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



SANVO Fine Chemicals Group Limited
三和精化集團有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 301)

**GENERAL MANDATES TO ISSUE SHARES AND
REPURCHASE SHARES;
PROPOSED BONUS ISSUE;
RE-ELECTION OF DIRECTORS;
RE-APPOINTMENT OF AUDITOR;
PROPOSED AMENDMENTS TO THE MEMORANDUM AND
ARTICLES OF ASSOCIATION AND PROPOSED ADOPTION OF
NEW MEMORANDUM AND ARTICLES OF
ASSOCIATION;
AND
NOTICE OF ANNUAL GENERAL MEETING**

Capitalised terms used in the lower portion of this page and the cover inside page shall have the same respective meanings as those defined in the section headed "Definitions" of this circular.

A notice convening the Company's annual general meeting to be held at Portion 2, 12th Floor, The Center, 99 Queen's Road Central, Hong Kong on Friday, 30 June 2023 at 3:00 p.m. is set out on pages 58 to 65 of this circular.

A form of proxy for use in connection with the 2023 AGM is enclosed with this circular. If you do not intend to attend the 2023 AGM but wish to exercise your right as a Shareholder, you are requested to complete and sign the form of proxy in accordance with the instructions printed thereon and return the same to the Company's Hong Kong Branch Share Registrar, Computershare Hong Kong Investor Services Limited, located at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 48 hours before the time appointed for holding the 2023 AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from subsequently attending and voting in person at the 2023 AGM or any adjournment thereof should you so wish and in such event, the form of proxy shall be deemed to have been revoked.

30 May 2023

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This circular is prepared in both English and Chinese. In the event of any inconsistency, the English text of this circular shall prevail.

DEFINITIONS

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

“2019 Share Option Scheme”	share option scheme of the Company adopted on 13 December 2019, and as further amended (and if applicable, approved by the Shareholders) from time to time
“2023 AGM”	the annual general meeting of the Company to be held at Portion 2, 12th Floor, The Center, 99 Queen’s Road Central, Hong Kong on Friday, 30 June 2023 at 3:00 p.m.
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Audit Committee”	the audit committee of the Board
“Board”	the board of Directors
“Bonus Issue”	the proposed issue of Bonus Shares to the Shareholders whose names appear on the register of members of the Company as at the close of business on the Record Date on the basis of one (1) Bonus Share for every ten (10) existing Shares held by the Shareholders on the Record Date
“Bonus Share(s)”	new Share(s) proposed to be issued by way of Bonus Issue on the terms set out in this circular
“close associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Company”	SANVO Fine Chemicals Group Limited (三和精化集團有限公司), an exempted company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed and traded on the Main Board of the Stock Exchange (stock code: 301)

DEFINITIONS

“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended or supplemented from time to time
“controlling shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“core connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“ESG Committee”	the environmental, social and governance (ESG) committee of the Board
“Group”	the Company and our subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Hong Kong Branch Share Registrar”	Computershare Hong Kong Investor Services Limited
“Issue Mandate”	the general and unconditional mandate proposed to be granted to the Directors at the 2023 AGM to exercise the power of the Company to allot, issue and deal with the additional Shares not exceeding 20% of the aggregate number of the issued Shares as at the date of passing the relevant resolution granting such mandate
“Latest Practicable Date”	29 May 2023, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Date”	16 January 2020, being the date on which the Shares were listed and traded on the Main Board of the Stock Exchange

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended, supplemented or otherwise modified from time to time
“Mandatory General Offer”	mandatory offer in accordance with Rule 26 of the Takeovers Code
“Memorandum and Articles of Association”	the existing memorandum and articles of association of the Company as amended, supplemented or otherwise modified from time to time
“New Memorandum and Articles of Association”	the second amended and restated Memorandum and Articles of Association of the Company set out in Appendix III to this circular (with proposed changes marked-up against the existing Memorandum and Articles of Association) proposed to be adopted by the Shareholders at the 2023 AGM
“Nomination Committee”	the nomination committee of the Board
“PRC”	the People’s Republic of China
“Predecessor Companies Ordinance”	the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) as in force from time to time before 3 March 2014
“Proposed Amendments”	the proposed amendments to the Memorandum and Articles of Association as set out in Appendix III to this circular
“Remuneration Committee”	the remuneration committee of the Board

DEFINITIONS

“Repurchase Mandate”	the general and unconditional mandate proposed to be granted to the Directors at the 2023 AGM to exercise the power of the Company to repurchase Shares on the Stock Exchange not exceeding 10% of the aggregate number of the issued Shares as at the date of passing the relevant resolution granting such mandate
“Record Date”	Tuesday, 11 July 2023, being the record date by reference to which entitlements to the Bonus Shares will be determined
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) in the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed thereto under the Listing Rules
“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs as amended from time to time and administered by the Securities and Futures Commission of Hong Kong
“%”	per cent

EXPECTED TIMETABLE

The following is a summary of the events in relation to the 2023 AGM and the Bonus Issue and the date upon which these events are currently expected to take place:

Latest time for lodging transfer of Shares for entitlement to attend and vote at the 2023 AGM4:30 p.m. on Monday, 26 June 2023

Closure of register of members of the Company for the entitlement to attend and vote at the 2023 AGM from Tuesday, 27 June 2023 to Friday, 30 June 2023 (both days inclusive)

Latest time for lodging the proxy form for the 2023 AGM.....3:00 p.m. on Wednesday, 28 June 2023

Record date for entitlement to attend and vote at the 2023 AGM Friday, 30 June 2023

2023 AGM 3:00 p.m. Friday, 30 June 2023

Announcement of poll results of the 2023 AGM Friday, 30 June 2023

Last day of dealings in Shares cum-entitlement to the Bonus Shares Monday, 3 July 2023

First day of dealings in Shares ex-entitlement to the Bonus Shares Tuesday, 4 July 2023

Latest time for lodging transfer of shares for entitlement to the Bonus Shares4:30 p.m. on Wednesday, 5 July 2023

Closure period of the register of members of the Company for the Bonus Issue Thursday, 6 July 2023 to Tuesday, 11 July 2023 (both days inclusive)

EXPECTED TIMETABLE

Record Date for entitlement to
the Bonus Shares Tuesday, 11 July 2023

Despatch of the share certificates of
the Bonus Shares Tuesday, 18 July 2023

First date of dealings in the Bonus Shares Wednesday, 19 July 2023

Notes:

1. All times in this circular refer to Hong Kong local time and dates.
2. Date or deadlines specified in this circular are indicative only and may be varied by the Company. Any consequential changes to the expected timetable will be announced or notified to the Shareholders as and when appropriate in compliance with the Listing Rules.

LETTER FROM THE BOARD



SANVO Fine Chemicals Group Limited

三和精化集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 301)

Executive Directors:

Mr. Chen Bingqiang
Mr. Chen Bingyao
Mr. Ng Cheuk Lun

Independent non-executive Directors:

Ir. Daniel Lai
Mr. Xu Kai
Mr. Yeung Chun Yue David

Registered office:

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

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

Dacen Industrial Park
Huangpu Town, Zhongshan
Guangdong Province
The PRC

*Principal place of business in
Hong Kong:*

5/F., 349 Hennessy Road
Wanchai, Hong Kong

30 May 2023

Dear Shareholders,

**GENERAL MANDATES TO ISSUE SHARES AND
REPURCHASE SHARES;
PROPOSED BONUS ISSUE;
RE-ELECTION OF DIRECTORS;
RE-APPOINTMENT OF AUDITOR;
PROPOSED AMENDMENTS TO THE MEMORANDUM AND
ARTICLES OF ASSOCIATION AND PROPOSED ADOPTION OF
NEW MEMORANDUM AND ARTICLES OF ASSOCIATION;
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The Directors wish to seek the approval of the Shareholders at the 2023 AGM for, among other matters, the grant of the Issue Mandate and the Repurchase Mandate, the extension of the Issue Mandate, the proposed Bonus Issue, the proposed re-election of the Directors, the re-appointment of the auditor of the Company, the Proposed Amendments and proposed adoption of New Memorandum and Articles of Association.

