Bermuda or in any place outside Bermuda.
“Secretary”	any person, firm or corporation appointed by the Board to perform any of the duties of secretary of the Company and includes any assistant, deputy, temporary or acting secretary.
“Statutes”	the Act and every other act of the Legislature of Bermuda for the time being in force applying to or affecting the Company, its memorandum of association and/or these Bye-laws.
“substantial shareholder”	a person who is entitled to exercise, or to control the exercise of, 10% or more (or such other percentage as may be prescribed by the <u>Listing Rules</u> rules of the Designated Stock Exchange from time to time) of the voting power at any general meeting of the Company.
“year”	a calendar year.

2. In these Bye-laws, unless there be something within the subject or context inconsistent with such construction:

- (a) words importing the singular include the plural and vice versa;
- (b) words importing a gender include both gender and the neuter;
- (c) words importing persons include companies, associations and bodies of persons whether corporate or not;
- (d) the words:
 - (i) “may” shall be construed as permissive;
 - (ii) “shall” or “will” shall be construed as imperative;
- (e) expressions referring to writing shall, unless the contrary intention appears, be construed as including printing, lithography, photography and other modes of representing or reproducing words or figures in a legible ~~visible~~ and non-transitory form or, to the extent permitted by and in accordance with the Statutes and other applicable laws, rules and regulations, any visible substitute for writing (including an electronic communication), or modes of representing or reproducing words partly in one visible form and partly in another visible form, and including where the representation takes the form of electronic display, provided that both the mode of service of the relevant document or notice and the Member’s election comply with all applicable Statutes, rules and regulations;
- (f) references to any act, ordinance, statute or statutory provision shall be interpreted as relating to any statutory modification or re-enactment thereof for the time being in force;
- (g) save as aforesaid words and expressions defined in the Statutes shall bear the same meanings in these Bye-laws if not inconsistent with the subject in the context;
- (h) a resolution shall be a special resolution when it has been passed by a majority of not less than three-fourths of votes cast by such Members as, being entitled so to do, vote in person or, in the case of such Members as are corporations, by their respective duly authorised representative or, where proxies are allowed, by proxy at a general meeting of which Notice has been duly given in accordance with Bye-law 59;

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- (i) a resolution shall be an ordinary resolution when it has been passed by a simple majority of votes cast by such Members as, being entitled so to do, vote in person or, in the case of any Member being a corporation, by its duly authorised representative or, where proxies are allowed, by proxy at a general meeting of which Notice has been duly given in accordance with Bye-law 59;
- (j) 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;
- (k) a resolution shall be an 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 representative or, where proxies are allowed, by proxy at a general meeting of which Notice has been duly given in accordance with Bye-law 59;
- ~~(k)~~ references to a document (including, but without limitation, a resolution in writing) being signed or executed include references to it being signed or executed under hand or under seal or by electronic signature or by electronic communication or by any other method and references to a notice or document include a notice or document recorded or stored in any digital, electronic, electrical, magnetic or other retrievable form or medium and information in visible form whether having physical substance or not;
- (m) references to the right of a Member to speak at an electronic meeting or a hybrid meeting shall include the right to raise questions or make statements to the chairman of the meeting, verbally or in written form, by means of electronic facilities. Such a right shall be deemed to have been duly exercised if the questions or statements may be heard or seen by all or only some of the persons present at the meeting (or only by the chairman of the meeting) in which event the chairman of the meeting shall relay the questions raised or the statements made verbatim to all persons present at the meeting, either orally or in writing using electronic facilities;

- (n) a reference to a meeting shall mean a meeting convened and held in any manner permitted by these Bye-laws and any Member or Director attending and participating at a meeting by means of electronic facilities shall be deemed to be present at that meeting for all purposes of the Statutes and these Bye-laws, and attend, participate, attending, participating, attendance and participation shall be construed accordingly;
- (o) references to a person's participation in the business of a general meeting include without limitation and as relevant the right (including, in the case of a corporation, through a duly authorised representative) to speak or communicate, vote, be represented by a proxy and have access in hard copy or electronic form to all documents which are required by the Statutes or these Bye-laws to be made available at the meeting, and participate and participating in the business of a general meeting shall be construed accordingly;
- (p) references to electronic facilities include, without limitation, website addresses, webinars, webcast, video or any form of conference call systems (telephone, video, web or otherwise); and
- (q) where a Member is a corporation, any reference in these Bye-laws to a Member shall, where the context requires, refer to a duly authorised representative or proxy of such Member.

SHARE CAPITAL

3. (1) The share capital of the Company at the date on which these Bye-laws come into effect shall be divided into shares of \$0.10 each. App-3
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- (2) Subject to the Act, the Company's memorandum of association and, where applicable, ~~the rules of any Designated Stock Exchange~~ Listing Rules and/or any competent regulatory authority, any power of the Company to purchase or otherwise acquire its own shares shall be exercisable by the Board upon such terms and subject to such conditions as it thinks fit.
- (3) Subject to compliance with the ~~rules and regulations of the Designated Stock Exchange~~ Listing Rules and any other ~~competent~~ relevant regulatory authority, the Company may give financial assistance for the purpose of or in connection with a purchase made or to be made by any person of any shares in the Company.

ALTERATION OF CAPITAL

4. The Company may from time to time by ordinary resolution in accordance with Section 45 of the Act:
- (a) increase its capital by such sum, to be divided into shares of such amounts, as the resolution shall prescribe;
 - (b) consolidate and divide all or any of its capital into shares of larger amount than its existing shares;
 - (c) divide its shares into several classes and without prejudice to any special rights previously conferred on the holders of existing shares attach thereto respectively any preferential, deferred, qualified or special rights, privileges, conditions or such restrictions which in the absence of any such determination by the Company in general meeting, as the Directors may determine provided always that where the Company issues shares which do not carry voting rights, the words “non-voting” shall appear in the designation of such shares and where the equity capital includes shares with different voting rights, the designation of each class of shares, other than those with the most favourable voting rights, must include the words “restricted voting” or “limited voting”;
 - (d) sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the memorandum of association (subject, nevertheless, to the Act), and may by such resolution determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may have any such preferred rights or be subject to any such restrictions as compared with the other or others as the Company has power to attach to unissued or new shares;
 - (e) change the currency denomination of its share capital;
 - (f) make provision for the issue and allotment of shares which do not carry any voting rights; and
 - (g) cancel any shares which, at the date of the passing of the resolution, have not been taken, or agreed to be taken, by any person, and diminish the amount of its capital by the amount of the shares so cancelled.

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+0(2)

5. The Board may settle as it considers expedient any difficulty which arises in relation to any consolidation and division under the last preceding Bye-law and in particular but without prejudice to the generality of the foregoing may issue certificates in respect of fractions of shares or arrange for the sale of the shares representing fractions and the distribution of the net proceeds of sale (after deduction of the expenses of such sale) in due proportion amongst the Members who would have been entitled to the fractions, and for this purpose the Board may authorise some person to transfer the shares representing fractions to their purchaser or resolve that such net proceeds be paid to the Company for the Company's benefit. Such purchaser will not be bound to see to the application of the purchase money nor will his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale.
6. The Company may from time to time by special resolution, subject to any confirmation or consent required by law, reduce its ~~authorised or~~ issued share capital or, save for the use of share premium as expressly permitted by the Act, any share premium account or other undistributable reserve.
7. Except so far as otherwise provided by the conditions of issue, or by these Bye-laws, any capital raised by the creation of new shares shall be treated as if it formed part of the original capital of the Company, and such shares shall be subject to the provisions contained in these Bye-laws with reference to the payment of calls and instalments, transfer and transmission, forfeiture, lien, cancellation, surrender, voting and otherwise.

SHARE RIGHTS

8. Subject to any special rights conferred on the holders of any shares or class of shares, any share in the Company (whether forming part of the present capital or not) may be issued with or have attached thereto such rights or restrictions whether in regard to dividend, voting, return of capital or otherwise as the Company may by ordinary resolution determine or, if there has not been any such determination or so far as the same shall not make specific provision, as the Board may determine. App-3
8(1)
6(1)
9. Subject to Sections 42 and 43 of the Act, these Bye-laws, and to any special rights conferred on the holders of any shares or attaching to any class of shares, any preference shares may be issued or converted into shares that, at a determinable date or at the option of the Company or the holder if so authorised by its memorandum of association, are liable to be redeemed on such terms and in such manner as the Company before the issue or conversion may by ordinary resolution of the Members determine. ~~Where the Company purchases for redemption a redeemable share, purchases not made through the market or by tender shall be limited to a maximum price as may from time to time be determined by the Company in general meeting, either generally or with regard to specific purchases. If purchases are by tender, tenders shall be available to all Members alike.~~ App-3
8(1)
8(2)

VARIATION OF RIGHTS

10. Subject to the Act and without prejudice to Bye-law 8, all or any of the special rights for the time being attached to the shares or any class of shares may, unless otherwise provided by the terms of issue of the shares of that class, from time to time (whether or not the Company is being wound up) be varied, modified or abrogated either with the consent in writing of the holders of not less than three-fourths in nominal value of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting all the provisions of these Bye-laws relating to general meetings of the Company shall, *mutatis mutandis*, apply, but so that:
- (a) the necessary quorum (~~other than at an adjourned meeting~~) shall be two persons (~~or in the case of a Member being a corporation, its duly authorised representative~~) holding or representing by proxy not less than one-third in nominal value of the issued shares of that class ~~and at any adjourned meeting of such holders, two holders present in person or (in the case of a Member being a corporation) its duly authorised representative or by proxy (whatever the number of shares held by them) shall be a quorum; and~~
- (b) every holder of shares of the class shall be entitled to one vote for every such share held by him.
11. The special rights conferred upon the holders of any shares or class of shares shall not, unless otherwise expressly provided in the rights attaching to or the terms of issue of such shares, be deemed to be varied, modified or abrogated by the creation or issue of further shares ranking *pari passu* therewith.

App. 3
156(1)
~~App. 13A~~
2(1)

App. 3
156(2)

SHARES

12. (1) Subject to the Act, these Bye-laws, any direction that may be given by the Company in general meeting and, where applicable, the ~~rules of any Designated Stock Exchange~~ Listing Rules and without prejudice to any special rights or restrictions for the time being attached to any shares or any class of shares, the unissued shares of the Company (whether forming part of the original or any increased capital) shall be at the disposal of the Board, which may offer, allot, grant options over or otherwise dispose of them to such persons, at such times and for such consideration and upon such terms and conditions as the Board may in its absolute discretion determine but so that no shares shall be issued at a discount to their nominal value. Neither the Company nor the Board shall be obliged, when making or granting any allotment of, offer of, option over or disposal of shares, to make, or make available, any such allotment, offer, option or shares to Members or others with registered addresses in any particular territory or territories being a territory or territories where, in the absence of a registration statement or other special formalities, this would or might, in the opinion of the Board, be unlawful or impracticable. Members affected as a result of the foregoing sentence shall not be, or be deemed to be, a separate class of ~~m~~MMembers for any purpose whatsoever.
- (2) The Board may issue warrants or convertible securities or securities of similar nature conferring the right upon the holders thereof to subscribe for any class of shares or securities in the capital of the Company on such terms as it may from time to time determine.
13. The Company may in connection with the issue of any shares exercise all powers of paying commission and brokerage conferred or permitted by the Act. Subject to the Act, the commission may be satisfied by the payment of cash or by the allotment of fully or partly paid shares or partly in one and partly in the other.
14. Except as required by law, no person shall be recognised by the Company as holding any share upon any trust and the Company shall not be bound by or required in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any fractional part of a share or (except only as otherwise provided by these Bye-laws or by law) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.
15. Subject to the Act and these Bye-laws, the Board may at any time after the allotment of shares but before any person has been entered in the Register as the holder, recognise a renunciation thereof by the allottee in favour of some other person and may accord to any allottee of a share a right to effect such renunciation upon and subject to such terms and conditions as the Board considers fit to impose.

SHARE CERTIFICATES

16. Every share certificate shall be issued under the Seal or a facsimile thereof or with the Seal printed thereon and shall specify the number and class and distinguishing numbers (if any) of the shares to which it relates, and the amount paid up thereon and may otherwise be in such form as the Directors may from time to time determine. The Seal may only be affixed or imprinted to a share certificate with the authority of the Directors, or be executed under the signature of appropriate officials with statutory authority, unless otherwise determined by the Directors. No certificate shall be issued and representing shares of more than one class. The Board may by resolution determine, either generally or in any particular case or cases, that any signatures on any such certificates (or certificates in respect of other securities) need not be autographic but may be affixed to such certificates by some mechanical means or may be printed thereon or that such certificates need not be signed by any person. App-3
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17. (1) In the case of a share held jointly by several persons, the Company shall not be bound to issue more than one certificate therefor and delivery of a certificate to one of several joint holders shall be sufficient delivery to all such holders.
- (2) Where a share stands in the names of two or more persons, the person first named in the Register shall as regards service of notices and, subject to the provisions of these Bye-laws, all or any other matters connected with the Company, except the transfer of the shares, be deemed the sole holder thereof.
18. Every person whose name is entered, upon an allotment of shares, as a Member in the Register shall be entitled, without payment, to receive one certificate for all such shares of any one class or several certificates each for one or more of such shares of such class upon payment for every certificate after the first of such reasonable out-of-pocket expenses as the Board from time to time determines.
19. Share certificates shall be issued within the relevant time limit as prescribed in the Act or as the Designated Stock Exchange may from time to time determine, whichever is the shorter, after allotment or, except in the case of a transfer which the Company is for the time being entitled to refuse to register and does not register, after lodgment of a transfer with the Company.

20. (1) Upon every transfer of shares the certificate held by the transferor shall be given up to be cancelled, and shall forthwith be cancelled accordingly, and a new certificate shall be issued to the transferee in respect of the shares transferred to him at such fee as is provided in paragraph (2) of this Bye-law. If any of the shares included in the certificate so given up shall be retained by the transferor a new certificate for the balance shall be issued to him at the aforesaid fee payable by the transferor to the Company in respect thereof.
- (2) The fee referred to in paragraph (1) above shall be an amount not exceeding the relevant maximum amount as the Designated Stock Exchange may from time to time determine provided that the Board may at any time determine a lower amount for such fee.
21. If a share certificate shall be damaged or defaced or alleged to have been lost, stolen or destroyed a new certificate representing the same shares may be issued to the relevant Member upon request and on payment of such fee as the Designated Stock Exchange may determine to be the maximum fee payable or such lesser sum as the Board may determine and, subject to compliance with such terms (if any) as to evidence and indemnity and to payment of the costs and reasonable out-of-pocket expenses of the Company in investigating such evidence and preparing such indemnity as the Board may think fit and, in case of damage or defacement, on delivery of the old certificate to the Company provided always that where share warrants have been issued, no new share warrant shall be issued to replace one that has been lost unless the Directors are satisfied beyond reasonable doubt that the original has been destroyed. App-3
2(2)

LIEN

22. The Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys (whether presently payable or not) called or payable at a fixed time in respect of that share. The Company shall also have a first and paramount lien on every share (not being a fully paid share) registered in the name of a Member (whether or not jointly with other Members) for all amounts of money presently payable by such Member or his estate to the Company whether the same shall have been incurred before or after notice to the Company of any equitable or other interest of any person other than such ~~member~~ Member, and whether the period for the payment or discharge of the same shall have actually arrived or not, and notwithstanding that the same are joint debts or liabilities of such Member or his estate and any other person, whether a Member or not. The Company's lien on a share shall extend to all dividends or other moneys payable thereon or in respect thereof. The Board may at any time, generally or in any particular case, waive any lien that has arisen or declare any share exempt in whole or in part, from the provisions of this Bye-law. App-3
1(2)

23. Subject to these Bye-laws, the Company may sell in such manner as the Board determines any share on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable, or the liability or engagement in respect of which such lien exists is liable to be presently fulfilled or discharged nor until the expiration of fourteen (14) clear days after a notice in writing, stating and demanding payment of the sum presently payable, or specifying the liability or engagement and demanding fulfilment or discharge thereof and giving notice of the intention to sell in default, has been served on the registered holder for the time being of the share or the person entitled thereto by reason of his death, mental disorder, ~~or~~ bankruptcy or winding-up.
24. The net proceeds of the sale shall be received by the Company and applied in or towards payment or discharge of the debt or liability in respect of which the lien exists, so far as the same is presently payable, and any residue shall (subject to a like lien for debts or liabilities not presently payable as existed upon the share prior to the sale) be paid to the person entitled to the share at the time of the sale. To give effect to any such sale the Board may authorise some person to transfer the shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the shares so transferred and he shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale.