LETTER FROM THE BOARD

The purpose of this circular is to give you the information regarding the resolutions to be proposed at the 2023 AGM relating to the above matters and the notice of the 2023 AGM.

ISSUE MANDATE

At the 2023 AGM, an ordinary resolution will be proposed to grant the Issue Mandate to the Directors to exercise the power of the Company to issue new Shares in the event it becomes desirable for the Company to do so. Based on 427,500,000 Shares in issue as at the Latest Practicable Date and assuming that no further Shares will be issued or no Shares will be repurchased and cancelled after the Latest Practicable Date and up to the date of the 2023 AGM, the Directors will be able to allot, issue and deal with up to a total of 85,500,000 Shares, being 20% of the total number of the issued Shares as at the date of the resolution in relation thereto if the Issue Mandate is granted at the 2023 AGM. The Issue Mandate, if granted, will remain in effect until the earliest of (i) the conclusion of the next annual general meeting of the Company, (ii) the expiration of the period within which the next annual general meeting of the Company is required to be held by the Articles of Association or any applicable laws of the Cayman Islands, or (iii) the date on which such authority is revoked or varied by an ordinary resolution of the Shareholders at general meeting of the Company.

REPURCHASE MANDATE

In addition, an ordinary resolution will be proposed at the 2023 AGM to grant the Repurchase Mandate to the Directors. Subject to the passing of the proposed ordinary resolution approving the grant of the Repurchase Mandate and based on the 427,500,000 Shares in issue as at the Latest Practicable Date and assuming that no further Shares will be issued or no Shares will be repurchased and cancelled after the Latest Practicable Date and up to the date of the 2023 AGM, the Company would be allowed to repurchase a maximum of 42,750,000 Shares, being 10% of the total number of the issued Shares as at the date of the resolution in relation thereto. The Repurchase Mandate, if granted, will be effective until the earliest of (i) the conclusion of the next annual general meeting of the Company, (ii) the expiration of the period within which the next annual general meeting of the Company is required to be held by the Articles of Association or any applicable laws of the Cayman Islands, or (iii) the date on which such authority is revoked or varied by an ordinary resolution of the Shareholders at general meeting of the Company.

LETTER FROM THE BOARD

An explanatory statement in connection with the Repurchase Mandate is set out in Appendix II to this circular. The explanatory statement contains all the requisite information required under the Listing Rules to be given to the Shareholders to enable them to make an informed decision on whether to vote for or against the resolution approving the Repurchase Mandate.

EXTENSION OF THE ISSUE MANDATE

Subject to the passing of the ordinary resolutions to grant the Issue Mandate and the Repurchase Mandate, an ordinary resolution will be proposed at the 2023 AGM to add to the Issue Mandate those Shares to be repurchased by the Company pursuant to the Repurchase Mandate.

RE-ELECTION OF DIRECTORS

As at the date of this circular, there were three executive Directors, namely Mr. Chen Bingqiang, Mr. Chen Bingyao and Mr. Ng Cheuk Lun, and three independent non-executive Directors, namely Ir. Daniel Lai, Mr. Xu Kai and Mr. Yeung Chun Yue David.

Article 108(a) of the Articles of Association provides that one-third of the Directors for the time being, or, if their number is not a multiple of three, the number nearest to but not less than one-third shall retire from office by rotation at each annual general meeting provided that every Director shall be subject to retirement by rotation at least once every three years and shall be eligible for re-election. Mr. Chen Bingqiang and Ir. Daniel Lai will retire from office and, being eligible, have offered themselves for re-election at the 2023 AGM.

The biographical details of each of the retiring Directors to be re-elected at the 2023 AGM are set out in Appendix I to this circular in accordance with the relevant requirements under the Listing Rules.

LETTER FROM THE BOARD

The Nomination Committee has assessed and reviewed the annual written confirmation of independence of each of Ir. Daniel Lai, Mr. Xu Kai and Mr. Yeung Chun Yue David and confirmed that the independent non-executive Directors are independent. In addition, with the nomination of the Nomination Committee, the Board has recommended that all the retiring Directors, namely, Mr. Chen Bingqiang and Ir. Daniel Lai stand for re-election as Directors at the 2023 AGM. For good corporate governance, each of the retiring Directors abstained from voting at the relevant Board meeting on the respective propositions of their recommendations for re-election by the Shareholders.

RE-APPOINTMENT OF AUDITOR

Moore Stephens CPA Limited will retire as the auditor of the Company at the 2023 AGM and, being eligible, offer themselves for re-appointment.

The Board, upon the recommendation of the Audit Committee, proposed to re-appoint Moore Stephens CPA Limited as the auditor of the Company and to hold office until the conclusion of the next annual general meeting of the Company.

PROPOSED BONUS ISSUE

The Board recommends the Bonus Issue on the basis of one (1) Bonus Share for every ten (10) existing Shares held by the Shareholders whose names appear on the register of members of the Company on the Record Date.

Basis of the Bonus Issue

Subject to the conditions set out under the paragraph headed “Conditions of the Bonus Issue” below having been fulfilled, the Bonus Shares will be issued and credited as fully paid at par on the basis of one (1) Bonus Share for every ten (10) existing Shares held by Shareholders whose names appear on the register of members of the Company on the Record Date.

LETTER FROM THE BOARD

On the basis of 427,500,000 Shares in issue as at the Latest Practicable Date, and assuming no further Shares will be issued or bought back before the Record Date, it is anticipated that a total of 42,750,000 Bonus Shares would be allotted and issued under the Bonus Issue. Immediately upon completion of the Bonus Issue, there will be a total of 470,250,000 Shares in the enlarged issued share capital of the Company.

The Bonus Shares will be issued and credited as fully paid at par by way of capitalisation of an amount of HK\$427,500 standing to the credit of the share premium account of the Company pursuant to the Bonus Issue.

Status of the Bonus Shares and fractional entitlements

The Bonus Shares, upon issue and subject to the Articles of Association and the laws of Cayman Islands, will rank *pari passu* in all respects with the then existing Shares in issue on the date on which the Bonus Shares are allotted and issued, including the entitlement of receiving future dividends and other distributions the record date for which falls on or after the date of allotment and issue of those Bonus Shares. The Bonus Shares are not renounceable.

There will not be any fractional entitlements to the Bonus Shares. Bonus Shares representing fractional entitlement will be aggregated and issued to a nominee to be nominated by the Board. Such Bonus Shares (if any) will be sold and the net proceeds, after deducting the related expenses therefrom, will be retained by the Company for its own benefits.

CONDITIONS OF THE BONUS ISSUE

The Bonus Issue is conditional upon:

- (i) the approval of the Bonus Issue by the Shareholders at the 2023 AGM;
- (ii) the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, the Bonus Shares; and
- (iii) compliance with the relevant legal procedures and requirements (if any) under the applicable laws of the Cayman Islands and the articles of association of the Company to effect the Bonus Issue.

LETTER FROM THE BOARD

Reasons for and benefits of the Bonus Issue

With a view to recognising continual support of the Shareholders, the Board recommends the Bonus Issue to enable the Shareholders to enjoy a pro-rata increase in the number of Shares being held in the Company without incurring any costs.

Although the price per Share on an ex-entitlement basis is expected to reduce proportionately and the Bonus Issue is not expected to increase the Shareholders' proportionate equity interests in the Company, the Bonus Issue will increase the number of Shares to be held by the Shareholders, which will afford them with more flexibility in managing their own investment portfolios. The Board believes that the Bonus Issue will not only enhance the liquidity of the Shares in the market and enlarge the capital base of the Company but also represent an appropriate and balanced way to respond to the support of the Shareholders throughout the years.

Based on the above, the Directors consider that the Bonus Issue is in the interests and for the benefits of Shareholders.

Listing, dealings and share certificates for the Bonus Shares

Application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Bonus Shares. The Shares are not listed or dealt in on any stock exchange other than the Stock Exchange. The Directors do not intend to apply for listing of and permission to deal in the Bonus Shares on any stock exchange other than the Stock Exchange.

It is expected that share certificates for the Bonus Shares will be posted by ordinary post on or before Tuesday, 18 July 2023, after all the conditions of the Bonus Issue have been fulfilled, at the risk of the Shareholders entitled thereto to their respective addresses shown on the register of members of the Company on the Record Date.

Subject to fulfillment of all conditions of the Bonus Issue, dealings in the Bonus Shares on the Stock Exchange are expected to commence on Wednesday, 19 July 2023.

LETTER FROM THE BOARD

Odd lots arrangement

The Bonus Shares issued under the Bonus Issue may be allotted in odd lots (of less than a board lot of 2,000 Shares). No special dealing arrangements will be put in place by the Company for the trading or disposal of the Bonus Shares issued in odd lots as the number of Bonus Shares to be issued is only equal to approximately 10% of the total number of issued Shares as at the Latest Practicable Date and the scale of the Bonus Issue is not significant. If such special dealing arrangements are made, extra costs in engaging an agent for such matching work are inevitable to be incurred by the Company. The Company is of the view that not engaging an agent will save the Company from costs that are incommensurate to the benefits of the Bonus Issue.

Overseas Shareholders

As at the Latest Practicable Date and based on information provided by Computershare Hong Kong Investor Services Limited, the Hong Kong branch share registrar of the Company, none of the Shareholders as recorded on the register of members of the Company has an address which is outside Hong Kong.

Should there be any Overseas Shareholders on the Record Date, the Company will make enquiry regarding the legal restrictions under the laws of the relevant place and the requirements of the relevant regulatory body or stock exchange for considering whether to exclude such Overseas Shareholders from the Bonus Issue and it may only exclude such Overseas Shareholders on the basis that, having made such enquiry, it would be necessary or expedient to do so. If any such Overseas Shareholder is excluded, arrangements will be made for the Bonus Shares which would otherwise have been issued to the Overseas Shareholders to be sold in the market as soon as practicable after dealings commence. Any net proceeds of such sale for each Overseas Shareholder, after deduction of expenses, of HK\$100 or more will be distributed in Hong Kong dollars to the relevant Overseas Shareholders, by post at his/her/its own risk, unless the amount falling to be distributed to any such person is less than HK\$100 in which case it will be retained for the benefit of the Company.

LETTER FROM THE BOARD

Adjustments to outstanding share options

On 29 March 2023, the Company granted a total of 19,680,000 share options to an executive Director and certain employees of the Group. As at the Latest Practicable Date, there were outstanding share options entitling the holders thereof to subscribe for a total of 19,680,000 Shares. Pursuant to the terms of the 2019 Share Option Scheme, the Bonus Issue may lead to adjustments to the exercise price and/or the number of the Shares which may fall to be issued upon exercise of the outstanding share options. The exercise price of the share options granted under the 2019 Share Option Scheme and the number of Shares to be allotted and issued upon full exercise of the subscription rights attaching to the 19,680,000 outstanding share options will be adjusted in the following manner as a result of the Bonus Issue:

Date of Grant	Existing exercise price per Share (HK\$)	Before completion of the Bonus Issue existing number of Shares to be allotted and issued upon exercise in full of the outstanding share options	Adjusted exercise price per Share (HK\$)	Upon completion of the Bonus Issue adjusted number of Shares to be allotted and issued upon exercise in full of the outstanding share options
29 March 2023	HK\$1.234	19,680,000	HK\$1.122	21,648,000

The 19,680,000 outstanding share options are valid for 10 years from their date of grant (i.e. from 29 March 2023 to 28 March 2033 (both dates inclusive)). The vesting periods of the 19,680,000 outstanding share options are that (i) 50% of the share options shall be vested to the grantees on 29 March 2024 and are exercisable from 29 March 2024 to 28 March 2033; and (ii) 50% of the share options shall be vested to the grantees on 29 March 2025 and are exercisable from 29 March 2025 to 28 March 2033.

LETTER FROM THE BOARD

Among the total of 19,680,000 outstanding share options granted, 4,000,000 share options were granted to Mr. Ng Cheuk Lun, an executive Director and the company secretary of the Company. Upon completion of the Bonus Issue, the number of Shares to be allotted and issued to Mr. Ng Cheuk Lun upon exercise in full of his outstanding share options will be adjusted to 4,400,000 Shares.

Save for the outstanding share options as disclosed above, the Company does not have any warrants, options, or other securities exchangeable or convertible into Shares as at the Latest Practicable Date.

Moore Stephens CPA Limited, the auditor of the Company, has confirmed in writing to the Directors that the aforesaid adjustments made to the exercise price and the number of Shares falling to be issued upon the exercise of the outstanding share options are in compliance with the requirements set out in the relevant terms of the 2019 Share Option Scheme, Rule 17.03(13) of the Listing Rules, FAQ 072-2020, FAQ 083-2022 to 101-2022, any relevant provisions of the Listing Rules and any guidance/interpretation of the Listing Rules issued by the Stock Exchange and the note thereto from time to time.

PROPOSED AMENDMENT AND PROPOSED ADOPTION OF NEW MEMORANDUM AND ARTICLES OF ASSOCIATION

Pursuant to the Consultation Conclusions on Listing Regime for Overseas Issuers published by the Stock Exchange in November 2021, the Listing Rules have been amended with effect from 1 January 2022 which requires, among others, listed issuers to adopt a uniform set of 14 "Core Standards" for shareholder protections for issuers. With a view to enhancing corporate governance, the Board proposes the Proposed Amendments be made to the existing Memorandum and Articles of Association to, among other things, (i) bring the existing Memorandum and Articles of Association in alignment with the Core Shareholder Protection Standards set out in Appendix 3 of the Listing Rules and the applicable laws of Cayman Islands; and (ii) making certain housekeeping amendments for the purpose of clarifying existing practice and making consequential amendments to be in line with the Proposed Amendments.

The full text of the New Memorandum and Articles of Association (with mark-ups showing changes from the existing Memorandum and Articles of Association) is set out in Appendix III to this circular. The Chinese translation of the New Memorandum and Articles of Association is for reference only. In case of any discrepancy between the English version and its Chinese translation, the English version shall prevail.

LETTER FROM THE BOARD

The Proposed Amendments and the proposed adoption of the New Memorandum and Articles of Association is subject to the approval of the Shareholders by way of a special resolution at the AGM. The legal advisers to the Company as to Hong Kong laws and Cayman laws have respectively confirmed that the New Memorandum and Articles of Association conform with the applicable requirements under the Listing Rules and are not inconsistent with the applicable laws of Cayman Islands. The Company confirms that there is nothing unusual about the New Memorandum and Articles of Association for a Cayman incorporated company listed on the Hong Kong Stock Exchange.