CALLS ON SHARES

25. Subject to these Bye-laws and to the terms of allotment, the Board may from time to time make calls upon the Members in respect of any moneys unpaid on their shares (whether on account of the nominal value of the shares or by way of premium), and each Member shall (subject to being given at least fourteen (14) clear days' Notice specifying the time and place of payment) pay to the Company as required by such notice the amount called on his shares. A call may be extended, postponed or revoked in whole or in part as the Board determines but no member shall be entitled to any such extension, postponement or revocation except as a matter of grace and favour.
26. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be made payable either in one lump sum or by instalments.
27. A person upon whom a call is made shall remain liable for calls made upon him notwithstanding the subsequent transfer of the shares in respect of which the call was made. The joint holders of a share shall be jointly and severally liable to pay all calls and instalments due in respect thereof or other moneys due in respect thereof.

28. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the amount unpaid from the day appointed for payment thereof to the time of actual payment at such rate (not exceeding twenty per cent. (20%) per annum) as the Board may determine, but the Board may in its absolute discretion waive payment of such interest wholly or in part.
29. No Member shall be entitled to receive any dividend or bonus or to be present and vote (save as proxy for another Member) at any general meeting either personally or by proxy, or be reckoned in a quorum, or exercise any other privilege as a Member until all calls or instalments due by him to the Company, whether alone or jointly with any other person, together with interest and expenses (if any) shall have been paid.
30. On the trial or hearing of any action or other proceedings for the recovery of any money due for any call, it shall be sufficient to prove that the name of the Member sued is entered in the Register as the holder, or one of the holders, of the shares in respect of which such debt accrued, that the resolution making the call is duly recorded in the minute book, and that notice of such call was duly given to the Member sued, in pursuance of these Bye-laws; and it shall not be necessary to prove the appointment of the Directors who made such call, nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.
31. Any amount payable in respect of a share upon allotment or at any fixed date, whether in respect of nominal value or premium or as an instalment of a call, shall be deemed to be a call duly made and payable on the date fixed for payment and if it is not paid the provisions of these Bye-laws shall apply as if that amount had become due and payable by virtue of a call duly made and notified.
32. On the issue of shares the Board may differentiate between the allottees or holders as to the amount of calls to be paid and the times of payment.
33. The Board may, if it thinks fit, receive from any Member willing to advance the same, and either in money or money's worth, all or any part of the moneys uncalled and unpaid or instalments payable upon any shares held by him and upon all or any of the moneys so advanced (until the same would, but for such advance, become presently payable) pay interest at such rate (if any) as the Board may decide. The Board may at any time repay the amount so advanced upon giving to such Member not less than one month's Notice of its intention in that behalf, unless before the expiration of such notice the amount so advanced shall have been called up on the shares in respect of which it was advanced. Such payment in advance shall not entitle the holder of such share or shares to participate in respect thereof in a dividend subsequently declared.

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FORFEITURE OF SHARES

34. (1) If a call remains unpaid after it has become due and payable the Board may give to the person from whom it is due not less than fourteen (14) clear days' Notice:
- (a) requiring payment of the amount unpaid together with any interest which may have accrued and which may still accrue up to the date of actual payment; and
 - (b) stating that if the Notice is not complied with the shares on which the call was made will be liable to be forfeited.
- (2) If the requirements of any such Notice are not complied with, any share in respect of which such Notice has been given may at any time thereafter, before payment of all calls and interest due in respect thereof has been made, be forfeited by a resolution of the Board to that effect, and such forfeiture shall include all dividends and bonuses declared in respect of the forfeited share but not actually paid before the forfeiture.
35. When any share has been forfeited, notice of the forfeiture shall be served upon the person who was before forfeiture the holder of the share. No forfeiture shall be invalidated by any omission or neglect to give such Notice.
36. The Board may accept the surrender of any share liable to be forfeited hereunder and, in such case, references in these Bye-laws to forfeiture will include surrender.
37. Until cancelled in accordance with the requirements of the Act, a forfeited share shall be the property of the Company and may be sold, re-allotted or otherwise disposed of to such person, upon such terms and in such manner as the Board determines, and at any time before a sale, re-allotment or disposition the forfeiture may be annulled by the Board on such terms as the Board determines.
38. A person whose shares have been forfeited shall cease to be a Member in respect of the forfeited shares but nevertheless shall remain liable to pay the Company all moneys which at the date of forfeiture were presently payable by him to the Company in respect of the shares, with (if the Directors shall in their discretion so require) interest thereon from the date of forfeiture until payment at such rate (not exceeding twenty per cent. (20%) per annum) as the Board determines. The Board may enforce payment thereof if it thinks fit, and without any deduction or allowance for the value of the forfeited shares, at the date of forfeiture, but his liability shall cease if and when the Company shall have received payment in full of all such moneys in respect of the shares. For the purposes of this Bye-law any sum which, by the terms of issue of a share, is payable thereon at a fixed time which is subsequent to the date of forfeiture, whether on account of the nominal value of the share or by way of premium, shall notwithstanding that time has not yet arrived be deemed to be payable at the date of forfeiture, and the same shall become due and payable immediately upon the forfeiture, but interest thereon shall only be payable in respect of any period between the said fixed time and the date of actual payment.

39. A declaration by a Director or the Secretary that a share has been forfeited on a specified date shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share, and such declaration shall (subject to the execution of an instrument of transfer by the Company if necessary) constitute a good title to the share, and the person to whom the share is disposed of shall be registered as the holder of the share and shall not be bound to see to the application of the consideration (if any), nor shall his title to the share be affected by any irregularity in or invalidity of the proceedings in reference to the forfeiture, sale or disposal of the share. When any share shall have been forfeited, notice of the declaration shall be given to the Member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the register, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or make any such entry.
40. Notwithstanding any such forfeiture as aforesaid the Board may at any time, before any shares so forfeited shall have been sold, re-allotted or otherwise disposed of, permit the shares forfeited to be bought back upon the terms of payment of all calls and interest due upon and expenses incurred in respect of the share, and upon such further terms (if any) as it thinks fit.
41. The forfeiture of a share shall not prejudice the right of the Company to any call already made or instalment payable thereon.
42. The provisions of these Bye-laws as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

REGISTER OF MEMBERS

43. (1) The Company shall keep in one or more books a Register and shall enter therein the following particulars, that is to say:
- (a) the name and address of each Member, the number and class of shares held by him and, in respect of any shares that are not fully paid, the amount paid or agreed to be considered as paid on such shares;
 - (b) the date on which each person was entered in the Register; and
 - (c) the date on which any person ceased to be a Member.

- (2) Subject to the Act, the Company may keep an overseas or local or other branch register of Members resident in any place, and the Board may make and vary such regulations as it determines in respect of the keeping of any such register and maintaining a Registration Office in connection therewith.
44. The Register and 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 and branch register of Members, as the case may be, is kept in accordance with the 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 ~~any Designated Stock Exchange~~ the Listing Rules or by any means in such manner as may be accepted by the Designated Stock Exchange to that effect, be closed at such times or for such periods not exceeding in the whole thirty (30) days in each year as the Board may determine and either generally or in respect of any class of shares. The Company shall, on demand, furnish any person seeking to inspect the Register or part thereof which is closed by virtue of these Bye-laws with a certificate under the hand of the Secretary stating the period for which, and by whose authority, it is closed.

RECORD DATES

45. Subject to the Listing Rules, ~~Notwithstanding any other provision of these Bye-laws the Company or the Directors may fix any date as the record date for:~~
- (a) ~~determining the Members entitled to receive any dividend, distribution, allotment or issue and such record date may be on, or at any time not more than thirty (30) days before or after, any date on which such dividend, distribution, allotment or issue is declared, paid or made;~~
 - (b) determining the Members entitled to receive notice of and to vote at any general meeting of the Company.

TRANSFER OF SHARES

46. Subject to these Bye-laws, any Member may transfer all or any of his shares in any manner permitted by and in accordance with the ~~rules of the Designated Stock Exchange~~ Listing Rules or by an instrument of transfer in the usual or common form or in a form prescribed by the Designated Stock Exchange or in any other form approved by the Board and may be under hand or, if the transferor or transferee is a clearing house or its nominee(s), by hand or by machine imprinted signature or by such other manner of execution as the Board may approve from time to time.

47. The instrument of transfer shall be executed by or on behalf of the transferor and the transferee provided that the Board may dispense with the execution of the instrument of transfer by the transferee in any case which it thinks fit in its discretion to do so. Without prejudice to Bye-law 46, the Board may also resolve, either generally or in any particular case, upon request by either the transferor or transferee, to accept mechanically executed transfers. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register in respect thereof. Nothing in these Bye-laws shall preclude the Board from recognising a renunciation of the allotment or provisional allotment of any share by the allottee in favour of some other person.
48. (1) The Board may, in its absolute discretion, and without giving any reason therefor, refuse to register a transfer of any share (not being a fully paid up share) to a person of whom it does not approve, or any share issued under any share incentive scheme for employees upon which a restriction on transfer imposed thereby still subsists, and it may also, without prejudice to the foregoing generality, refuse to register a transfer of any share to more than four (4) joint holders or a transfer of any share (not being a fully paid up share) on which the Company has a lien. App. 3
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- (2) No transfer shall be made to an infant or to a person of unsound mind or under other legal disability.
- (3) The Board in so far as permitted by any applicable law may, in its absolute discretion, at any time and from time to time transfer any share upon the Register to any branch register or any share on any branch register to the Register or any other branch register. In the event of any such transfer, the shareholder requesting such transfer shall bear the cost of effecting the transfer unless the Board otherwise determines.
- (4) Unless the Board otherwise agrees (which agreement may be on such terms and subject to such conditions as the Board in its absolute discretion may from time to time determine, and which agreement the Board shall, without giving any reason therefor, be entitled in its absolute discretion to give or withhold), no shares upon the Register shall be transferred to any branch register nor shall shares on any branch register be transferred to the Register or any other branch register and all transfers and other documents of title shall be lodged for registration, and registered, in the case of any shares on a branch register, at the relevant Registration Office, and, in the case of any shares on the Register, at the Office or such other place in Bermuda at which the Register is kept in accordance with the Act.

49. Without limiting the generality of the last preceding Bye-law, the Board may decline to recognise any instrument of transfer unless:–
- (a) a fee of such maximum sum as the Designated Stock Exchange may determine to be payable or such lesser sum as the Board may from time to time require is paid to the Company in respect thereof;
 - (b) the instrument of transfer is in respect of only one class of share;
 - (c) the instrument of transfer is lodged at the Office or such other place in Bermuda at which the Register is kept in accordance with the Act or the Registration Office (as the case may be) accompanied by the relevant share certificate(s) and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer (and, if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do); and
 - (d) if applicable, the instrument of transfer is duly and properly stamped.
50. If the Board refuses to register a transfer of any share, it shall, within two (2) months after the date on which the transfer was lodged with the Company, send to each of the transferor and transferee notice of the refusal.
51. The registration of transfers of shares or of any class of shares may, after notice has been given by announcement or by electronic communication or by advertisement in any newspapers in accordance with the requirements of any Designated Stock Exchange or by any means in such manner as may be accepted by the Designated Stock Exchange to that effect be suspended at such times and for such periods (not exceeding in the whole thirty (30) days in any year) as the Board may determine.

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TRANSMISSION OF SHARES

52. If a Member dies, the survivor or survivors where the deceased was a joint holder, and his legal personal representatives where he was a sole or only surviving holder, will be the only persons recognised by the Company as having any title to his interest in the shares; but nothing in this Bye-law will release the estate of a deceased Member (whether sole or joint) from any liability in respect of any share which had been solely or jointly held by him.

53. Subject to Section 52 of the Act, any person becoming entitled to a share in consequence of the death or bankruptcy or winding-up of a Member may, upon such evidence as to his title being produced as may be required by the Board, elect either to become the holder of the share or to have some person nominated by him registered as the transferee thereof. If he elects to become the holder he shall notify the Company in writing either at the Registration Office or Office, as the case may be, to that effect. If he elects to have another person registered he shall execute a transfer of the share in favour of that person. The provisions of these Bye-laws relating to the transfer and registration of transfers of shares shall apply to such notice or transfer as aforesaid as if the death or bankruptcy or winding-up of the Member had not occurred and the notice or transfer were a transfer signed by such Member.
54. A person becoming entitled to a share by reason of the death or bankruptcy or winding-up of a Member shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share. However, the Board may, if it thinks fit, withhold the payment of any dividend payable or other advantages in respect of such share until such person shall become the registered holder of the share or shall have effectually transferred such share, but, subject to the requirements of Bye-law 72(2) being met, such a person may vote at meetings.

UNTRACEABLE MEMBERS

55. (1) Without prejudice to the rights of the Company under paragraph (2) of this Bye-law, the Company may cease sending cheques for dividend entitlements or dividend warrants by post if such cheques or warrants have been left uncashed on two consecutive occasions. However, the Company may exercise the power to cease sending cheques for dividend entitlements or dividend warrants after the first occasion on which such a cheque or warrant is returned undelivered. ~~App-3~~
~~13(1)~~
- (2) The Company shall have the power to sell, in such manner as the Board thinks fit, any shares of a Member who is untraceable, but no such sale shall be made unless: ~~App-3~~
~~13(2)(a)~~
~~13(2)(b)~~
- (a) all cheques or warrants in respect of dividends of the shares in question, being not less than three in total number, for any sum payable in cash to the holder of such shares in respect of them sent during the relevant period in the manner authorised by the Bye-laws have remained uncashed;
- (b) so far as it is aware at the end of the relevant period, the Company has not at any time during the relevant period received any indication of the existence of the Member who is the holder of such shares or of a person entitled to such shares by death, bankruptcy or operation of law; and

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

For the purpose of the foregoing, the “relevant period” means the period commencing twelve (12) years before the date of publication of the advertisement referred to in paragraph (c) of this Bye-law and ending at the expiry of the period referred to in that paragraph.

- (3) To give effect to any such sale the Board may authorise some person to transfer the said shares and an instrument of transfer signed or otherwise executed by or on behalf of such person shall be as effective as if it had been executed by the registered holder or the person entitled by transmission to such shares, and the purchaser shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale. The net proceeds of the sale will belong to the Company and upon receipt by the Company of such net proceeds it shall become indebted to the former Member for an amount equal to such net proceeds. No trust shall be created in respect of such debt and no interest shall be payable in respect of it and the Company shall not be required to account for any money earned from the net proceeds which may be employed in the business of the Company or as it thinks fit. Any sale under this Bye-law shall be valid and effective notwithstanding that the Member holding the shares sold is dead, bankrupt or otherwise under any legal disability or incapacity.