2023 AGM

The notice convening the 2023 AGM is set out on pages 58 to 65 of this circular. At the 2023 AGM, resolutions will be proposed to approve, among others, the grant of the Issue Mandate and the Repurchase Mandate, the extension of the Issue Mandate, the proposed Bonus Issue, the re-election of the Directors, the re-appointment of the auditor of the Company and the adoption of New Memorandum and Articles of Association.

For determining the Shareholders' entitlement to attend and vote at the 2023 AGM, the register of members of the Company will be closed from Tuesday, 27 June 2023 to Friday, 30 June 2023 (both dates inclusive), during which period no transfer of Shares will be effected. In order to qualify for attending and voting at the 2023 AGM, all transfer documents, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong Branch Share Registrar, Computershare Hong Kong Investor Services Limited, located at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Monday, 26 June 2023.

LETTER FROM THE BOARD

FORM OF PROXY

A form of proxy for use in connection with the 2023 AGM is enclosed with this circular and such form of proxy is also published on the respective websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.sanvo.com). If you do not intend to attend the 2023 AGM but wish to exercise your right as a Shareholder, you are requested to complete and sign the form of proxy in accordance with the instructions printed thereon and return the same to the Company's Hong Kong Branch Share Registrar, Computershare Hong Kong Investor Services Limited, located at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney or authority, not later than 48 hours (excluding any part of a day that is a public holiday) before the time appointed for holding the 2023 AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude any Shareholder from attending and voting in person at the 2023 AGM or any adjournment thereof should he/she/it so wishes and in such event, the form of proxy shall be deemed to be revoked.

VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of the Shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Therefore, all resolutions proposed at the 2023 AGM will be voted by poll and the Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

LETTER FROM THE BOARD

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

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder is required to abstain from voting on the resolutions to be proposed at the 2023 AGM.

RESPONSIBILITY STATEMENT

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

RECOMMENDATION

The Directors (including the independent non-executive Directors) believe that the proposals for the grant of the Issue Mandate and the Repurchase Mandate, the extension of the Issue Mandate, the proposed Bonus Issue, the re-election of the Directors, the re-appointment of the auditor of the Company, the Proposed Amendments and the proposed adoption of New Memorandum and Articles of Association as set out in the notice convening the 2023 AGM are in the interests of the Company and the Shareholders as a whole. Therefore, they recommend that the Shareholders vote in favour of all the resolutions to be proposed at the 2023 AGM as set out in the notice convening the 2023 AGM on pages 58 to 65 of this circular.

Yours faithfully,

For and on behalf of the Board

SANVO Fine Chemicals Group Limited

CHEN Bingqiang

*Chief Executive Officer, Executive Director and
Chairman of the Board*

The particulars of the Directors retiring as required by the Articles of Association and the Listing Rules and proposed to be re-elected at the 2023 AGM are set out as follows.

Executive Director

Mr. Chen Bingqiang

Mr. Chen Bingqiang ("**Mr. Ernest Chen**"), aged 54, is the Chairman of the Board, an Executive Director, the Chief Executive Officer of the Group and a member of the Environmental, Social and Governance Committee and the Remuneration Committee.

Mr. Ernest Chen is the elder brother of Mr. Leo Chen, an executive Director. Mr. Chen Bing Qiang is primarily responsible for and overseeing the strategic planning, business development and overall management of our Group. He was appointed as a Director on 12 April 2018 and redesignated as an executive Director on 15 April 2019. Mr. Ernest Chen is also a director of other members of the Group. Mr. Chen Bingqiang has over 28 years of experience in the chemicals industry, he found and was a director of Sanvo Industrial Co., Ltd.* (三和實業有限公司) ("**Foshan Sanvo**", a company engaged in the manufacture of plastic products, textiles, knitwear, auto parts and interior decoration materials) in Foshan City, Shunde District from March 1995 to June 2007, where he was mainly responsible for the overall management of the company. He joined the Group in April 2002.

Mr. Chen Bingqiang graduated from the China Pharmaceutical University in Jiangsu province with a bachelor's degree, majoring in chemical pharmaceuticals in July 1991, he graduated from the Chinese University of Hong Kong with a master's degree in business administration in November 2016. Mr. Chen Bingqiang obtained a certificate of qualification as a western pharmacist issued by Shunde City Science and Technology Bureau* (順德市科技局) in July 1993. In July 2015, he has also been accredited as an intermediate engineer by the Guangdong Coating Industry Association (廣東省塗料行業協會) in the PRC.

Mr. Chen Bingqiang was involved in the research of a number of patents and inventions, he was also co-awarded with Mr. Leo Chen the patent award of Zhongshan for a product named "nano mildew neutral silicone sealant" in July 2012.

Mr. Ernest Chen has entered into a service agreement with the Company for a term of three years and will continue thereafter until terminated in accordance with the terms of the agreement. The total amount of his emoluments for the year ended 31 December 2022 was RMB1,344,000. His emolument was determined by the Board by reference to his responsibilities and duties within the Company and may be adjusted upon the recommendation of the Remuneration Committee. As at the Latest Practicable Date, Mr. Ernest Chen was interested in 314,000,000 Shares, representing approximately 73.45% of the total issued Shares.

Independent Non-executive Director

Ir. Daniel Lai

Ir. Daniel Lai ("**Ir. Lai**"), *BBS, JP*, aged 76, was appointed as an independent non-executive Director on 13 December 2019, and is responsible for providing independent advice and judgement to the Board. Ir. Lai is also the chairman of the remuneration committee as well as a member of the audit committee, the nomination committee and the ESG committee.

Ir. Lai has over 41 years of experience in the information technology sector. Ir. Lai has been a director of Digital Technology and Consultancy Company Limited since March 2016, a company engaged in information technology consultancy, education and advisory services. He has also been a member of the governing council of the Hong Kong Quality Assurance Agency, an organisation established by the Hong Kong Government to help industry and commerce in the development of quality, environmental, safety, hygiene, social and other management systems standards since November 2017. From June 1978 to January 1999, he has held various positions at The Hong Kong Jockey Club (formerly known as The Royal Hong Kong Jockey Club) and Hong Kong Jockey Club Systems (Australia) Pty. Ltd., respectively, with his last position as the IT facilities management controller. From February 1999 to December 2011, he was the head of information technology of MTR Corporation Limited (a company listed on the Main board of the Stock Exchange, stock code: 0066). From January 2012 to January 2015, Ir. Lai was the Government Chief Information Officer of the Hong Kong Government. From March 2015 to September 2015, he was the interim vice president (administration) in the office of the president of the Hong Kong Polytechnic University. From September 2015 to September 2017, he was the professor of practice (computing) in the department of computing of the Hong Kong Polytechnic University.

Mr. Lai graduated from the Hong Kong Polytechnic University with a diploma in management studies (commercial) in November 1975 and from the Griffith University in Australia with a master's degree in technology management in March 1995. Mr. Lai has been a distinguished fellow member of the Hong Kong Computer Society since February 2005, a fellow of The Hong Kong Institute of Engineers since July 2012, a fellow of The Hong Kong Institute of Directors since August 2015, and a full member of the Hong Kong Management Association since March 1995.

In July 2004, Mr. Lai was awarded the bronze bauhinia star and he was appointed a justice of peace in July 2001. Further, he has held various public service positions such as the president of the Hong Kong Computer Society from 1988 to 2004, and the chairman of the Department of Computing Advisory Committee of the Hong Kong Polytechnic University from April 2012 to April 2014.

Mr. Lai has entered into an appointment letter with the Company for a term of three years and will continue thereafter until terminated in accordance with the terms of the agreement. The total amount of his emoluments for the year ended 31 December 2022 was RMB129,000. His emolument was determined by the Board by reference to his responsibilities and duties within the Company and may be adjusted upon the recommendation of the Remuneration Committee.