GENERAL MEETINGS

56. Subject to the Act, An annual general meeting of the Company shall be held in each financial year other than the financial year in which its statutory meeting is convened and at such annual general meeting must be held within six (6) months after the end of the Company’s financial year ~~time (within a period of not more than fifteen (15) months after the holding of the last preceding annual general meeting unless a longer period would not infringe the rules of the Designated Stock Exchange, if any) and place as may be determined by the Board~~ Listing Rules, if any). App.
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~~7(2)~~14(1)
57. Each general meeting, other than an annual general meeting, shall be called a special general meeting. All general meetings (including an annual general meeting, any adjourned meeting or postponed meeting) may be held as a physical meeting in any part of the world and at one or more locations as provided in Bye-law 64A, as a hybrid meeting or as an electronic meeting, as may be determined by the Board in its absolute discretion.

58. The Board may whenever it thinks fit call special general meetings, 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/or add resolutions to an agenda of such meeting; and such meeting to be convened pursuant to the requisition by the Members shall be held in the form of a physical meeting only and held within two (2) months after the deposit of such requisition. If within twenty-one (21) days of ~~such~~ deposit of such requisition the Board fails to proceed to convene such meeting the requisitionists themselves may ~~do so~~ convene such physical meeting in accordance with the provisions of Section 74(3) of the Act. App.3
14(5)

NOTICE OF GENERAL MEETINGS

59. (1) An annual general meeting shall be called by Notice of not less than twenty-one (21) clear days ~~and not less than twenty (20) clear business days 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 and not less than ten (10) clear business days.~~ All other ~~special~~ general meetings (including a special general meeting) must may be called by Notice of not less than fourteen (14) clear days ~~and not less than ten (10) clear business days~~ but if permitted by the ~~rules of the Designated Stock Exchange Listing Rules,~~ a general meeting may be called by shorter notice if it is so agreed: App.
343A
14(2)
- (a) in the case of a meeting called as an annual general meeting, by all the Members entitled to attend and vote thereat; and
- (b) in the case of any other meeting, by a majority in number of the Members having the right to attend and vote at the meeting, being a majority together representing ~~holding~~ not less than ninety-five per cent. (95%) of the total voting rights at the meeting of all the Members ~~in nominal value of the issued shares giving that right.~~

- (2) The Notice shall specify (a) the time and ~~place~~ ~~date~~ of the meeting, (b) save for an electronic meeting, the place of the meeting, and if there is more than one meeting location as determined by the Board pursuant to Bye-law 64A, the principal place of the meeting (the “Principal Meeting Place”), (c) if the general meeting is to be a hybrid meeting or an electronic meeting, the notice shall include a statement to that effect and with details of the electronic facilities for attendance and participation by electronic means at the meeting or where such details will be made available by the Company prior to the meeting, and (d) particulars of resolutions to be considered at the meeting ~~and, in case of special business, the general nature of the business.~~ The Notice convening an annual general meeting shall specify the meeting as such. Notice of every general meeting shall be given to all Members other than to such Members as, under the provisions of these Bye-laws or the terms of issue of the shares they hold, are not entitled to receive such notices from the Company, to all persons entitled to a share in consequence of the death or bankruptcy or winding-up of a Member and to each of the Directors and the Auditors.
60. The accidental omission to give Notice of a meeting or (in cases where instruments of proxy are sent out with the Notice) to send such instrument of proxy to, or the non-receipt of such Notice or such instrument of proxy by, any person entitled to receive such Notice shall not invalidate any resolution passed or the proceedings at that meeting.

PROCEEDINGS AT GENERAL MEETINGS

61. (1) All business shall be deemed special that is transacted at a special general meeting, and also all business that is transacted at an annual general meeting, with the exception of sanctioning dividends, the reading, considering and adopting of the accounts and balance sheet and the reports of the Directors and Auditors and other documents required to be annexed to the balance sheet, the election of Directors and appointment of Auditors and other officers in the place of those retiring, the fixing of the remuneration of the Auditors, and the voting of remuneration or extra remuneration to the Directors.

- (2) No business other than the appointment of a chairman of a meeting shall be transacted at any general meeting unless a quorum is present at the commencement of the business. ~~Two (2) Members entitled to vote and present in person or (in the case of a Member being a corporation) by its duly authorised representative or by proxy or, for quorum purposes only, two persons appointed by the clearing house as authorised representative or proxy shall form a quorum for all purposes.~~
62. If within thirty (30) minutes (or such longer time not exceeding one hour as the chairman of the meeting may determine to wait) after the time appointed for the meeting a quorum is not present, the meeting, if convened on the requisition of Members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week at the same time and (where applicable) same place(s) or to such time and (where applicable) such place(s) and in such form and manner referred to in Bye-law 57 or to such time and place as the chairman of the meeting (or in default, the Board) may absolutely determine. If at such adjourned meeting a quorum is not present within half an hour from the time appointed for holding the meeting, the meeting shall be dissolved.
63. (1) ~~The chairman~~president of the Company ~~or the chairman, if one is appointed,~~ or if there is more than one chairman, any one of them as may be agreed amongst themselves or failing such agreement, any one of them elected by all the Directors present shall preside as chairman at every a general meeting. If at any meeting ~~the president or the no chairman, as the case may be, is not present within fifteen (15) minutes after the time appointed for holding the meeting, or if neither of them is~~ no chairman of the Company is willing to act as chairman, or if no such officer is appointed, the deputy chairman of the Company or if there is more than one deputy chairman, any one of them as may be agreed amongst themselves or failing such agreement, any one of them elected by all the Directors present shall preside as chairman. If no chairman or deputy chairman is present or is willing to act as chairman of the meeting, the Directors present shall choose one of their number to act, or if one Director only is present he shall preside as chairman if willing to act. If no Director is present, or if each of the Directors present declines to take the chair, or if the chairman chosen shall retire from the chair, the Members present in person or (in the case of a Member being a corporation) by its duly authorised representative or by proxy and entitled to vote shall elect one of their number to be chairman of the meeting.
- (2) If the chairman of a general meeting is participating in the general meeting and becomes unable to continue to participate in the general meeting (either due to a failure of electronic facilities or otherwise), another person (determined in accordance with Bye-law 63(1) above) shall preside as chairman of the meeting unless and until the original chairman of the meeting is able to participate in the general meeting.

64. Subject to Bye-law 64C, ~~the~~ chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time ~~and~~(or indefinitely) and/or from place to place(s) and/or from one form to another (a physical meeting, a hybrid meeting or an electronic meeting) as the meeting shall determine, but no business shall be transacted at any adjourned meeting other than the business which might lawfully have been transacted at the meeting had the adjournment not taken place. When a meeting is adjourned for fourteen (14) days or more, at least seven (7) clear days' Notice of the adjourned meeting shall be given specifying the details ~~time and place of the adjourned meeting as~~ set out in Bye-law 59(2) but it shall not be necessary to specify in such notice the nature of the business to be transacted at the adjourned meeting and the general nature of the business to be transacted. Save as aforesaid, it shall be unnecessary to give notice of an adjournment.

64A. (1) The Board may, at its absolute discretion, arrange for persons entitled to attend a general meeting to do so by simultaneous attendance and participation by means of electronic facilities at such location or locations ("Meeting Location(s)") determined by the Board at its absolute discretion in addition to or in lieu of (as the case may be) physical attendance at the Principal Meeting Place. Any Member or any proxy attending and participating in such way or any Member participating in an electronic meeting or a hybrid meeting by means of electronic facilities is deemed to be present at and shall be counted in the quorum of the meeting.

- (2) All general meetings are subject to the following:
- (a) where a Member is attending a Meeting Location and/or in the case of a hybrid meeting, the meeting shall be treated as having commenced if it has commenced at the Principal Meeting Place.
 - (b) Members present in person or by proxy at a Meeting Location and/or participating in an electronic meeting or a hybrid meeting by means of electronic facilities shall be counted in the quorum for and entitled to vote at, the meeting in question, and that meeting shall be duly constituted and its proceedings valid provided that the chairman of the meeting is satisfied that adequate electronic facilities are available throughout the meeting to ensure that Members or proxies at all Meeting Locations and/or participating in an electronic meeting or a hybrid meeting by means of electronic facilities are able to participate in the business for which the meeting has been convened.
 - (c) where Members or proxies attend a meeting by being present at one of the Meeting Locations and/or participating in an electronic meeting or a hybrid meeting by means of electronic facilities, a failure (for any reason) of the electronic facilities or communication equipment, or any other failure in the arrangements for enabling those in a Meeting Location other than the Principal Meeting Place to participate in the business for which the meeting has been convened or in the case of an electronic meeting or a hybrid meeting, the inability of one or more Members or proxies to access, or continue to access, the electronic facilities despite adequate electronic facilities having been made available by the Company, shall not affect the validity of the meeting or the resolutions passed, or any business conducted there or any action taken pursuant to such business provided that there is a quorum present throughout the meeting.
 - (d) if any of the Meeting Locations is outside the jurisdiction of the Principal Meeting Place and/or in the case of a hybrid meeting, unless otherwise stated in the Notice, the provisions of these Bye-laws concerning the service and giving of Notice for the meeting, and the time for lodging proxies, shall apply by reference to the Principal Meeting Place; and in the case of an electronic meeting, the time for lodging proxies shall be as stated in the Notice for the meeting.

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

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

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

then, without prejudice to any other power which the chairman of the meeting may have under these Bye-laws or at common law, the chairman may, at his absolute discretion, without the consent of the meeting, and before or after the meeting has started and irrespective of whether a quorum is present, interrupt or adjourn the meeting (including adjournment for indefinite period). All business conducted at the meeting up to the time of such adjournment shall be valid.

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

64E. If, after the sending of Notice of a general meeting but before the meeting is held, or after the adjournment or postponement of a meeting but before the adjourned or postponed meeting (as the case may be) is held (whether or not Notice of the adjourned or postponed meeting (as the case may be) is required), the Directors, in their absolute discretion, consider that it is inappropriate, impracticable, unreasonable or undesirable for any reason to hold such meeting on the date or at the time or place or by the form specified in the Notice calling the meeting, they may change or postpone the meeting to another date, time and/or place and/or change the electronic facilities and/or change the form of the meeting (a physical meeting, an electronic meeting or a hybrid meeting) without approval from the Members. Without prejudice to the generality of the foregoing, the Directors shall have the power to provide in every Notice calling a general meeting the circumstances in which a postponement of the relevant general meeting may occur automatically without further notice, including without limitation where a gale warning, black rainstorm warning or other similar event is in force at any time on the day of the meeting. This Bye-law shall be subject to the following:

- (a) when a meeting is so postponed, the Company shall endeavour to post a notice of such postponement on the Company's website as soon as practicable (provided that failure to post such a notice shall not affect the automatic postponement of such meeting);
- (b) when only the form of the meeting or electronic facilities specified in the Notice are changed, the Board shall notify the Members of details of such change in such manner as the Board may determine;

- (c) when a meeting is postponed or changed in accordance with this Bye-law, without prejudice to Bye-law 64, unless already specified in the original Notice of the meeting, the Board shall fix the date, time, place (if applicable), form (if applicable) and electronic facilities (if applicable) for the postponed or changed meeting and shall notify the Members of such details in such manner as the Board may determine; further all proxy forms submitted for the original meeting shall be continue to be valid (unless revoked or replaced by a new proxy) if they are received as required by these Bye-laws not less than 48 hours before the time of the postponed or changed meeting; and
- (d) notice of the business to be transacted at the postponed or changed meeting shall not be required, nor shall any accompanying documents be required to be recirculated, provided that the business to be transacted at the postponed or changed meeting is the same as that set out in the original Notice of general meeting circulated to the Members.
- 64F. All persons seeking to attend and participate in an electronic meeting or a hybrid meeting shall be responsible for maintaining adequate facilities to enable them to do so. Subject to Bye-law 64C, any inability of a person or persons to attend or participate in a general meeting by way of electronic facilities shall not invalidate the proceedings of and/or resolutions passed at that meeting.
- 64G. Without prejudice to other provisions in these Bye-laws, a physical meeting may also be held by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting.
65. If an amendment is proposed to any resolution under consideration but is in good faith ruled out of order by the chairman of the meeting, the proceedings on the substantive resolution shall not be invalidated by any error in such ruling. In the case of a resolution duly proposed as a special resolution, no amendment thereto (other than a mere clerical amendment to correct a patent error) may in any event be considered or voted upon.

VOTING

66. (1) Subject to any special rights or restrictions as to voting for the time being attached to any shares by or in accordance with these Bye-laws, at any general meeting on a poll every Member present in person or by proxy ~~or, in the case of a Member being a corporation, by its duly authorised representative~~ shall have one vote for every fully paid share of which he is the holder but so that no amount paid up or credited as paid up on a share in advance of calls or instalments is treated for the foregoing purposes as paid up on the share. A resolution put to the vote of a meeting shall be decided by way of a poll save that the chairman of the meeting may in good faith, allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands in which case every Member present in person ~~(or being a corporation, is present by a duly authorized representative)~~, or by proxy(ies) shall have one vote provided that where more than one proxy is appointed by a Member which is a clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands. For purposes of this Bye-law, procedural and administrative matters are those that (i) are not on the agenda of the general meeting or in any supplementary circular that may be issued by the Company to its Members; and (ii) relate to the chairman's duties to maintain the orderly conduct of the meeting and/or allow the business of the meeting to be properly and effectively dealt with, whilst allowing all Members a reasonable opportunity to express their views. Votes may be cast by such means, electronic or otherwise, as the Directors or the chairman of the meeting may determine.
- (2) ~~Where~~ In the case of a physical meeting where a show of hands is allowed, before or on the declaration of the result of the show of hands, a poll may be demanded:
- (a) by at least three Members present in person ~~or in the case of a Member being a corporation by its duly authorised representative~~ or by proxy for the time being entitled to vote at the meeting; or

- (b) by a Member or Members present in person ~~or in the case of a Member being a corporation by its duly authorised representative~~ or by proxy and representing not less than one-tenth of the total voting rights of all Members having the right to vote at the meeting; or
- (c) by a Member or Members present in person ~~or in the case of a Member being a corporation by its duly authorised representative~~ or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all shares conferring that right.

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

- 67. Where a resolution is voted on by a show of hands, a declaration by the chairman that a resolution has been carried, or carried unanimously, or by a particular majority, or not carried by a particular majority, or lost, and an entry to that effect made in the minute book of the Company, shall be conclusive evidence of the facts without proof of the number or proportion of the votes recorded for or against the resolution. The result of the poll shall be deemed to be the resolution of the meeting. The Company shall only be required to disclose the voting figures on a poll if such disclosure is required by the ~~rules of the Designated Stock Exchange~~ Listing Rules.
- 68. On a poll votes may be given either personally or by proxy.
- 69. A person entitled to more than one vote on a poll need not use all his votes or cast all the votes he uses in the same way.
- 70. All questions submitted to a meeting shall be decided by a simple majority of votes except where a greater majority is required by these Bye-laws or by the Act. In the case of an equality of votes, the chairman of such meeting shall be entitled to a second or casting vote in addition to any other vote he may have.

71. Where there are joint holders of any share any one of such joint holder may vote, either in person or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders be present at any meeting the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the Register in respect of the joint holding. Several executors or administrators of a deceased Member in whose name any share stands shall for the purposes of this Bye-law be deemed joint holders thereof.
72. (1) A Member who is a patient for any purpose relating to mental health or in respect of whom an order has been made by any court having jurisdiction for the protection or management of the affairs of persons incapable of managing their own affairs may vote, by his receiver, committee, *curator bonis* or other person in the nature of a receiver, committee or *curator bonis* appointed by such court, and such receiver, committee, *curator bonis* or other person may vote by proxy, and may otherwise act and be treated as if he were the registered holder of such shares for the purposes of general meetings, provided that such evidence as the Board may require of the authority of the person claiming to vote shall have been deposited at the Office, head office or Registration Office, as appropriate, not less than forty-eight (48) hours before the time appointed for holding the meeting, or adjourned meeting or postponed meeting, as the case may be.
- (2) Any person entitled under Bye-law 53 to be registered as the holder of any shares may vote at any general meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that forty-eight (48) hours at least before the time of the holding of the meeting or adjourned meeting or postponed meeting, as the case may be, at which he proposes to vote, he shall satisfy the Board of his entitlement to such shares, or the Board shall have previously admitted his right to vote at such meeting in respect thereof.
73. (1) No Member shall, unless the Board otherwise determines, be entitled to attend and vote and to be reckoned in a quorum at any general meeting unless he is duly registered and all calls or other sums presently payable by him in respect of shares in the Company have been paid.
- (2) Subject to Bye-law 73(1), 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.

(32) Where the Company has knowledge that any Member is, under the ~~rules of the Designated Stock Exchange Listing Rules~~, required to abstain from voting on any particular resolution of the Company or restricted to voting only for or only against any particular resolution of the Company, any votes cast by or on behalf of such Member in contravention of such requirement or restriction shall not be counted.

App. 3
14(4)

74. If:

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

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

PROXIES

75. Any Member entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person as his proxy to attend and vote instead of him. A Member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at a general meeting of the Company or at a class meeting and the instrument of proxy shall specify the number of shares in respect of which each proxy is entitled to exercise the related votes. A proxy need not be a Member. In addition, a proxy or proxies representing either a Member who is an individual or a Member which is a corporation shall be entitled to exercise the same powers on behalf of the Member which he or they represent as such Member could exercise. Where a Member appoints more than one proxy the instrument of proxy shall state which proxy is entitled to vote on a show of hands.

App.
313A
T82(2)
App. 3
19

76. 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 its seal or under the hand of an officer, attorney or other person authorised to sign the same. 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 fact. App. 3
1811(2)
77. (1) The Company may, at its absolute discretion, provide an electronic address for the receipt of any document or information relating to proxies for a general meeting (including any instrument of proxy or invitation to appoint a proxy, any document necessary to show the validity of, or otherwise relating to, an appointment of proxy (whether or not required under these Bye-laws) and notice of termination of the authority of a proxy). If such an electronic address is provided, the Company shall be deemed to have agreed that any such document or information (relating to proxies as aforesaid) may be sent by electronic means to that address, subject as hereafter provided and subject to any other limitations or conditions specified by the Company when providing the address. Without limitation, the Company may from time to time determine that any such electronic address may be used generally for such matters or specifically for particular meetings or purposes and, if so, the Company may provide different electronic addresses for different purposes. The Company may also impose any conditions on the transmission of and its receipt of such electronic communications including for the avoidance of doubt, imposing any security or encryption arrangements as may be specified by the Company. If any document or information required to be sent to the Company under this Bye-law is sent to the Company by electronic means, such document or information is not treated as validly delivered to or deposited with the Company if the same is not received by the Company at its designated electronic address provided in accordance with this Bye-law or if no electronic address is so designated by the Company for the receipt of such document or information

- (2) The instrument appointing a proxy and (if required by the Board) the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, shall be delivered to such place or one of such places (if any) as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the meeting (or, if no place is so specified at the Registration Office or the Office, as may be appropriate), or if the Company has provided an electronic address in accordance with the preceding paragraph, shall be received at the electronic address specified, not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting or postponed meeting at which the person named in the instrument proposes to vote. No instrument appointing a proxy shall be valid after the expiration of twelve (12) months from the date named in it as the date of its execution, except at an adjourned meeting or postponed meeting in cases where the meeting was originally held within twelve (12) months from such date. Delivery of an instrument appointing a proxy shall not preclude a Member from attending and voting ~~in person~~ at the meeting convened and in such event, the instrument appointing a proxy shall be deemed to be revoked.
78. Instruments of proxy shall be in any common form or in such other form as the Board may approve (provided that this shall not preclude the use of the two-way form) and the Board may, if it thinks fit, send out with the notice of any meeting forms of instrument of proxy for use at the meeting. The instrument of proxy shall be deemed to confer authority to vote on any amendment of a resolution put to the meeting for which it is given as the proxy thinks fit. The instrument of proxy shall, unless the contrary is stated therein, be valid as well for any adjournment or postponement of the meeting as for the meeting to which it relates. The Board may decide, either generally or in any particular case, to treat a proxy appointment as valid notwithstanding that the appointment or any of the information required under these Bye-laws has not been received in accordance with the requirements of these Bye-laws. Subject to aforesaid, if the proxy appointment and any of the information required under these Bye-laws is not received in the manner set out in these Bye-laws, the appointee shall not be entitled to vote in respect of the shares in question.
79. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the instrument of proxy or of the authority under which it was executed, provided that no intimation in writing of such death, insanity or revocation shall have been received by the Company at the Office or the Registration Office (or such other place as may be specified for the delivery of instruments of proxy in the notice convening the meeting or other document sent therewith) two (2) hours at least before the commencement of the meeting or adjourned meeting or postponed meeting, at which the instrument of proxy is used.

App-3
11(1)

80. Anything which under these Bye-laws a Member may do by proxy he may likewise do by his duly appointed attorney and the provisions of these Bye-laws relating to proxies and instruments appointing proxies shall apply *mutatis mutandis* in relation to any such attorney and the instrument under which such attorney is appointed.

CORPORATIONS ACTING BY REPRESENTATIVES

81. (1) Any corporation which is a Member may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company or at any meeting of any class of Members. The person so authorised shall be entitled to exercise the same powers on behalf of such corporation as the corporation could exercise if it were an individual Member and such corporation shall for the purposes of these Bye-laws be deemed to be present in person at any such meeting if a person so authorised is present thereat. App.3
18
- (2) Where a Member is a clearing house (or its nominee(s) and, in each case, being a corporation), it may authorise such persons as it thinks fit to act as its proxies or representatives at any meeting of the Company or at any meeting of any class of Members provided that the authorisation shall specify the number and class of shares in respect of which each such proxy or representative is so authorised. Each person so authorised under the provisions of this Bye-law shall be deemed to have been duly authorised without further evidence of the facts and be entitled to exercise the same rights and powers on behalf of the clearing house (or its nominee(s)) as if such person was the registered holder of the shares of the Company held by the clearing house (or its nominee(s)) in respect of the number and class of shares specified in the relevant authorisation including the right to speak and vote, and; where a show of hands is allowed, the right to vote individually on a show of hands. App.3
19A6
- (3) Any reference in these Bye-laws to a duly authorised representative of a Member being a corporation shall mean a representative authorised under the provisions of this Bye-law.

WRITTEN RESOLUTIONS OF MEMBERS

82. (1) Subject to the Act, a resolution in writing signed (in such manner as to indicate, expressly or impliedly, unconditional approval) by or on behalf of all persons for the time being entitled to receive notice of and to attend and vote at general meetings of the Company shall, for the purposes of these Bye-laws, be treated as a resolution duly passed at a general meeting of the Company and, where relevant, as a special resolution so passed. Any such resolution shall be deemed to have been passed at a meeting held on the date on which it was signed by the last Member to sign, and where the resolution states a date as being the date of his signature thereof by any Member the statement shall be prima facie evidence that it was signed by him on that date. Such a resolution may consist of several documents in the like form, each signed by one or more relevant Members.
- (2) Notwithstanding any provisions contained in these Bye-laws, a resolution in writing shall not be passed for the purpose of removing a Director before the expiration of his term of office under Bye-law 83(4) or for the purposes set out in Bye-law 152(3) relating to the removal and appointment of the Auditor.

BOARD OF DIRECTORS

83. (1) Unless otherwise determined by the Company in general meeting, the number of Directors shall not be less than two (2). There shall be no maximum number of Directors unless otherwise determined from time to time by the Members in general meeting. The Directors shall be elected or appointed in the first place at the statutory meeting of Members and thereafter at the annual general meeting in accordance with Bye-law 84 or at any special general meeting called for such purpose and who shall hold office for such term as the Members may determine or, in the absence of such determination, in accordance with Bye-law 84 or until their successors are elected or appointed or their office is otherwise vacated. Any general meeting may authorise the Board to fill any vacancy in their number left unfilled at a general meeting.
- (2) The Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or, subject to authorisation by the Members in general meeting, as an addition to the existing Board but so that the number of Directors so appointed shall not exceed any maximum number determined from time to time by the Members in general meeting. Any Director so appointed by the Board to fill a casual vacancy shall hold office until the first general meeting of Members after his appointment and be subject to re-election at such meeting and any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following first annual general meeting of the Company after his appointment and shall then be eligible for re-election.

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- (3) Neither a Director nor an alternate Director shall be required to hold any shares of the Company by way of qualification and a Director or alternate Director (as the case may be) who is not a Member shall be entitled to receive notice of and to attend and speak at any general meeting of the Company and of all classes of shares of the Company.
- (4) The Members may, at any general meeting convened and held in accordance with these Bye-laws, by ordinary resolution remove a Director at any time before the expiration of his ~~period~~term of office notwithstanding anything to the contrary in these Bye-laws or in any agreement between the Company and such Director (but without prejudice to any claim for damages under any such agreement) provided that the Notice of any such meeting convened for the purpose of removing a Director shall contain a statement of the intention so to do and be served on such Director fourteen (14) days before the meeting and at such meeting such Director shall be entitled to be heard on the motion for his removal. App. 3
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- (5) A vacancy on the Board created by the removal of a Director under the provisions of subparagraph (4) above may be filled by the election or appointment by the Members at the meeting at which such Director is removed to hold office until the next appointment of Directors or until their successors are elected or appointed or, in the absence of such election or appointment such general meeting may authorise the Board to fill any vacancy in the number left unfilled.
- (6) The Company may from time to time in general meeting by ordinary resolution increase or reduce the number of Directors but so that the number of Directors shall never be less than two (2).

RETIREMENT OF DIRECTORS

84. (1) Notwithstanding any other provisions in the Bye-laws, at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at least once every three years. App.14
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- (2) A retiring Director shall be eligible for re-election and shall continue to act as a Director throughout the meeting at which he retires. The Directors to retire by rotation shall include (so far as necessary to ascertain the number of directors to retire by rotation) any Director who wishes to retire and not to offer himself for re-election. Any further Directors so to retire shall be those of the other Directors subject to retirement by rotation who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. Any Director appointed pursuant to Bye-law 83(2) and therefore required to retire shall not be taken into account in determining which particular Directors or the number of Directors who are to retire by rotation.
85. No person other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for election as a Director at any general meeting unless a Notice signed by a Member (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also a Notice signed by the person to be proposed of his willingness to be elected shall have been lodged at the head office or at the Registration Office provided that the minimum length of the period, during which such Notice(s) are given, shall be at least seven (7) days (or such other period as determined by the Directors from time to time and notified to the Members) and that (if the Notices are submitted after the despatch of the notice of the general meeting appointed for such election) the period for lodgment of such Notice(s) shall commence on the day after the despatch of the notice of the general meeting appointed for such election and end no later than seven (7) days prior to the date of such general meeting (or such other period as determined by the Directors from time to time and notified to the Members).

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DISQUALIFICATION OF DIRECTORS

86. The office of a Director shall be vacated if the Director:
- (1) resigns his office by notice in writing delivered to the Company at the Office or tendered at a meeting of the Board;
 - (2) becomes of unsound mind or dies;

- (3) without special leave of absence from the Board, is absent from meetings of the Board for six consecutive months, and his alternate Director, if any, shall not during such period have attended in his stead and the Board resolves that his office be vacated;
- (4) becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors;
- (5) is prohibited by law from being a Director; or
- (6) ceases to be a Director by virtue of any provision of the Statutes or is removed from office pursuant to these Bye-laws.

No Director shall be required to vacate office or be ineligible for re-election or re-appointment as a Director, and no person shall be ineligible for appointment as a Directors, by reason only of his having attained any particular age.

EXECUTIVE DIRECTORS

- 87. The Board may from time to time appoint any one or more of its body to be a managing director, joint managing director or deputy managing director or to hold any other employment or executive office with the Company for such period (subject to their continuance as Directors) and upon such terms as the Board may determine and the Board may revoke or terminate any of such appointments. Any such revocation or termination as aforesaid shall be without prejudice to any claim for damages that such Director may have against the Company or the Company may have against such Director. A Director appointed to an office under this Bye-law shall be subject to the same provisions as to removal as the other Directors of the Company, and he shall (subject to the provisions of any contract between him and the Company) ipso facto and immediately cease to hold such office if he shall cease to hold the office of Director for any cause.
- 88. Notwithstanding Bye-laws 93, 94, 95 and 96, an executive director appointed to an office under Bye-law 87 hereof shall receive such remuneration (whether by way of salary, commission, participation in profits or otherwise or by all or any of those modes) and such other benefits (including pension and/or gratuity and/or other benefits on retirement) and allowances as the Board may from time to time determine, and either in addition to or in lieu of his remuneration as a Director.

ALTERNATE DIRECTORS

89. Any Director may at any time by Notice delivered to the Office or head office or at a meeting of the Directors appoint any person to be his alternate Director. Any person so appointed shall have all the rights and powers of the Director or Directors for whom such person is appointed in the alternative provided that such person shall not be counted more than once in determining whether or not a quorum is present. An alternate Director may be removed at any time by the person or body which appointed him and, subject thereto, the office of alternate Director shall continue until the happening of any event which, if he were a Director, would cause him to vacate such office or if his appointor ceases for any reason to be a Director. Any appointment or removal of an alternate Director shall be effected by Notice signed by the appointor and delivered to the Office or head office or tendered at a meeting of the Board. An alternate Director may also be a Director in his own right and may act as alternate to more than one Director. An alternate Director shall, if his appointor so requests, be entitled to receive notices of meetings of the Board or of committees of the Board to the same extent as, but in lieu of, the Director appointing him and shall be entitled to such extent to attend and vote as a Director at any such meeting at which the Director appointing him is not personally present and generally at such meeting to exercise and discharge all the functions, powers and duties of his appointor as a Director and for the purposes of the proceedings at such meeting the provisions of these Bye-laws shall apply as if he were a Director save that as an alternate for more than one Director his voting rights shall be cumulative.
90. An alternate Director shall only be a Director for the purposes of the Act and shall only be subject to the provisions of the Act insofar as they relate to the duties and obligations of a Director when performing the functions of the Director for whom he is appointed in the alternative and shall alone be responsible to the Company for his acts and defaults and shall not be deemed to be the agent of or for the Director appointing him. An alternate Director shall be entitled to contract and be interested in and benefit from contracts or arrangements or transactions and to be repaid expenses and to be indemnified by the Company to the same extent *mutatis mutandis* as if he were a Director but he shall not be entitled to receive from the Company any fee in his capacity as an alternate Director except only such part, if any, of the remuneration otherwise payable to his appointor as such appointor may by Notice to the Company from time to time direct.
91. Every person acting as an alternate Director shall have one vote for each Director for whom he acts as alternate (in addition to his own vote if he is also a Director). If his appointor is for the time being absent from Hong Kong or otherwise not available or unable to act, the signature of an alternate Director to any resolution in writing of the Board or a committee of the Board of which his appointor is a member shall, unless the notice of his appointment provides to the contrary, be as effective as the signature of his appointor.