Save as disclosed herein, as at the Latest Practicable Date, Mr. Chen Bingqiang and Mr. Daniel Lai (i) were not interested nor deemed to be interested in any Shares or underlying Shares within the meaning of Part XV of the SFO; (ii) had not held any other directorships in the last three years in any listed public company in Hong Kong or overseas; (iii) do not hold any other position in the Company and other members of the Group; and (iv) were not related to any Directors, senior management, substantial Shareholders or controlling Shareholders.

Save as disclosed herein, there are no other matters that need to be brought to the attention of the Shareholders in connection with re-election of Mr. Chen Bingqiang and Mr. Daniel Lai and there is no other information that should be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

This appendix serves as an explanatory statement, as required by the Listing Rules, to provide the requisite information to you for your consideration of the proposed grant of the Repurchase Mandate.

1. LISTING RULES RELATING TO THE REPURCHASE MANDATE

The Listing Rules permit companies with a primary listing on the Stock Exchange to purchase their securities subject to certain restrictions. All proposed repurchases of securities on the Stock Exchange by a company with its primary listing on the Stock Exchange must be approved in advance by an ordinary resolution, either by way of a general mandate or by a specific approval of a particular transaction and that the shares to be repurchased must be fully paid up. A maximum of 10% of the total number of issued Shares as at the date of passing the relevant resolution may be repurchased on the Stock Exchange.

2. SHARE CAPITAL

As at the Latest Practicable Date, there were a total of 427,500,000 Shares in issue. Subject to the passing of the ordinary resolution for the approval of the Repurchase Mandate and assuming that no further Shares are issued and no Shares are repurchased and cancelled after the Latest Practicable Date and up to the date of the 2023 AGM, the Directors would be authorised to exercise the power of the Company to repurchase up to a maximum of 42,750,000 Shares, representing 10% of the total issued Shares as at the date of the 2023 AGM up to the earliest of (i) the conclusion of the next annual general meeting of the Company, (ii) the expiration of the period within which the next annual general meeting of the Company is required to be held by the Articles of Association or any applicable laws of the Cayman Islands, or (iii) the date on which such authority is revoked or varied by an ordinary resolution of the Shareholders at general meeting of the Company.

3. REASONS FOR REPURCHASES

The Directors have no present intention to repurchase any Shares but consider that the Repurchase Mandate is in the interests of the Company and the Shareholders as a whole. An exercise of the Repurchase Mandate may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets value per Share and/or earnings per Share and will only be made when the Directors believe that a repurchase will benefit the Company and the Shareholders as a whole.

4. FUNDING OF REPURCHASES

In repurchasing the Shares under the Repurchase Mandate, the Company may only apply funds legally available for such purpose in accordance with the Articles of Association, the Listing Rules and the applicable laws and regulations of the Cayman Islands.

The Directors may not repurchase the Shares on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange. Subject to the foregoing, the Directors may make repurchases with profits of the Company or out of a new issuance of Shares made for the purpose of the repurchase or, if authorised by the Articles of Association and subject to the Companies Law of the Cayman Islands, out of capital and, in the case of any premium payable on the repurchase, out of profits of the Company or from sums standing to the credit of the share premium account of the Company or, if authorised by the Articles of Association and subject to Companies Law of the Cayman Islands, out of capital.

5. IMPACT ON WORKING CAPITAL OR GEARING LEVEL

An exercise of the Repurchase Mandate in full might have a material adverse impact on the working capital or gearing position of the Company when compared with that as at 31 December 2022, being the date of the Company's latest published audited consolidated financial statements. The Directors do not, however, intend to make any repurchase in circumstances that would have a material adverse impact on the working capital or gearing position of the Company.

6. SHARE PRICES

The highest and lowest prices per Share at which the Shares were traded on the Stock Exchange in each of the 12 months immediately prior to the Latest Practicable Date were as follows:

Month	Price per Share (HK\$)	
	Highest	Lowest
2022		
April	1.320	1.260
May	1.320	1.150
June	1.430	1.300
July	1.460	1.400
August	1.470	1.350
September	1.450	1.360
October	1.400	1.240
November	1.330	1.100
December	1.300	1.210
2023		
January	1.320	1.190
February	1.260	1.110
March	1.300	1.200
April	1.320	1.180
May (up to the Latest Practicable Date)	1.300	1.280

7. DIRECTORS AND THEIR CLOSE ASSOCIATES

None of the Directors or, to the best of their knowledge, having made all reasonable enquiries, their close associates, have any present intention to sell to the Company or our subsidiaries any of the Shares if the Repurchase Mandate is approved at the 2023 AGM.

8. REPURCHASE OF SECURITIES FROM CONNECTED PARTIES

As at the Latest Practicable Date, to the best knowledge of the Directors, having made all reasonable enquiries, no core connected person of the Company has notified the Company that he/she/it has a present intention to sell any Shares to the Company nor has any such core connected person undertaken not to sell any of the Shares held by him/her/it to the Company in the event that the Repurchase Mandate is approved by the Shareholders.

9. UNDERTAKING OF THE DIRECTORS

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

10. EFFECT OF TAKEOVERS CODE

If a Shareholder's proportionate interest in the voting rights of the Company increases as a result of the Company exercising its powers to buy-back Shares pursuant to the Repurchase Mandate, such an increase will be treated as an acquisition for the purpose of Rule 32 of the Takeovers Code. As a result, a Shareholder or a group of Shareholders acting in concert (as defined in the Takeovers Code) could obtain or consolidate control of the Company and become obliged to make a Mandatory General Offer.

As at the Latest Practicable Date, according to the public record, and to the best of the knowledge and belief of the Directors, Mr. Chen Bingqiang, an executive Director, the chief executive officer of the Company and the chairman of the Board, was beneficially interested in 314,000,000 Shares (held via Sanvo Fine Chemicals Limited, the entire issued share capital of which is solely and beneficially owned by Mr. Chen Bingqiang), representing approximately 73.45% of the total number of issued Shares. In the event that the Directors exercise in full the power to buy back Shares in accordance with the Repurchase Mandate, the shareholding of Mr. Chen Bingqiang would be increased to approximately 81.61% of the total number of the issued Shares. Such increase would not give rise to an obligation on the part of Sanvo Fine Chemicals Limited and parties acting in concert (as defined in the Takeovers Code) with it to make a Mandatory General Offer, however, the public float of the Company will not be maintained.

The Directors are not aware of any consequence which may arise under the Takeovers Code that may result from any repurchase of Shares under the Repurchase Mandate.

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

11. SHARE REPURCHASE MADE BY THE COMPANY

The Company did not redeem any of its Shares listed and traded on the Main Board of the Stock Exchange nor did the Company or any of our subsidiaries purchase any of such Shares since the Listing Date up to the Latest Practicable Date.

The following are the proposed amendments to the Memorandum and Articles of Association. Unless otherwise specified, clauses, paragraphs and article numbers referred to herein are clauses, paragraphs and article numbers of the new Memorandum and Articles of Association. If the serial numbering of the provisions of the Memorandum and Articles of Association changed due to the addition, deletion or re-arrangement of certain provisions made in these amendments, the serial numbering of the provisions of the Memorandum and Articles of Association as so amended shall be changed accordingly, including cross-references.

Note: The Memorandum and Articles of Association is prepared in English with no official Chinese version. Chinese translation is for reference only. In the event of any inconsistency, the English version shall prevail.