92. An alternate Director shall ipso facto cease to be an alternate Director if his appointor ceases for any reason to be a Director, however, such alternate Director or any other person may be re-appointed by the Directors to serve as an alternate Director PROVIDED always that, if at any meeting any Director retires but is re-elected at the same meeting, any appointment of such alternate Director pursuant to these Bye-laws which was in force immediately before his retirement shall remain in force as though he had not retired.

DIRECTORS' FEES AND EXPENSES

93. The ordinary remuneration of the Directors shall from time to time be determined by the Company in general meeting and shall (unless otherwise directed by the resolution by which it is voted) be divided amongst the Board in such proportions and in such manner as the Board may agree or, failing agreement, equally, except that any Director who shall hold office for part only of the period in respect of which such remuneration is payable shall be entitled only to rank in such division for a proportion of remuneration related to the period during which he has held office. Such remuneration shall be deemed to accrue from day to day.
94. Each Director shall be entitled to be repaid or prepaid all travelling, ~~hotel~~ accommodation and incidental expenses reasonably incurred or expected to be incurred by him in attending meetings of the Board or committees of the Board or general meetings or separate meetings of any class of shares or of debentures of the Company or otherwise in connection with the discharge of his duties as a Director.
95. Any Director who, by request, goes or resides abroad for any purpose of the Company or who performs services which in the opinion of the Board go beyond the ordinary duties of a Director may be paid such extra remuneration (whether by way of salary, commission, participation in profits or otherwise) as the Board may determine and such extra remuneration shall be in addition to or in substitution for any ordinary remuneration provided for by or pursuant to any other Bye-law.
96. The Board shall obtain the approval of the Company in general meeting before making any payment to any Director or past Director of the Company by way of compensation for loss of office, or as consideration for or in connection with his retirement from office (not being payment to which the Director is contractually entitled).

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DIRECTORS' INTERESTS

97. A Director may:

- (a) hold any other office or place of profit with the Company (except that of Auditor) in conjunction with his office of Director for such period and, subject to the relevant provisions of the Act, upon such terms as the Board may determine. Any remuneration (whether by way of salary, commission, participation in profits or otherwise) paid to any Director in respect of any such other office or place of profit shall be in addition to any remuneration provided for by or pursuant to any other Bye-law;
- (b) act by himself or his firm in a professional capacity for the Company (otherwise than as Auditor) and he or his firm may be remunerated for professional services as if he were not a Director;
- (c) continue to be or become a director, managing director, joint managing director, deputy managing director, executive director, manager or other officer or member of any other company promoted by the Company or in which the Company may be interested as a vendor, shareholder or otherwise and (unless otherwise agreed) no such Director shall be accountable for any remuneration, profits or other benefits received by him as a director, managing director, joint managing director, deputy managing director, executive director, manager or other officer or member of or from his interests in any such other company. Subject as otherwise provided by these Bye-laws the Directors may exercise or cause to be exercised the voting powers conferred by the shares in any other company held or owned by the Company, or exercisable by them as directors of such other company in such manner in all respects as they think fit (including the exercise thereof in favour of any resolution appointing themselves or any of them directors, managing directors, joint managing directors, deputy managing directors, executive directors, managers or other officers of such company) or voting or providing for the payment of remuneration to the director, managing director, joint managing director, deputy managing director, executive director, manager or other officers of such other company and any Director may vote in favour of the exercise of such voting rights in manner aforesaid notwithstanding that he may be, or about to be, appointed a director, managing director, joint managing director, deputy managing director, executive director, manager or other officer of such a company, and that as such he is or may become interested in the exercise of such voting rights in manner aforesaid.

98. Subject to the Act and to these Bye-laws, no Director or proposed or intending Director shall be disqualified by his office from contracting with the Company, either with regard to his tenure of any office or place of profit or as vendor, purchaser or in any other manner whatsoever, nor shall any such contract or any other contract or arrangement in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company or the Members for any remuneration, profit or other benefits realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established provided that such Director shall disclose the nature of his interest in any contract or arrangement in which he is interested in accordance with Bye-law 99 herein.

99. A Director who to his knowledge is in any way, whether directly or indirectly, interested in a contract or arrangement or proposed contract or arrangement with the Company shall declare the nature of his interest at the meeting of the Board at which the question of entering into the contract or arrangement is first considered, if he knows his interest then exists, or in any other case at the first meeting of the Board after he knows that he is or has become so interested. For the purposes of this Bye-law, a general Notice to the Board by a Director to the effect that:

- (a) he is a member or officer of a specified company or firm and is to be regarded as interested in any contract or arrangement which may after the date of the Notice be made with that company or firm; or
- (b) he is to be regarded as interested in any contract or arrangement which may after the date of the Notice be made with a specified person who is connected with him;

shall be deemed to be a sufficient declaration of interest under this Bye-law in relation to any such contract or arrangement, provided that no such Notice shall be effective unless either it is given at a meeting of the Board or the Director takes reasonable steps to secure that it is brought up and read at the next Board meeting after it is given.

100. (1) A Director shall not vote (nor be counted in the quorum) on any resolution of the Board approving any contract or arrangement or any other proposal in which he or any of his close associates (or, if required by the Listing Rules, his associates) is materially interested, but this prohibition shall not apply to any of the following matters namely:

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- (i) the giving of any security or indemnity either:–

 - (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
 - (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 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;
- (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;
- (iii) any proposal or arrangement concerning the benefit of employees of the Company or its subsidiaries including:

 - (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
 - (b) the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates to the Director, his close associate(s) and employee(s) 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;
- (iv) any contract or arrangement in which the Director or his close associate(s) is/ are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company.

- ~~(i) any contract or arrangement for the giving to such Director or his close associate(s) any security or indemnity in respect of money lent by him or any of his close associate(s) or obligations incurred or undertaken by him or any of his close associate(s) at the request of or for the benefit of the Company or any of its subsidiaries;~~
 - ~~(ii) any contract or arrangement for the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his close associate(s) has himself/themselves assumed responsibility in whole or in part whether alone or jointly under a guarantee or indemnity or by the giving of security;~~
 - ~~(iii) any contract or arrangement concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase, where the Director or his close associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;~~
 - ~~(iv) any contract or arrangement in which the Director or his close associate(s) is/ are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company; or~~
 - ~~(v) any proposal or arrangement concerning the adoption, modification or operation of a share option scheme, a pension fund or retirement, death or disability benefits scheme or other arrangement which relates both to Directors or his close associate(s) and to employees of the Company or of any of its subsidiaries and does not provide in respect of any Director, or his close associate(s), as such any privilege or advantage not accorded generally to the class of persons to which such scheme or fund relates. Intentionally deleted.~~
- (2) 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 of the meeting) or as to the entitlement of any Director (other than such chairman) to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the chairman of the meeting 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 of the meeting 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 as known to such chairman has not been fairly disclosed to the Board.

GENERAL POWERS OF THE DIRECTORS

101. (1) The business of the Company shall be managed and conducted by the Board, which may pay all expenses incurred in forming and registering the Company and may exercise all powers of the Company (whether relating to the management of the business of the Company or otherwise) which are not by the Statutes or by these Bye-laws required to be exercised by the Company in general meeting, subject nevertheless to the provisions of the Statutes and of these Bye-laws and to such regulations being not inconsistent with such provisions, as may be prescribed by the Company in general meeting, but no regulations made by the Company in general meeting shall invalidate any prior act of the Board which would have been valid if such regulations had not been made. The general powers given by this Bye-law shall not be limited or restricted by any special authority or power given to the Board by any other Bye-law.
- (2) Any person contracting or dealing with the Company in the ordinary course of business shall be entitled to rely on any written or oral contract or agreement or deed, document or instrument entered into or executed as the case may be by any two of the Directors acting jointly on behalf of the Company and the same shall be deemed to be validly entered into or executed by the Company as the case may be and shall, subject to any rule of law, be binding on the Company.
- (3) Without prejudice to the general powers conferred by these Bye-laws it is hereby expressly declared that the Board shall have the following powers:
- (a) to give to any person the right or option of requiring at a future date that an allotment shall be made to him of any share at par or at such premium as may be agreed;
 - (b) to give to any Directors, officers or servants of the Company an interest in any particular business or transaction or participation in the profits thereof or in the general profits of the Company either in addition to or in substitution for a salary or other remuneration; and
 - (c) to resolve that the Company be discontinued in Bermuda and continued in a named country or jurisdiction outside Bermuda subject to the provisions of the Act.

102. The Board may establish any regional or local boards or agencies for managing any of the affairs of the Company in any place, and may appoint any persons to be members of such local boards, or any managers or agents, and may fix their remuneration (either by way of salary or by commission or by conferring the right to participation in the profits of the Company or by a combination of two or more of these modes) and pay the working expenses of any staff employed by them upon the business of the Company. The Board may delegate to any regional or local board, manager or agent any of the powers, authorities and discretions vested in or exercisable by the Board (other than its powers to make calls and forfeit shares), with power to sub-delegate, and may authorise the members of any of them to fill any vacancies therein and to act notwithstanding vacancies. Any such appointment or delegation may be made upon such terms and subject to such conditions as the Board may think fit, and the Board may remove any person appointed as aforesaid, and may revoke or vary such delegation, but no person dealing in good faith and without notice of any such revocation or variation shall be affected thereby.
103. The Board may by power of attorney appoint under the Seal any company, firm or person or any fluctuating body of persons, whether nominated directly or indirectly by the Board, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these Bye-laws) and for such period and subject to such conditions as it may think fit, and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Board may think fit, and may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions vested in him. Such attorney or attorneys may, if so authorised under the Seal of the Company, execute any deed or instrument under their personal seal with the same effect as the affixation of the Seal.
104. The Board may entrust to and confer upon a managing director, joint managing director, deputy managing director, an executive director or any Director any of the powers exercisable by it upon such terms and conditions and with such restrictions as it thinks fit, and either collaterally with, or to the exclusion of, its own powers, and may from time to time revoke or vary all or any of such powers but no person dealing in good faith and without notice of such revocation or variation shall be affected thereby.
105. All cheques, promissory notes, drafts, bills of exchange and other instruments, whether negotiable or transferable or not, and all receipts for moneys paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as the Board shall from time to time by resolution determine. The Company's banking accounts shall be kept with such banker or bankers as the Board shall from time to time determine.

106. (1) The Board may establish or concur or join with other companies (being subsidiary companies of the Company or companies with which it is associated in business) in establishing and making contributions out of the Company's moneys to any schemes or funds for providing pensions, sickness or compassionate allowances, life assurance or other benefits for employees (which expression as used in this and the following paragraph shall include any Director or ex-Director who may hold or have held any executive office or any office of profit under the Company or any of its subsidiary companies) and ex-employees of the Company and their dependants or any class or classes of such person.
- (2) The Board may pay, enter into agreements to pay or make grants of revocable or irrevocable, and either subject or not subject to any terms or conditions, pensions or other benefits to employees and ex-employees and their dependants, or to any of such persons, including pensions or benefits additional to those, if any, to which such employees or ex-employees or their dependants are or may become entitled under any such scheme or fund as mentioned in the last preceding paragraph. Any such pension or benefit may, as the Board considers desirable, be granted to an employee either before and in anticipation of or upon or at any time after his actual retirement.

BORROWING POWERS

107. The Board may exercise all the powers of the Company to raise or borrow money and to mortgage or charge all or any part of the undertaking, property and assets (present and future) and uncalled capital of the Company and, subject to the Act, to issue debentures, bonds and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.
108. Debentures, bonds and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.
109. Any debentures, bonds or other securities may be issued at a discount (other than shares), premium or otherwise and with any special privileges as to redemption, surrender, drawings, allotment of shares, attending and voting at general meetings of the Company, appointment of Directors and otherwise.

110. (1) Where any uncalled capital of the Company is charged, all persons taking any subsequent charge thereon shall take the same subject to such prior charge, and shall not be entitled, by notice to the Members or otherwise, to obtain priority over such prior charge.
- (2) The Board shall cause a proper register to be kept, in accordance with the provisions of the Act, of all charges specifically affecting the property of the Company and of any series of debentures issued by the Company and shall duly comply with the requirements of the Act in regard to the registration of charges and debentures therein specified and otherwise.

PROCEEDINGS OF THE DIRECTORS

111. The Board may meet for the despatch of business, adjourn or postpone and otherwise regulate its meetings as it considers appropriate. Questions arising at any meeting shall be determined by a majority of votes. In the case of any equality of votes the chairman of the meeting shall have an additional or casting vote.
112. A meeting of the Board may be convened by the Secretary on request of a Director or by any Director. The Secretary shall convene a meeting of the Board whenever he shall be required so to do by any Director. Notice of a meeting of the Board shall be deemed to be duly given to a Director if it is given to such Director in writing or verbally (including in person or by telephone) or ~~via electronic mail or~~ by electronic means to an electronic address from time to time notified to the Company by such Director or (if the recipient consents to it being made available on a website) by making it available on a website or in such other manner as the Board may from time to time determine.
113. (1) The quorum necessary for the transaction of the business of the Board may be fixed by the Board and, unless so fixed at any other number, shall be two (2). An alternate Director shall be counted in a quorum in the case of the absence of a Director for whom he is the alternate provided that he shall not be counted more than once for the purpose of determining whether or not a quorum is present.
- (2) Directors may participate in any meeting of the Board by means of a conference telephone, electronic facilities or other communications equipment through which all persons participating in the meeting can communicate with each other simultaneously and instantaneously and, for the purpose of counting a quorum, such participation shall constitute presence at a meeting as if those participating were present in person.
- (3) Any Director who ceases to be a Director at a Board meeting may continue to be present and to act as a Director and be counted in the quorum until the termination of such Board meeting if no other Director objects and if otherwise a quorum of Directors would not be present.

114. The continuing Directors or a sole continuing Director may act notwithstanding any vacancy in the Board but, if and so long as the number of Directors is reduced below the minimum number fixed by or in accordance with these Bye-laws, the continuing Directors or Director, notwithstanding that the number of Directors is below the number fixed by or in accordance with these Bye-laws as the quorum or that there is only one continuing Director, may act for the purpose of filling vacancies in the Board or of summoning general meetings of the Company but not for any other purpose.
115. The Board may elect ~~a one~~ one or more chairman and one or more deputy chairman of its meetings and determine the period for which they are respectively to hold such office. If no chairman or deputy chairman is elected, or if at any meeting ~~neither the no~~ no chairman ~~nor any or~~ any or deputy chairman is present within five (5) minutes after the time appointed for holding the same, the Directors present may choose one of their number to be chairman of the meeting.
116. A meeting of the Board at which a quorum is present shall be competent to exercise all the powers, authorities and discretions for the time being vested in or exercisable by the Board.
117. (1) The Board may delegate any of its powers, authorities and discretions to committees, consisting of such Director or Directors and other persons as it thinks fit, and they may, from time to time, revoke such delegation or revoke the appointment of and discharge any such committees either wholly or in part, and either as to persons or purposes. Any committee so formed shall, in the exercise of the powers, authorities and discretions so delegated, conform to any regulations which may be imposed on it by the Board.
- (2) All acts done by any such committee in conformity with such regulations, and in fulfilment of the purposes for which it was appointed, but not otherwise, shall have like force and effect as if done by the Board, and the Board shall have power, with the consent of the Company in general meeting, to remunerate the members of any such committee, and charge such remuneration to the current expenses of the Company.
118. The meetings and proceedings of any committee consisting of two or more members shall be governed by the provisions contained in these Bye-laws for regulating the meetings and proceedings of the Board so far as the same are applicable and are not superseded by any regulations imposed by the Board under the last preceding Bye-law.

119. A resolution in writing signed by all the Directors except such as are temporarily unable to act through ill-health or disability, and all the alternate Directors, if appropriate, whose appointors are temporarily unable to act as aforesaid shall be as valid and effectual as if a resolution had been passed at a meeting of the Board duly convened and held provided that such number is sufficient to constitute a quorum and that a copy of such resolution has been given or the contents thereof communicated to all the Directors for the time being entitled to receive notices of Board meetings in the same manner as notices of meetings are required to be given by these Bye-laws and further provided that no Director is aware of or has received any objection to the resolution from any Director. A notification of consent to such resolution given by a Director in writing to the Board by any means (including by means of electronic communication) shall be deemed to be his signature to such resolution in writing for the purpose of this Bye-law. Such resolution may be contained in one document or in several documents in like form each signed by one or more of the Directors or alternate Directors and for this purpose a facsimile signature of a Director or an alternate Director shall be treated as valid. Notwithstanding the foregoing, a resolution in writing shall not be passed in lieu of a meeting of the Board for the purposes of considering any matter or business in which a substantial shareholder of the Company or a Director has a conflict of interest and the Board has determined that such conflict of interest to be material.
120. All acts bona fide done by the Board or by any committee or by any person acting as a Director or members of a committee, shall, notwithstanding that it is afterwards discovered that there was some defect in the appointment of any member of the Board or such committee or person acting as aforesaid or that they or any of them were disqualified or had vacated office, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director or member of such committee.

MANAGERS

121. The Board may from time to time appoint a general manager, a manager or managers of the Company and may fix his or their remuneration either by way of salary or commission or by conferring the right to participation in the profits of the Company or by a combination of two or more of these modes and pay the working expenses of any of the staff of the general manager, manager or managers who may be employed by him or them upon the business of the Company.
122. The appointment of such general manager, manager or managers may be for such period as the Board may decide, and the Board may confer upon him or them all or any of the powers of the Board as it may think fit.

123. The Board may enter into such agreement or agreements with any such general manager, manager or managers upon such terms and conditions in all respects as the Board may in their absolute discretion think fit, including a power for such general manager, manager or managers to appoint an assistant manager or managers or other employees whatsoever under them for the purpose of carrying on the business of the Company.

OFFICERS

124. (1) The officers of the Company shall consist of the Directors and Secretary and such additional officers (who may or may not be Directors) as the Board may from time to time determine, all of whom shall be deemed to be officers for the purposes of the Act and, subject to Bye-law 128(4), these Bye-laws.

(2) The officers shall receive such remuneration as the Directors may from time to time determine.

(3) Where the Company appoints and maintains a resident representative ordinarily resident in Bermuda in accordance with the Act, the resident representative shall comply with the provisions of the Act.

(4) The Company shall provide the resident representative with such documents and information as the resident representative may require in order to be able to comply with the provisions of the Act.

(5) The resident representative shall be entitled to have notice of, attend and be heard at all meetings of the Directors or of any committee of such Directors or general meetings of the Company.

125. (1) The Secretary and additional officers, if any, shall be appointed by the Board and shall hold office on such terms and for such period as the Board may determine. If thought fit, two (2) or more persons may be appointed as joint Secretaries. The Board may also appoint from time to time on such terms as it thinks fit one or more assistant or deputy Secretaries.

(2) The Secretary shall attend all meetings of the Members and shall keep correct minutes of such meetings and enter the same in the proper books provided for the purpose. He shall perform such other duties as are prescribed by the Act or these Bye-laws or as may be prescribed by the Board.

126. The officers of the Company shall have such powers and perform such duties in the management, business and affairs of the Company as may be delegated to them by the Directors from time to time.
127. A provision of the Act or of these Bye-laws requiring or authorising a thing to be done by or to a Director and the Secretary shall not be satisfied by its being done by or to the same person acting both as Director and as or in place of the Secretary.

REGISTER OF DIRECTORS AND OFFICERS

128. (1) The Board shall cause to be kept in one or more books at the Office a Register of Directors and Officers and shall enter therein the following particulars with respect to each Director and Officer, that is to say:
- (a) in the case of an individual, his or her present first name, surname and address; and
 - (b) in the case of a company, its name and registered office.
- (2) The Board shall within a period of fourteen (14) days from the occurrence of:
- (a) any change among the Directors and Officers; or
 - (b) any change in the particulars contained in the Register of Directors and Officers, cause to be entered on the Register of Directors and Officers the particulars of such change.
- (3) The Register of Directors and Officers shall be open to inspection by members of the public without charge at the Office between 10:00 a.m. and 12:00 noon during business hours.
- (4) In this Bye-law “Officer” has the meaning ascribed to it in Section 92A(7) of the Act.

MINUTES

129. (1) The Board shall cause Minutes to be duly entered in books provided for the purpose:
- (a) of all elections and appointments of officers;
 - (b) of the names of the Directors present at each meeting of the Directors and of any committee of the Directors;
 - (c) of all resolutions and proceedings of each general meeting of the Members and meetings of the Board.
- (2) Minutes prepared in accordance with the Act and these Bye-laws shall be kept by the Secretary at the Office.

SEAL

130. (1) The Company shall have one or more Seals, as the Board may determine. For the purpose of sealing documents creating or evidencing securities issued by the Company, the Company may have a securities seal which is a facsimile of the Seal with the addition of the words "Securities Seal" on its face or in such other form as the Board may approve. The Board shall provide for the custody of each Seal and no Seal shall be used without the authority of the Board or of a committee ~~of the Board~~ authorised by the Board in that behalf. Subject as otherwise provided in these Bye-laws, any instrument to which a Seal is affixed shall be signed autographically by one Director and the Secretary or by two Directors or by such other person (including a Director) or persons as the Board (or a committee authorised by the Board) may appoint, either generally or in any particular case, save that as regards any certificates for shares or debentures or other securities of the Company the Board may by resolution determine that such signatures or either of them shall be dispensed with or affixed by some method or system of mechanical signature. Every instrument executed in the manner provided by this Bye-law shall be deemed to be sealed and executed with the authority of the Board previously given. App-3
2(1)
- (2) Where the Company has a Seal for use abroad, the Board may by writing under the Seal appoint any agent or committee abroad to be the duly authorised agent of the Company for the purpose of affixing and using such Seal and the Board may impose restrictions on the use thereof as may be thought fit. Wherever in these Bye-laws reference is made to the Seal, the reference shall, when and so far as may be applicable, be deemed to include any such other Seal as aforesaid.

AUTHENTICATION OF DOCUMENTS

131. Any Director or the Secretary or any person appointed by the Board for the purpose may authenticate any documents affecting the constitution of the Company and any resolution passed by the Company or the Board or any committee, and any books, records, documents and accounts relating to the business of the Company, and to certify copies thereof or extracts therefrom as true copies or extracts, and if any books, records, documents or accounts are elsewhere than at the Office or the head office the local manager or other officer of the Company having the custody thereof shall be deemed to be a person so appointed by the Board. A document purporting to be a copy of a resolution, or an extract from the minutes of a meeting, of the Company or of the Board or any committee which is so certified shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be, that such minutes or extract is a true and accurate record of proceedings at a duly constituted meeting.

DESTRUCTION OF DOCUMENTS

132. (1) The Company shall be entitled to destroy the following documents at the following times:
- (a) any share certificate which has been cancelled at any time after the expiry of one (1) year from the date of such cancellation;
 - (b) any dividend mandate or any variation or cancellation thereof or any notification of change of name or address at any time after the expiry of two (2) years from the date such mandate variation cancellation or notification was recorded by the Company;
 - (c) any instrument of transfer of shares which has been registered at any time after the expiry of seven (7) years from the date of registration;
 - (d) any allotment letters after the expiry of seven (7) years from the date of issue thereof; and
 - (e) copies of powers of attorney, grants of probate and letters of administration at any time after the expiry of seven (7) years after the account to which the relevant power of attorney, grant of probate or letters of administration related has been closed;

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

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

DIVIDENDS AND OTHER PAYMENTS

133. Subject to the Act, the Company in general meeting may from time to time declare dividends in any currency to be paid to the Members but no dividend shall be declared in excess of the amount recommended by the Board. The Company in general meeting may also make a distribution to the Members out of any contributed surplus (as ascertained in accordance with the Act).
134. No dividend shall be paid or distribution made out of contributed surplus if to do so would render the Company unable to pay its liabilities as they become due or the realisable value of its assets would thereby become less than its liabilities.

135. Except in so far as the rights attaching to, or the terms of issue of, any share otherwise provide:

- (a) all dividends shall be declared and paid according to the amounts paid up on the shares in respect of which the dividend is paid, but no amount paid up on a share in advance of calls shall be treated for the purposes of this Bye-law as paid up on the share; and
- (b) all dividends shall be apportioned and paid pro rata according to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid.

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136. The Board may from time to time pay to the Members such interim dividends as appear to the Board to be justified by the profits of the Company and in particular (but without prejudice to the generality of the foregoing) if at any time the share capital of the Company is divided into different classes, the Board may pay such interim dividends in respect of those shares in the capital of the Company which confer on the holders thereof deferred or non-preferential rights as well as in respect of those shares which confer on the holders thereof preferential rights with regard to dividend and provided that the Board acts bona fide the Board shall not incur any responsibility to the holders of shares conferring any preference for any damage that they may suffer by reason of the payment of an interim dividend on any shares having deferred or non-preferential rights and may also pay any fixed dividend which is payable on any shares of the Company half-yearly or on any other dates, whenever such profits, in the opinion of the Board, justifies such payment.

137. The Board may deduct from any dividend or other moneys payable to a Member by the Company on or in respect of any shares all sums of money (if any) presently payable by him to the Company on account of calls or otherwise.

138. No dividend or other moneys payable by the Company on or in respect of any share shall bear interest against the Company.

139. Any dividend, interest or other sum payable in cash to the holder of shares may be paid by cheque or warrant sent through the post addressed to the holder at his registered address or, in the case of joint holders, addressed to the holder whose name stands first in the Register in respect of the shares at his address as appearing in the Register or addressed to such person and at such address as the holder or joint holders may in writing direct. Every such cheque or warrant shall, unless the holder or joint holders otherwise direct, be made payable to the order of the holder or, in the case of joint holders, to the order of the holder whose name stands first on the Register in respect of such shares, and shall be sent at his or their risk and payment of the cheque or warrant by the bank on which it is drawn shall constitute a good discharge to the Company notwithstanding that it may subsequently appear that the same has been stolen or that any endorsement thereon has been forged. Any one of two or more joint holders may give effectual receipts for any dividends or other moneys payable or property distributable in respect of the shares held by such joint holders.

140. All dividends or bonuses unclaimed for one (1) year after having been declared may be invested or otherwise made use of by the Board for the benefit of the Company until claimed. Any dividend or bonuses unclaimed after a period of six (6) years from the date of declaration shall be forfeited and shall revert to the Company. The payment by the Board of any unclaimed dividend or other sums payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof. App-3
3(2)
141. Whenever the Board or the Company in general meeting has resolved that a dividend be paid or declared, the Board may further resolve that such dividend be satisfied wholly or in part by the distribution of specific assets of any kind and in particular of paid up shares, debentures or warrants to subscribe securities of the Company or any other company, or in any one or more of such ways, and where any difficulty arises in regard to the distribution the Board may settle the same as it thinks expedient, and in particular may issue certificates in respect of fractions of shares, disregard fractional entitlements or round the same up or down or provide that the benefit of fractional entitlements shall accrue to the Company rather than to the Members concerned, and may fix the value for distribution of such specific assets, or any part thereof, and may determine that cash payments shall be made to any Members upon the footing of the value so fixed in order to adjust the rights of all parties, and may vest any such specific assets in trustees as may seem expedient to the Board and may appoint any person to sign any requisite instruments of transfer and other documents on behalf of the persons entitled to the dividend, and such appointment shall be effective and binding on the Members. The Board may resolve that no such assets shall be made available to Members with registered addresses in any particular territory or territories where, in the absence of a registration statement or other special formalities, such distribution of assets would or might, in the opinion of the Board, be unlawful or impracticable and in such event the only entitlement of the Members aforesaid shall be to receive cash payments as aforesaid. Members affected as a result of the foregoing sentence shall not be or be deemed to be a separate class of Members for any purpose whatsoever.
142. (1) Whenever the Board or the Company in general meeting has resolved that a dividend be paid or declared on any class of the share capital of the Company, the Board may further resolve either:
- (a) that such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid up, provided that the shareholders entitled thereto will be entitled to elect to receive such dividend (or part thereof if the Board so determines) in cash in lieu of such allotment. In such case, the following provisions shall apply:
 - (i) the basis of any such allotment shall be determined by the Board;

- (ii) the Board, after determining the basis of allotment, shall give not less than two (2) weeks' Notice to the holders of the relevant shares of the right of election accorded to them and shall send with such notice forms of election and specify the procedure to be followed and the place at which and the latest date and time by which duly completed forms of election must be lodged in order to be effective;
 - (iii) the right of election may be exercised in respect of the whole or part of that portion of the dividend in respect of which the right of election has been accorded; and
 - (iv) the dividend (or that part of the dividend to be satisfied by the allotment of shares as aforesaid) shall not be payable in cash on shares in respect whereof the cash election has not been duly exercised ("the non-elected shares") and in satisfaction thereof shares of the relevant class shall be allotted credited as fully paid up to the holders of the non-elected shares on the basis of allotment determined as aforesaid and for such purpose the Board shall capitalise and apply out of any part of the undivided profits of the Company (including profits carried and standing to the credit of any reserves or other special account other than the Subscription Rights Reserve (as defined below)) as the Board may determine, such sum as may be required to pay up in full the appropriate number of shares of the relevant class for allotment and distribution to and amongst the holders of the non-elected shares on such basis; or
- (b) that the shareholders entitled to such dividend shall be entitled to elect to receive an allotment of shares credited as fully paid up in lieu of the whole or such part of the dividend as the Board may think fit. In such case, the following provisions shall apply:
- (i) the basis of any such allotment shall be determined by the Board;
 - (ii) the Board, after determining the basis of allotment, shall give not less than two (2) weeks' Notice to the holders of the relevant shares of the right of election accorded to them and shall send with such notice forms of election and specify the procedure to be followed and the place at which and the latest date and time by which duly completed forms of election must be lodged in order to be effective;

- (iii) the right of election may be exercised in respect of the whole or part of that portion of the dividend in respect of which the right of election has been accorded; and
 - (iv) the dividend (or that part of the dividend in respect of which a right of election has been accorded) shall not be payable in cash on shares in respect whereof the share election has been duly exercised (“the elected shares”) and in lieu thereof shares of the relevant class shall be allotted credited as fully paid up to the holders of the elected shares on the basis of allotment determined as aforesaid and for such purpose the Board shall capitalise and apply out of any part of the undivided profits of the Company (including profits carried and standing to the credit of any reserves or other special account other than the Subscription Rights Reserve (as defined below)) as the Board may determine, such sum as may be required to pay up in full the appropriate number of shares of the relevant class for allotment and distribution to and amongst the holders of the elected shares on such basis.
- (2) (a) The shares allotted pursuant to the provisions of paragraph (1) of this Bye-law shall rank *pari passu* in all respects with shares of the same class (if any) then in issue save only as regards participation in the relevant dividend or in any other distributions, bonuses or rights paid, made, declared or announced prior to or contemporaneously with the payment or declaration of the relevant dividend unless, contemporaneously with the announcement by the Board of their proposal to apply the provisions of sub-paragraph (a) or (b) of paragraph (1) of this Bye-law in relation to the relevant dividend or contemporaneously with their announcement of the distribution, bonus or rights in question, the Board shall specify that the shares to be allotted pursuant to the provisions of paragraph (1) of this Bye-law shall rank for participation in such distribution, bonus or rights.
- (b) The Board may do all acts and things considered necessary or expedient to give effect to any capitalisation pursuant to the provisions of paragraph (1) of this Bye-law, with full power to the Board to make such provisions as it thinks fit in the case of shares becoming distributable in fractions (including provisions whereby, in whole or in part, fractional entitlements are aggregated and sold and the net proceeds distributed to those entitled, or are disregarded or rounded up or down or whereby the benefit of fractional entitlements accrues to the Company rather than to the Members concerned). The Board may authorise any person to enter into on behalf of all Members interested, an agreement with the Company providing for such capitalisation and matters incidental thereto and any agreement made pursuant to such authority shall be effective and binding on all concerned.