Provision No.	Provision in the new Memorandum and Articles of Association (changes marked-up against provisions in the existing Memorandum and Articles of Association)
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**SECOND AMENDED AND RESTATED
MEMORANDUM
AND
ARTICLES
OF
ASSOCIATION**

SANVO Fine Chemicals Group Limited

三和精化集團有限公司

(adopted by a Special Resolution passed on 30~~13~~ June
December 2023~~2019~~ and effective on 16 January 2020)

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Memorandum of Association

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**THE COMPANIES ACT-LAW (AS REVISED)
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**SECOND AMENDED AND RESTATED
MEMORANDUM OF ASSOCIATION
OF
SANVO FINE CHEMICALS GROUP LIMITED
三和精化集團有限公司
(Company)**

**(adopted by a Special Resolution passed on 30 13-June
December 2023 2019 and effective on 16 January 2020)**

2. The registered office of the Company is situated ~~will be situate~~ at the offices of Appleby Global Services (Cayman) Limited, 71 Fort Street, PO Box 500, George Town, Grand Cayman KY1-1106, Cayman Islands ~~Estera Trust (Cayman) Limited, PO Box 1350, Clifton House, 75 Fort Street, Grand Cayman KY1-1108, Cayman Islands~~ or at such other place in the Cayman Islands as the Directors may from time to time decide.
5. If the Company is registered as an exempted company as defined in the Cayman Islands Companies Act (as Revised) ~~Law~~, it shall have the power, subject to the provisions of the Cayman Islands Companies Act (as Revised) ~~Law~~ and with the approval of a special resolution, to continue as a body incorporated under the laws of any jurisdiction outside of the Cayman Islands and to be de-registered in the Cayman Islands.

Articles of Association

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

**SECOND AMENDED AND RESTATED
ARTICLES OF ASSOCIATION
OF
SANVO FINE CHEMICALS GROUP LIMITED**

三和精化集團有限公司

(Company)

**(adopted by a Special Resolution passed on 30 13-June
~~December 2023 2019~~ and effective on 16 January 2020)**

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

WORD

MEANING

“address”

~~has shall have~~ the ordinary meaning given to it and ~~shall includes~~ include any facsimile number, electronic number or address or website used for the purposes of any communication pursuant to these Articles;

“Call”	shall includes <u>include</u> any instalment of a call;
“Clearing House”	means a clearing house recognised by the laws of the jurisdiction in which the Shares of the Company are listed or quoted with the permission of the Company on a stock exchange in such jurisdiction;
“Companies <u>Act Law</u> ”	means the Companies <u>Act Law</u> (as <u>Revised</u> revised) of the Cayman Islands as amended from time to time and every other act, order regulation or other instrument having statutory effect (as amended from time to time) for the time being in force in the Cayman Islands applying to or affecting the Company, the Memorandum of Association and/or the Articles of Association;
“Listing Rules”	shall means <u>mean</u> the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as amended from time to time;
“Registered Office”	means the registered office of the Company for the time being as required by the Companies <u>Act Law</u> ;

“Registration Office”	means such place or places in the Relevant Territory or elsewhere where the Board from time to time determine to keep a branch register of Shareholders of the Company in respect of that class of share capital and where (except in cases where the Board otherwise agrees) transfers of other documents of title for Shares are to be lodged for registration and are to be registered;
“Relevant Period”	means the period commencing from the date on which any of the securities of the Company first become listed on the HK Stock Exchange to and including the date immediately before the day on which none of such securities are so listed (and so that if at any time <u>trading listing</u> of any such securities is suspended for any reason whatsoever and for any length of time, they shall nevertheless be treated, for the purpose of this definition, as listed);
“Relevant Territory”	means Hong Kong <u>and/or</u> such other territory where any of the securities of the Company is listed on a stock exchange in that territory;
“Securities Seal”	shall mean <u>mean</u> a seal for use for sealing certificates for <u>Shares</u> shares or other securities issued by the Company which is a facsimile of the Seal of the Company with the addition on its face of the words Securities Seal;
“Subsidiary”	has the meaning ascribed to it by Section 15 of the Companies Ordinance; <u>and</u>

- 1.(c) In these Articles, unless there be something in the subject or context inconsistent herewith:
- (i) words denoting the singular number ~~shall~~ include the plural number and vice versa;
 - (ii) words importing any gender ~~shall~~ include every gender and words importing persons shall include partnerships, firms, companies and corporations;
 - (iii) subject to the foregoing provisions of this Article, any words or expressions defined in the Companies Act Law (except any statutory modification thereof not in force when these Articles become binding on the Company) ~~shall~~ bear the same meaning in these Articles, save that "company" shall where the context permits include any company incorporated in the Cayman Islands or elsewhere; and
 - (iv) references to any statute or statutory provision ~~shall~~ are to be construed as relating to any statutory modification or re-enactment thereof for the time being in force.
- 1.(d) At all times during the Relevant Period a resolution shall be a Special Resolution when it has been passed by a majority of not less than $\frac{3}{4}$ of the votes cast by such Shareholders as, being entitled so to do, vote in person or by proxy, or, in the cases of Shareholders which are corporations, by their respective duly authorised representatives, at a general meeting held in accordance with these Articles and of which notice specifying the intention to propose the resolution as a special resolution has been duly given in accordance with Article 65.

- 1.(e) A resolution shall be an Ordinary Resolution when it has been passed by a simple majority of the votes cast by such Shareholders as, being entitled so to do, vote in person or, by proxy or, in the ~~case cases~~ of Shareholders which are corporations, by their respective duly authorised representatives at a general meeting held in accordance with these Articles and of which ~~not less than 14 days'~~ notice has been duly given in accordance with Article 65.
2. ~~A To the extent that the same is permissible under Cayman Islands law and subject to Article 13, a Special Resolution shall be required to approve amendments to alter the Memorandum of Association of the Company, to approve any amendment of and these ~~the~~ Articles or to change the name of the Company.~~
- 5.(a) If at any time the share capital of the Company is divided into different classes of Shares, all or any of the special rights attached to any class (unless otherwise provided for by the terms of issue of the Shares of that class) may, subject to the provisions of the Companies Act ~~law~~, be varied or abrogated ~~either with the consent in writing of the holders of not less than ¾ 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 the provisions of these Articles relating to general meetings shall *mutatis mutandis* apply, but so that the necessary quorum (other than at an adjourned meeting) shall be not less than ~~two~~ 2 Shareholders present in person ~~persons holding~~ (or, in the case of a Shareholder being a corporation, by its duly authorised representative) holding or representing by proxy not less than one-third in nominal value of the issued Shares of that class, that the quorum for any meeting adjourned for want of quorum shall be two Shareholders present in person (or in the case of the Shareholder being a corporation, by its duly authorised representative) or by proxy (whatever the number of Shares held by them) and that any holder of Shares of the class present in person (or in the case of the Shareholder being a corporation, by its duly authorised representative) or by proxy may demand a poll.~~

8. Any new Shares shall be issued upon such terms and conditions and with such rights, privileges or restrictions attached thereto as the general meeting resolving upon the creation thereof shall direct, and if no direction be given, subject to the provisions of the Companies ~~Act~~Law and of these Articles, as the Board shall determine; and in particular such Shares may be issued with a preferential or qualified right to participate in Dividends and in the distribution of assets of the Company and with a special right or without any right of voting.
9. The Board may, before the issue of any new Shares, determine that the same, or any of them, shall be offered in the first instance, and either at par or at a premium, to all the existing holders of any class of Shares in proportion as near~~nearly~~ as may be to the number of Shares of such class held by them respectively, or make any other provisions as to the allotment and issue of such Shares, but in default of any such determination or so far as the same shall not extend, such Shares may be dealt with as if they formed part of the capital of the Company existing prior to the issue of the same.
- 11.(a) All unissued Shares and other securities of the Company shall be at the disposal of the Board and it may offer, allot (with or without conferring a right of renunciation), grant options over or otherwise dispose of them to such persons, at such times, for such consideration and generally on such terms (subject to Article 9) as it in its absolute discretion thinks fit, but so that no Shares shall be issued at a discount. The Board shall, as regards any offer or allotment of Shares, comply with the provisions of the Companies ~~Act~~Law, if and so far as such provisions may be applicable thereto.