- (3) The Company may upon the recommendation of the Board by ordinary resolution resolve in respect of any one particular dividend of the Company that notwithstanding the provisions of paragraph (1) of this Bye-law a dividend may be satisfied wholly in the form of an allotment of shares credited as fully paid up without offering any right to shareholders to elect to receive such dividend in cash in lieu of such allotment.
- (4) The Board may on any occasion determine that rights of election and the allotment of shares under paragraph (1) of this Bye-law shall not be made available or made to any shareholders with registered addresses in any territory where, in the absence of a registration statement or other special formalities, the circulation of an offer of such rights of election or the allotment of shares would or might, in the opinion of the Board, be unlawful or impracticable, and in such event the provisions aforesaid shall be read and construed subject to such determination. Members affected as a result of the foregoing sentence shall not be or be deemed to be a separate class of Members for any purpose whatsoever.
- (5) Any resolution declaring a dividend on shares of any class, whether a resolution of the Company in general meeting or a resolution of the Board, may specify that the same shall be payable or distributable to the persons registered as the holders of such shares at the close of business on a particular date, notwithstanding that it may be a date prior to that on which the resolution is passed, and thereupon the dividend shall be payable or distributable to them in accordance with their respective holdings so registered, but without prejudice to the rights inter se in respect of such dividend of transferors and transferees of any such shares. The provisions of this Bye-law shall *mutatis mutandis* apply to bonuses, capitalisation issues, distributions of realised capital profits or offers or grants made by the Company to the Members.

RESERVES

143. Before recommending any dividend, the Board may set aside out of the profits of the Company such sums as it determines as reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied and pending such application may, also at such discretion, either be employed in the business of the Company or be invested in such investments as the Board may from time to time think fit and so that it shall not be necessary to keep any investments constituting the reserve or reserves separate or distinct from any other investments of the Company. The Board may also without placing the same to reserve carry forward any profits which it may think prudent not to distribute.

CAPITALISATION

144. (1) The Company may, upon the recommendation of the Board, at any time and from time to time pass an ordinary resolution to the effect that it is desirable to capitalise all or any part of any amount for the time being standing to the credit of any reserve or fund (including the profit and loss account) whether or not the same is available for distribution and accordingly that such amount be set free for distribution among the Members or any class of Members who would be entitled thereto if it were distributed by way of dividend and in the same proportions, on the footing that the same is not paid in cash but is applied either in or towards paying up the amounts for the time being unpaid on any shares in the Company held by such Members respectively or in paying up in full unissued shares, debentures or other obligations of the Company, to be allotted and distributed credited as fully paid up among such Members, or partly in one way and partly in the other, and the Board shall give effect to such resolution provided that, for the purposes of this Bye-law, a share premium account and any reserve or fund representing unrealised profits, may be applied only in paying up in full unissued shares of the Company to be allotted to such Members credited as fully paid. In carrying sums to reserve and in applying the same the Board shall comply with the provisions of the Act.
- (2) Notwithstanding any provisions in these Bye-laws, the Board may resolve to capitalise all or any part of any amount for the time being standing to the credit of any reserve or fund (including the profit and loss account) whether or not the same is available for distribution by applying such sum in paying up unissued shares to be allotted to (i) employees (including directors) of the Company and/or its affiliates (meaning any individual, corporation, partnership, association, joint-stock company, trust, unincorporated association or other entity (other than the Company) that directly, or indirectly through one or more intermediaries, controls, is controlled by or is under common control with, the Company) upon exercise or vesting of any options or awards granted under any share incentive scheme or employee benefit scheme or other arrangement which relates to such persons that has been adopted or approved by the Members at a general meeting, or (ii) any trustee of any trust to whom shares are to be allotted and issued by the Company in connection with the operation of any share incentive scheme or employee benefit scheme or other arrangement which relates to such persons that has been adopted or approved by the Members at a general meeting.

145. The Board may settle, as it considers appropriate, any difficulty arising in regard to any distribution under the last preceding Bye-law and in particular may issue certificates in respect of fractions of shares or authorise any person to sell and transfer any fractions or may resolve that the distribution should be as nearly as may be practicable in the correct proportion but not exactly so or may ignore fractions altogether, and may determine that cash payments shall be made to any Members in order to adjust the rights of all parties, as may seem expedient to the Board. The Board may appoint any person to sign on behalf of the persons entitled to participate in the distribution any contract necessary or desirable for giving effect thereto and such appointment shall be effective and binding upon the Members.

SUBSCRIPTION RIGHTS RESERVE

146. The following provisions shall have effect to the extent that they are not prohibited by and are in compliance with the Act:

- (1) If, so long as any of the rights attached to any warrants issued by the Company to subscribe for shares of the Company shall remain exercisable, the Company does any act or engages in any transaction which, as a result of any adjustments to the subscription price in accordance with the provisions of the conditions of the warrants, would reduce the subscription price to below the nominal value of a share, then the following provisions shall apply:
 - (a) as from the date of such act or transaction the Company shall establish and thereafter (subject as provided in this Bye-law) maintain in accordance with the provisions of this Bye-law a reserve (the "Subscription Rights Reserve") the amount of which shall at no time be less than the sum which for the time being would be required to be capitalised and applied in paying up in full the nominal amount of the additional shares required to be issued and allotted credited as fully paid pursuant to sub-paragraph (c) below on the exercise in full of all the subscription rights outstanding and shall apply the Subscription Rights Reserve in paying up such additional shares in full as and when the same are allotted;
 - (b) the Subscription Rights Reserve shall not be used for any purpose other than that specified above unless all other reserves of the Company (other than share premium account) have been extinguished and will then only be used to make good losses of the Company if and so far as is required by law;

- (c) upon the exercise of all or any of the subscription rights represented by any warrant, the relevant subscription rights shall be exercisable in respect of a nominal amount of shares equal to the amount in cash which the holder of such warrant is required to pay on exercise of the subscription rights represented thereby (or, as the case may be the relevant portion thereof in the event of a partial exercise of the subscription rights) and, in addition, there shall be allotted in respect of such subscription rights to the exercising warrant holder, credited as fully paid, such additional nominal amount of shares as is equal to the difference between:
- (i) the said amount in cash which the holder of such warrant is required to pay on exercise of the subscription rights represented thereby (or, as the case may be, the relevant portion thereof in the event of a partial exercise of the subscription rights); and
 - (ii) the nominal amount of shares in respect of which such subscription rights would have been exercisable having regard to the provisions of the conditions of the warrants, had it been possible for such subscription rights to represent the right to subscribe for shares at less than par

and immediately upon such exercise so much of the sum standing to the credit of the Subscription Rights Reserve as is required to pay up in full such additional nominal amount of shares shall be capitalised and applied in paying up in full such additional nominal amount of shares which shall forthwith be allotted credited as fully paid to the exercising warrant holders; and

- (d) if, upon the exercise of the subscription rights represented by any warrant, the amount standing to the credit of the Subscription Rights Reserve is not sufficient to pay up in full such additional nominal amount of shares equal to such difference as aforesaid to which the exercising warrant holder is entitled, the Board shall apply any profits or reserves then or thereafter becoming available (including, to the extent permitted by law, share premium account) for such purpose until such additional nominal amount of shares is paid up and allotted as aforesaid and until then no dividend or other distribution shall be paid or made on the fully paid shares of the Company then in issue. Pending such payment and allotment, the exercising warrant holder shall be issued by the Company with a certificate evidencing his right to the allotment of such additional nominal amount of shares. The rights represented by any such certificate shall be in registered form and shall be transferable in whole or in part in units of one share in the like manner as the shares for the time being are transferable, and the Company shall make such arrangements in relation to the maintenance of a register therefor and other matters in relation thereto as the Board may think fit and adequate particulars thereof shall be made known to each relevant exercising warrant holder upon the issue of such certificate.

- (2) Shares allotted pursuant to the provisions of this Bye-law shall rank *pari passu* in all respects with the other shares allotted on the relevant exercise of the subscription rights represented by the warrant concerned. Notwithstanding anything contained in paragraph (1) of this Bye-law, no fraction of any share shall be allotted on exercise of the subscription rights.
- (3) The provision of this Bye-law as to the establishment and maintenance of the Subscription Rights Reserve shall not be altered or added to in any way which would vary or abrogate, or which would have the effect of varying or abrogating the provisions for the benefit of any warrant holder or class of warrant holders under this Bye-law without the sanction of a special resolution of such warrant holders or class of warrant holders.
- (4) A certificate or report by the auditors for the time being of the Company as to whether or not the Subscription Rights Reserve is required to be established and maintained and if so the amount thereof so required to be established and maintained, as to the purposes for which the Subscription Rights Reserve has been used, as to the extent to which it has been used to make good losses of the Company, as to the additional nominal amount of shares required to be allotted to exercising warrant holders credited as fully paid, and as to any other matter concerning the Subscription Rights Reserve shall (in the absence of manifest error) be conclusive and binding upon the Company and all warrant holders and shareholders.

ACCOUNTING RECORDS

147. The Board shall cause true accounts to be kept of the sums of money received and expended by the Company, and the matters in respect of which such receipt and expenditure take place, and of the property, assets, credits and liabilities of the Company and of all other matters required by the Act or necessary to give a true and fair view of the Company's affairs and to explain its transactions. App. 13A
4(1)
148. The accounting records shall be kept at the Office or, subject to the Act, at such other place or places as the Board decides and shall always be open to inspection by the Directors. No Member (other than a Director) shall have any right of inspecting any accounting record or book or document of the Company except as conferred by law or authorised by the Board or the Company in general meeting.

149. Subject to Section 88 of the Act and Bye-law 150, a printed copy of the Directors' report, accompanied by the balance sheet and profit and loss account, including every document required by law to be annexed thereto, made up to the end of the applicable financial year and containing a summary of the assets and liabilities of the Company under convenient heads and a statement of income and expenditure, together with a copy of the Auditors' report, shall be sent to each person entitled thereto at least twenty-one (21) days before the date of the general meeting and at the same time as the notice of annual general meeting and laid before the Company at the annual general meeting in accordance with the requirements of the Act provided that this Bye-law shall not require a copy of those documents to be sent to any person whose address the Company is not aware of or to more than one of the joint holders of any shares or debentures. App-3
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150. To the extent permitted by and subject to due compliance with all applicable Statutes, rules and regulations, including, without limitation, the ~~rules of the Designated Stock Exchange~~ Listing Rules, and to obtaining all necessary consents, if any, required thereunder, the requirements of Bye-law 149 shall be deemed satisfied in relation to any person by sending to the person in any manner not prohibited by the Statutes, summarised financial statements derived from the Company's annual accounts and the directors' report which shall be in the form and containing the information required by applicable laws and regulations, provided that any person who is otherwise entitled to the annual financial statements of the Company and the directors' report thereon may, if he so requires by notice in writing served on the Company, demand that the Company sends to him, in addition to summarised financial statements, a complete printed copy of the Company's annual financial statement and the directors' report thereon. App-3
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151. The requirement to send to a person referred to in Bye-law 149 the documents referred to in that provision or a summary financial report in accordance with Bye-law 150 shall be deemed satisfied where, in accordance with all applicable Statutes, rules and regulations, including, without limitation, the ~~rules of the Designated Stock Exchange~~ Listing Rules, the Company publishes copies of the documents referred to in Bye-law 149 and, if applicable, a summary financial report complying with Bye-law 150, on the Company's computer network or in any other permitted manner (including by sending any form of electronic communication), and that person has agreed or is deemed to have agreed to treat the publication or receipt of such documents in such manner as discharging the Company's obligation to send to him a copy of such documents.

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152. (1) Subject to Section 88 of the Act, at the annual general meeting or at a subsequent special general meeting in each year, the Members shall by ordinary resolution appoint an auditor to audit the accounts of the Company and such auditor shall hold office until the Members appoint another auditor. Such auditor may be a Member but no Director or officer or employee of the Company shall, during his continuance in office, be eligible to act as an auditor of the Company.
- (2) Subject to Section 89 of the Act, a person, other than an incumbent Auditor, shall not be capable of being appointed Auditor at an annual general meeting unless notice in writing of an intention to nominate that person to the office of Auditor has been given not less than twenty-one (21) days before the annual general meeting and furthermore, the Company shall send a copy of any such notice to the incumbent Auditor.
- (3) The Members may, at any general meeting convened and held in accordance with these Bye-laws, by ~~extraordinary~~special 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.
153. Subject to Section 88 of the Act the accounts of the Company shall be audited at least once in every year.
154. The remuneration of the Auditor shall be fixed by the Company by ordinary resolution in general meeting or in such manner as the Members may determine specified in such resolution (including delegating the fixing of such remuneration to the Board). App. 3
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155. The Directors may fill any casual vacancy in the office of Auditor but while any such vacancy continues the surviving or continuing Auditor or Auditors, if any, may act. The remuneration of any Auditor appointed by the Directors under this Bye-law may be fixed by the Board. Subject to Bye-law 152(3), an Auditor appointed under this Bye-law shall hold office until the next following annual general meeting of the Company and shall then be subject to appointment by the Members under Bye-law 152(1) at such remuneration to be determined by the Members under Bye-law 154.~~If the office of auditor becomes vacant by the resignation or death of the Auditor, or by his becoming incapable of acting by reason of illness or other disability at a time when his services are required, the Directors shall fill the vacancy and fix the remuneration of the Auditor so appointed.~~

156. The Auditor shall at all reasonable times have access to all books kept by the Company and to all accounts and vouchers relating thereto; and he may call on the Directors or officers of the Company for any information in their possession relating to the books or affairs of the Company.
157. The statement of income and expenditure and the balance sheet provided for by these Bye-laws shall be examined by the Auditor and compared by him with the books, accounts and vouchers relating thereto; and he shall make a written report thereon stating whether such statement and balance sheet are drawn up so as to present fairly the financial position of the Company and the results of its operations for the period under review and, in case information shall have been called for from Directors or officers of the Company, whether the same has been furnished and has been satisfactory. The financial statements of the Company shall be audited by the Auditor in accordance with generally accepted auditing standards. The Auditor shall make a written report thereon in accordance with generally accepted auditing standards and the report of the Auditor shall be submitted to the Members in general meeting. The generally accepted auditing standards referred to herein may be those of a country or jurisdiction other than Bermuda. If the auditing standards of a country or jurisdiction other than Bermuda are used, the financial statements and the report of the Auditor should disclose this fact and name such country or jurisdiction.

NOTICES

158. (1) Any Notice or document (including any “corporate communication” within the meaning ascribed thereto under the ~~rules of the Designated Stock Exchange Listing Rules~~), whether or not, to be given or issued under these Bye-laws from the Company ~~to a Member~~ shall be in writing or by cable, telex or facsimile transmission message or other form of electronic transmission or electronic communication ~~and any such Notice and document may be served or delivered by the Company on or to any Member either personally or by sending it through the post in a prepaid envelope addressed to such Member at his registered address as appearing in the Register or at any other address supplied by him to the Company for the purpose or, as the case may be, by transmitting it to any such address or transmitting it to any telex or facsimile transmission number or electronic number or address or website supplied by him to the Company for the giving of Notice to him or which the person transmitting the notice reasonably and bona fide believes at the relevant time will result in the Notice being duly received by the Member or may also be served by advertisement in appointed newspapers (as defined in the Act) or in newspapers published daily and circulating generally in the territory of and in accordance with the requirements of the Designated Stock Exchange or, to the extent permitted by the applicable laws, by placing it on the Company’s website or the website of the Designated Stock Exchange, and giving to the member a notice stating that the notice or other document is available there (a “notice of availability”). The notice of availability may be given to the Member by any of the means set out above other than by posting it on a website. In the case of~~

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joint holders of a share all notices shall be given to that one of the joint holders whose name stands first in the Register and notice so given shall be deemed a sufficient service on or delivery to all the joint holders. Without limitation to the generality of the foregoing, any such Notice and document may be given or issued by the following means:

- (a) by serving it personally on the relevant person;
 - (b) by sending it through the post in a prepaid envelope addressed to such Member at his registered address as appearing in the Register or at any other address supplied by him to the Company for the purpose;
 - (c) by delivering or leaving it at such address as aforesaid;
 - (d) by placing an advertisement in appointed newspapers or other publication and where applicable, (as defined in the Act) or in newspapers published daily and circulating generally in the territory of and in accordance with the requirements of the Designated Stock Exchange;
 - (e) by sending or transmitting it as an electronic communication to the relevant person at such electronic address as he may provide under Bye-law 158(5), subject to the Company complying with the Statutes and any other applicable laws, rules and regulations from time to time in force with regard to any requirements for the obtaining of consent (or deemed consent) from such person;
 - (f) by publishing it on the Company's website or the website to which the relevant person may have access, subject to the Company complying with the Statutes and any other applicable laws, rules and regulations (including the Listing Rules) from time to time in force with regard to any requirements for the obtaining of consent (or deemed consent) from such person and/or for giving notification to any such person that the notice, document or publication is available on the Company's website (a "notice of availability");
 - (g) by sending or otherwise making it available to such person through such other means to the extent permitted by and in accordance with the Statutes and other applicable laws, rules and regulations (including the Listing Rules).
- (2) The notice of availability may be given by any of the means set out above other than by posting it on a website.

- (3) In the case of joint holders of a share all notices shall be given to that one of the joint holders whose name stands first in the Register and notice so given shall be deemed a sufficient service on or delivery to all the joint holders.
- (4) Every person who, by operation of law, transfer, transmission, or other means whatsoever, shall become entitled to any share, shall be bound by every notice in respect of such share, which, previously to his name and address (including electronic address) being entered in the Register as the registered holder of such share, shall have been duly given to the person from whom he derives title to such share.
- (5) Every Member or a person who is entitled to receive notice from the Company under the provisions of the Statutes or these Bye-laws may register with the Company an electronic address to which notices can be served upon him.
- (6) Subject to any applicable laws, rules and regulations (including the Listing Rules) and the terms of these Bye-laws, any notice, document or publication, including but not limited to the documents referred to in Bye-laws 149, 150 and 158 may be given in the English language only or in both the English language and the Chinese language.

159. Any Notice or other document:

- (a) if served or delivered by post, shall where appropriate be sent by airmail and shall be deemed to have been served or delivered on the day following that on which the envelope containing the same, properly prepaid and addressed, is put into the post; in proving such service or delivery it shall be sufficient to prove that the envelope or wrapper containing the notice or document was properly addressed and put into the post and a certificate in writing signed by the Secretary or other officer of the Company or other person appointed by the Board that the envelope or wrapper containing the Notice or other document was so addressed and put into the post shall be conclusive evidence thereof;
- (b) if sent by electronic communication, shall be deemed to be given on the day on which it is transmitted from the server of the Company or its agent. A Notice placed on the Company's website or the website of the Designated Stock Exchange is deemed given by the Company to a Member on the day following that on which a notice of availability is deemed served on the Member;

- (c) if published on the Company's website, shall be deemed to have been served on the day on which the notice, document or publication first so appears on the Company's website to which the relevant person may have access or the day on which the notice of availability is deemed to have been served or delivered to such person under these Bye-laws, whichever is later;
- ~~(e)~~(d) if served or delivered in any other manner contemplated by these Bye-laws, shall be deemed to have been served or delivered at the time of personal service or delivery or, as the case may be, at the time of the relevant despatch, transmission or publication; and in proving such service or delivery a certificate in writing signed by the Secretary or other officer of the Company or other person appointed by the Board as to the fact and time of such service, delivery, despatch, transmission or publication shall be conclusive evidence thereof; and
- ~~(de)~~ may be given to a Member either in the English language or the Chinese language, subject to due compliance with all applicable Statutes, rules and regulations if published as an advertisement in a newspaper or other publication permitted under these Bye-laws, shall be deemed to have been served on the day on which the advertisement first so appears.
160. (1) Any Notice or other document delivered or sent by post to or left at the registered address of any Member in pursuance of these Bye-laws shall, notwithstanding that such Member is then dead or bankrupt or that any other event has occurred, and whether or not the Company has notice of the death or bankruptcy or other event, be deemed to have been duly served or delivered in respect of any share registered in the name of such Member as sole or joint holder unless his name shall, at the time of the service or delivery of the Notice or document, have been removed from the Register as the holder of the share, and such service or delivery shall for all purposes be deemed a sufficient service or delivery of such Notice or document on all persons interested (whether jointly with or as claiming through or under him) in the share.
- (2) A Notice may be given by the Company to the person entitled to a share in consequence of the death, mental disorder or bankruptcy of a Member by sending it through the post in a prepaid letter, envelope or wrapper addressed to him by name, or by the title of representative of the deceased, or trustee of the bankrupt, or by any like description, at the address, if any, supplied for the purpose by the person claiming to be so entitled, or (until such an address has been so supplied) by giving the Notice in any manner in which the same might have been given if the death, mental disorder or bankruptcy had not occurred.

- (3) Any person who by operation of law, transfer or other means whatsoever shall become entitled to any share shall be bound by every Notice in respect of such share which prior to his name and address being entered on the Register shall have been duly given to the person from whom he derives his title to such share.

SIGNATURES

161. For the purposes of these Bye-laws, a facsimile or electronic transmission message purporting to come from a holder of shares or, as the case may be, a Director or alternate Director, or, in the case of a corporation which is a holder of shares from a director or the secretary thereof or a duly appointed attorney or duly authorised representative thereof for it and on its behalf, shall in the absence of express evidence to the contrary available to the person relying thereon at the relevant time be deemed to be a document or instrument in writing signed by such holder or Director or alternate Director in the terms in which it is received. The signature to any notice or document to be given by the Company may be written, printed or made electronically.

WINDING UP

162. (1) Subject to Bye-law 162(2), the Board shall have power in the name and on behalf of the Company to present a petition to the court for the Company to be wound up.
- (2) A resolution that the Company be wound up by the court or be wound up voluntarily App. 3 21 shall be a special resolution.
163. If the Company shall be wound up (whether the liquidation is voluntary or by the court) the liquidator may, with the authority of a special resolution and any other sanction required by the Act, divide among the Members in specie or kind the whole or any part of the assets of the Company and whether or not the assets shall consist of properties of one kind or shall consist of properties to be divided as aforesaid of different kinds, and may for such purpose set such value as he deems fair upon any one or more class or classes of property and may determine how such division shall be carried out as between the Members or different classes of Members. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of the Members as the liquidator with the like authority shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no contributory shall be compelled to accept any shares or other property in respect of which there is a liability.

INDEMNITY

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

ALTERATION OF BYE-LAWS AND AMENDMENT TO
MEMORANDUM OF ASSOCIATION AND NAME OF COMPANY

165. 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 of the Members. A special resolution shall be required to alter the provisions of the memorandum of association of the Company or to change the name of the Company.

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INFORMATION

166. No Member shall be entitled to require discovery of or any information in respect of any detail of the Company's trading or any matter which is or may be in the nature of a trade secret or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Directors it will be inexpedient in the interests of the ~~members of the Company~~ Members to communicate to the public.

NOTICE OF SGM

China Display Optoelectronics Technology Holdings Limited 華顯光電技術控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 334)

NOTICE IS HEREBY GIVEN that a special general meeting (the “**SGM**”) of China Display Optoelectronics Technology Holdings Limited (the “**Company**”) will be held at 8th Floor, Building 22E, Phase Three, Hong Kong Science Park, Pak Shek Kok, New Territories, Hong Kong, on 23 December 2022, Friday, at 3:00 p.m., for the purposes of considering and, if thought fit, passing the following resolution(s) of the Company:

ORDINARY RESOLUTION(S)

To consider and, if thought fit, pass the following resolution(s) (with or without modification) as ordinary resolution(s) of the Company:

1. “**THAT:**

- (a) the Master Financial Services (2023-2025) Agreement (as defined in the circular of the Company dated 21 November 2022 (the “**Circular**”)), a copy of which is marked “A” and initialled by the chairperson of the meeting for the purpose of identification, the terms and the transactions thereunder together with the relevant proposed annual caps in relation to such transactions for the three financial years ending 31 December 2025 as set out in the Circular be and are hereby approved, confirmed and ratified; and
- (b) any director of the Company be and is hereby authorised to sign and execute such other documents or supplemental agreements or deeds for and on behalf of the Company and to do all such things and take all such actions as he or she may consider necessary, desirable or expedient for the purpose of carrying out or giving effect to or otherwise in connection with the Master Financial Services (2023-2025) Agreement or the transactions contemplated thereunder.”

SPECIAL RESOLUTION(S)

To consider and, if thought fit, pass the following resolution(s) as special resolution(s) of the Company:

2. “**THAT:**

- (a) the proposed amendments to the existing bye-laws of the Company (“**Proposed Amendments**”), the details of which are set out in Appendix III to the circular of the Company dated 21 November 2022, be and are hereby approved;

NOTICE OF SGM

- (b) the amended and restated bye-laws of the Company (the “**Amended Bye-Laws**”), which incorporates all the Proposed Amendments and a copy of which has been produced to the meeting and marked “B” and initialled by the chairperson of the meeting for the purpose of identification, be and is hereby approved and adopted as the bye-laws of the Company in substitution for, and to the exclusion of, the existing bye-laws of the Company with immediate effect; and
- (c) any director of the Company be and is hereby authorised to sign, execute and deliver all such documents, instruments and agreements (including the affixation of the common seal of the Company when required), and to do all such acts or things and make all such arrangements that he or she may, in his or her absolute discretion, consider necessary, appropriate, desirable or expedient for the purpose of, or in connection with, the implementation of and giving effect to the Proposed Amendments and the adoption of the Amended Bye-Laws, including without limitation, attending to the necessary registration and/or filings for and on behalf of the Company.”

By order of the Board
LIAO Qian
Chairman

Hong Kong, 21 November 2022

Notes:

1. A member of the Company who is a holder of two or more shares of the Company, and who is entitled to attend and vote at the SGM, is entitled to appoint more than one proxy or a duly authorised corporate representative to attend and vote in his stead. A proxy needs not be a member of the Company.
2. A form of proxy for the SGM is enclosed to the notice of the SGM. In order to be valid, the form of proxy duly completed and signed in accordance with the instructions printed thereon together with a valid power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power or authority, must be lodged at the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude a member of the Company from attending and voting in person at the SGM and any adjournment thereof should he so wish. In such event, his form of proxy will be deemed to have been revoked.
3. The record date (being the last date of registration of any transfer of shares of the Company given there will be no closure of register of members) for determining the entitlements of the shareholders of the Company to attend and vote at the SGM is 20 December 2022, Tuesday. In order to qualify to attend and vote at the SGM, all transfers accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, by no later than 4:30 p.m. on 20 December 2022, Tuesday.

NOTICE OF SGM

4. Where there are joint registered holders of any share, any one of such persons may vote at any meeting, either personally by proxy, in respect of such share of the Company as if he was solely entitled thereto; but if more than one of such joint holders be present at any meeting personally or by proxy, that one of the said persons so present being the most or, as the case may be, the more senior shall alone be entitled to vote in respect of the relevant joint holding and, for this purpose, seniority shall be determined by reference to the order in which the names of the joint holders, stand on the register in respect of the relevant joint holding.
5. If a tropical cyclone signal no. 8 or above is hoisted or a Black Rainstorm Warning Signal or “extreme conditions” as defined under Chapter 1 of the Rules of the Exchange of the Stock Exchange is/are in force at or at any time after 12:00 noon on the date of the SGM and/or the Hong Kong Observatory and/or the government of Hong Kong (as the case may be) has announced at or before 12:00 noon on the date of the SGM that either of the above mentioned warnings is to be issued within the next two hours, the SGM will be adjourned. The Company will publish an announcement to notify shareholders of the Company of the date, time and place of the adjourned SGM.

The SGM will be held as scheduled when an Amber or Red Rainstorm Warning Signal is in force. Shareholders of the Company should decide on their own whether they would attend the SGM under bad weather conditions bearing in mind their own situation.

6. In view of the current coronavirus disease 2019 (COVID-19) pandemic situation in Hong Kong and in order to better protect the safety and health of the shareholders of the Company, a series of pandemic precautionary measures will be implemented at the venue of the SGM:-
 - (i) compulsory body temperature check will be conducted for every person at the entrance of the venue of SGM. Any person with a body temperature of over 37.5 degree Celsius will not be admitted to the venue;
 - (ii) every person is required to wear facial mask at the venue of the SGM;
 - (iii) seating in the SGM venue will be arranged so as to allow for appropriate social distancing; and
 - (iv) no refreshments will be served at the SGM.

Subject to the development of the COVID-19 pandemic and in compliance with applicable laws and regulations, the Company may implement further precautionary measures at the SGM.

The Company wishes to remind its shareholders that physical attendance in person at the SGM is not necessary for the purpose of exercising their voting rights and strongly advises the shareholders to appoint the chairman of the SGM as a proxy to vote on relevant resolution(s) as instructed in accordance with the relevant proxy form as an alternative to attending the SGM in person in light of the continuing risks posed by the COVID-19 pandemic. For more details, please refer to the proxy form for the SGM.

Shareholders of the Company and other participants who will attend the SGM in person are advised to (a) consider carefully the risk of attending the SGM, which will be held in an enclosed environment; (b) follow and comply with any laws, regulations, guidelines or requirements implemented by the Hong Kong Government relating to COVID-19 pandemic; and (c) not to attend the SGM if they have contracted or are suspected to have contracted COVID-19 or have been in close contact with anybody who has contracted or is suspected to have contracted COVID-19.

As at the date of this notice, the Board comprises Mr. LIAO Qian as Chairman and non-executive director; Mr. OUYANG Hongping, Mr. WEN Xianzhen and Mr. ZHANG Feng as executive directors; and Ms. HSU Wai Man Helen, Mr. XU Yan and Mr. LI Yang as independent non-executive directors.