- 12.(a) The Company may at any time pay commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any Shares or procuring or agreeing to procure subscriptions (whether absolute or conditional) for any Shares, but so that the conditions and requirements of the Companies ~~Act~~ Law shall be observed and complied with, and in each case the commission shall not exceed 10% of the price at which the Shares are issued.
- 12.(b) If any Shares are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings or the provision of any plant which cannot be made profitable within a period of one year, the Company may pay interest on so much of that share capital as is for the time being paid up for the period and, subject to any conditions and restrictions mentioned in the Companies ~~Act~~ Law, may charge the sum so paid by way of interest to capital as part of the cost of construction of the works or buildings, or the provisions of the plant.
- 13.(d) sub-divide its Shares or any of them into Shares of smaller amount than is fixed by the Memorandum of Association, subject nevertheless to the provisions of the Companies ~~Act~~ Law, and so that the resolution whereby any Share is sub-divided may determine that, as between the holders of the Shares resulting from such sub-division, one or more of the Shares may have any such preferred or other special rights over, or may have such deferred rights or be subject to any such restrictions as compared with the others as the Company has power to attach to unissued or new Shares;

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

- 15(b) Subject to the provisions of the Companies ~~Act~~ Law and the Memorandum of Association of the Company, and to any special rights conferred on the holders of any Shares or attaching to any class of Shares, Shares may be issued on the terms that they may, at the option of the Company or the holders thereof, be liable to be redeemed on such terms and in such manner, including out of capital, as the Board may deem fit.
- ~~15(c)~~ Where the Company purchases for redemption a redeemable Share, purchases not made through the market or by tender shall be limited to a maximum price, and if purchases are by tender, tenders shall be available to all Shareholders alike.
- ~~15(c)(d)~~ The purchase or redemption of any Share shall not be deemed to give rise to the purchase or redemption of any other Share.
- ~~15(d)(e)~~ The holder of the Shares being purchased or redeemed shall be bound to deliver up to the Company at the Head Office or such other place as the Board shall specify the certificate(s) thereof for cancellation and thereupon the Company shall pay to him the purchase or redemption monies in respect thereof.
- 17.(a) The Board shall cause to be kept the Register and there shall be entered therein the particulars required under the Companies ~~Act~~ Law.
- 17.(b) Subject to the provisions of the Companies ~~Act~~ Law, if the Board considers it necessary or appropriate, the Company may establish and maintain a principal or branch register of Shareholders at such location as the Board thinks fit and, during the Relevant Period, the Company shall keep its principal or a branch register of Shareholders in Hong Kong.

- 17.(d) The Register may be closed at such time or for such period not exceeding in the whole 30 days in each year as the Board may determine. The Company may close any Register maintained in Hong Kong in a manner which complies with section 632 of the Companies Ordinance.
- 18.(a) Every person whose name is entered as a Shareholder in the Register shall be entitled to receive within the relevant time limit as prescribed in the Companies ~~Act~~^{Law} or as the HK Stock Exchange may from time to time determine, whichever is shorter, after allotment or lodgement of a transfer (or within such other period as the conditions of issue shall provide or is required by the applicable rules of the stock exchange of the Relevant Territory) one certificate for all his Shares, or, if he shall so request, in a case where the allotment or transfer is of a number of Shares in excess of the number for the time being forming a stock exchange board lot for the purposes of the stock exchange of the Relevant Territory on which the Shares are listed upon payment of such sum (in the case of a transfer, not exceeding in the case of any share capital listed on a stock exchange in Hong Kong, HK\$2.50 or such other sum as may from time to time be allowed or not prohibited under the Listing Rules, and in the case of any other Shares, such sum in such currency as the Board may from time to time determine to be reasonable in the territory in which the relevant Register is situated, or otherwise such other sum as the Company may by Ordinary Resolution determine) for every certificate after the first as the Board may from time to time determine, such number of certificates for Shares in stock exchange board lots or whole multiples thereof as he shall request and one for the balance (if any) of the Shares in question, provided that in respect of a Share or Shares held jointly by several persons the Company shall not be bound to issue a certificate or certificates to each such person, and the issue and delivery of a certificate or certificates to one of the joint holders shall be sufficient delivery to all such holders.

19. Every certificate for Shares, warrants or debentures or representing any other form of securities of the Company shall be issued under the Seal ~~of the Company~~, which for this purpose may be a duplicate Seal.
23. 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; and the Company shall also have a first and paramount lien and charge on all Shares (other than fully paid-up Shares) standing registered in the name of a Shareholder, whether singly or jointly with any other person or persons, for all the debts and liabilities of such Shareholder or his estate to the Company and whether the same shall have been incurred before or after notice to the Company of any equitable or other interest of any person other than such Shareholder, 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 Shareholder or his estate and any other person, whether a Shareholder ~~of the Company~~ or not. The Company's lien (if any) on a Share shall extend to all Dividends and bonuses declared in respect thereof. The Board may at any time either generally or in any particular case waive any lien that has arisen, or declare any Share to be exempt wholly or partially from the provisions of this Article.

24. The Company may sell, in such manner as the Board thinks fit, any Shares 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 14 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 intention to sell in default, shall have been given, in the manner in which notices may be sent to Shareholders of the Company as provided in these Articles, to the registered holder for the time being of the Shares, or the person entitled by reason of such holder's death, bankruptcy or winding-up to the Shares.
39. Subject to the Companies Act ~~Law~~, all transfers of Shares shall be effected by transfer in writing in the usual or common form or in such other form as the Board may accept provided always that it shall be in such a form prescribed by the HK Stock Exchange and may be under hand only or, if the transferor or transferee is a Clearing House (or its nominee(s)), under hand or by machine imprinted signature or by such other means of execution as the Board may approve from time to time.
- 41.(c) Notwithstanding anything contained in these Articles, the Company shall as soon as practicable and on a regular basis record in the principal Register all removals of Shares effected on any branch Register and shall at all times maintain the principal Register and all branch Registers in all respects in accordance with the Companies Act ~~Law~~.

62. ~~At all times during the Relevant Period other than the year of the Company's adoption of these Articles, the Company shall in each financial year hold a general meeting as its annual general meeting in addition to any other meeting in that financial year and shall specify the meeting as such in the notice calling it, and not more than 15 Months~~ Each annual general meeting shall be held within 6 months after the end of the Company's financial year (or any such longer period as may be authorised by the HK Stock Exchange) shall elapse between the date of one annual general meeting of the Company and that of the next. The annual general meeting shall be held in the Relevant Territory or elsewhere as may be determined by the Board and at such time and place as the Board shall appoint. A meeting of the Shareholders or any class thereof may be held by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence at such meetings.
64. The Board may, whenever it thinks fit, convene an extraordinary general meeting. ~~An extraordinary~~ Extraordinary general meeting ~~meetings shall also be convened on the requisition of one or more Shareholders holding, on at the date of deposit of the requisition, a minority stake in the total number of issued Shares, and the minimum stake required to do this shall not be less than 10% of the voting rights (on a one tenth of the paid up vote per Share basis) in the issued share capital of the Company having the right of voting at. Such Shareholder(s) shall also be entitled to add resolutions to the agenda for the extraordinary general meeting meetings so concerned.~~ Such Shareholder(s) shall also be entitled to add resolutions to the agenda for the extraordinary general meeting meetings so concerned. Such requisition shall be made in writing to the Board or the Secretary for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business or resolution specified in such requisition. Such meeting shall be held within two Months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

65. An annual general meeting of the Company shall be called by at least 21 days' notice in writing, and a general meeting of the Company, other than an annual general meeting, shall be called by at least 14 days' notice in writing. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the place, the day, the hour and the agenda of the meeting and particulars of the resolutions to be considered at that meeting and in case of special business (as defined in Article 67), the general nature of that business, and shall be given, in the manner hereinafter mentioned or in such other manner, if any, as may be prescribed by the Company in general meeting, to such persons as are, under these Articles, entitled to receive such notices from the Company, provided that a meeting of the Company shall notwithstanding that it is called by shorter notice than that specified in this Article be deemed to have been duly called if it is so agreed:
- 65.(a) in the case of a meeting called as the annual general meeting, by all the Shareholders entitled to attend and vote thereat or their proxies; and
- 67.(a) (iv) the appointment and removal of Auditors;

70. The chairman (if any) of the Company or if he is absent or declines to take the chair at such meeting, the Vice chairman (if any) of the Company shall take the chair at every general meeting, or, if there be no such chairman or Vice chairman, or, if at any general meeting neither of such chairman or Vice chairman is present within 15 minutes after the time appointed for holding such meeting, or both such persons decline to take the chair at such meeting, the Directors present shall choose one of their number as chairman of the meeting, and if no Director be present or if all the Directors present decline to take the chair or if the chairman of the meeting chosen shall retire from the chair, then the Shareholders present shall choose one of their number to be chairman of the meeting.
76. In the event ~~case~~ of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting shall be entitled to a second or casting vote. In the event ~~case~~ of any dispute as to the admission or rejection of any vote, the chairman of the meeting shall determine the same, and such determination shall be final and conclusive.
- 79A. Shareholders have the right to (a) speak at a general meeting; and (b) vote at a general meeting except where a Shareholder is required, by the Listing Rules, to abstain from voting to approve the matter under consideration. Where the Company has knowledge that any Shareholder is, under the Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such Shareholder in contravention of such requirement or restriction shall not be counted.

85. Any Shareholder 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 Shareholder 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. A proxy need not be a Shareholder of the Company. On a poll or a show of hands votes may be given either personally (or, in the case of a Shareholder being a corporation, by its duly authorised representative) or by proxy. A proxy shall be entitled to exercise the same powers on behalf of a Shareholder who is an individual and for whom he acts as proxy as such Shareholder could exercise. In addition, a proxy shall be entitled to exercise the same powers on behalf of a Shareholder which is a corporation and for which he acts as proxy as such Shareholder could exercise if it were an individual Shareholder.
87. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, ~~either under seal or under the hand of a duly authorized an officer or attorney or other person~~ duly authorised to sign the same.
- 92.(a) Any corporation which is a Shareholder may, by resolution of its directors or other governing body or by power of attorney, authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of Shareholders ~~of the Company~~, and the person so authorised shall be entitled to vote and to exercise the same rights and powers on behalf of the corporation which he represents as that corporation could exercise if it was a Shareholder who is ~~were~~ an individual Shareholder. References in these Articles to a Shareholder present in person at a meeting shall, unless the context otherwise requires, include a corporation which is a Shareholder represented at the meeting by such duly authorised representative.

- 92.(b) Where a Shareholder is a Clearing House (or its nominee(s)), it may (subject to Article 93) appoint one or more proxies or authorise such person or persons as it thinks fit to act as its representative or representatives at any general meeting of the Company or at, any meeting of any class of Shareholders or any meeting of creditors, and each of those proxies or representatives shall enjoy rights equivalent to the rights of other Shareholders, provided that if more than one person is so authorised, the authorisation shall specify the number and class of Shares in respect of which each such representative is so authorised. A person so authorised pursuant to the provisions of this Article shall be deemed to have been duly authorised without further evidence of the facts and be entitled to exercise the same rights and powers on behalf of the Clearing House (or its nominee(s)) which he represents as that Clearing House (or its nominee(s)) could exercise as if such person were a Shareholder who is an individual Shareholder, including the right to vote individually on a show of hands and the right to speak.
95. The Registered Office ~~of the Company~~ shall be at such place in the Cayman Islands as the Board shall from time to time decide.
96. The number of Directors shall not be less than two (2). The Company shall keep at its Registered Office a register of its directors and officers in accordance with the Companies Act Law.
99. A Director or an alternate Director shall not be required to hold any qualification Shares but shall nevertheless be entitled to attend and speak at all general meetings of the Company and all meetings of any class of Shareholders ~~of the Company.~~
- 104.(a) Payments to any Director or past director of the Company of any sum by way of compensation for loss of office or as consideration for or in connection with his retirement from office (not being a payment to which the Director director of the Company or past director of the Company is contractually or statutorily entitled) must be approved by the Company in general meeting.

- 104.(b) Except as would, if the Company were a company incorporated in Hong Kong, be permitted by the Companies Ordinance as in force at the date of adoption of these Articles, and except as permitted under the Companies ~~Act~~ Law, the Company shall not directly or indirectly:
- (i) make a loan to a Director or a director of any Holding Company of the Company or any of their respective Associates;
 - (ii) enter into any guarantee or provide any security in connection with a loan made by any person to a Director or a director of any Holding Company of the Company or any of their respective Associates; or
 - (iii) if any one or more of the Directors hold (jointly or severally or directly or indirectly) a controlling interest in another company, make a loan to that other company or enter into any guarantee or provide any security in connection with a loan made by any person to that other company.
- 105.(g) if he shall be removed from office by an Ordinary Resolution of ~~the Company~~ under Article 114; or
- 107.(c) A Director may hold any other office or place of profit with the Company (except that of the Auditors) in conjunction with his office of Director for such period and upon such terms as the Board may determine, and may be paid such extra remuneration therefor (whether by way of salary, commission, participation in profit or otherwise) as the Board may determine, and such extra remuneration shall be in addition to any remuneration provided for by or pursuant to any other Articles.

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

119. The Directors shall cause a proper register to be kept, in accordance with the provisions of the Companies ~~Act-Law~~, of all mortgages and charges specifically affecting the property of the Company and shall duly comply with such provisions of the Companies ~~Act-Law~~ with regard to the registration of mortgages and charges as may be specified or required.
124. A Director appointed to an office under Article 122 shall be subject to the same provisions as to resignation and removal as the other Directors ~~of the Company~~, and he shall *ipso facto* and immediately cease to hold such office if he shall cease to hold the office of Director for any cause.
127. The business of the Company shall be managed by the Board who, in addition to the powers and authorities by these Articles expressly conferred upon it, may exercise all such powers and do all such acts and things as may be exercised or done or approved by the Company and are not hereby or by the Companies ~~Act-Law~~ expressly directed or required to be exercised or done by the Company in general meeting, but subject nevertheless to the provisions of the Companies ~~Act-Law~~ and of these Articles and to any regulations from time to time made by the Company in general meeting not being inconsistent with such provisions or these Articles, provided that no regulation so made shall invalidate any prior act of the Board which would have been valid if such regulation had not been made.

- 142.(b) Where a Director is, on the date on which a resolution in writing is last signed by a Director, absent from the territory in which the Head Office is for the time being situated, or cannot be contacted at his last known address or contact telephone or facsimile number, or is temporarily unable to act through ill-health or disability and, in each case, his alternate (if any) is affected by any of these events, the signature of such Director (or his alternate) to the resolution shall not be required, and the resolution in writing, so long as such a resolution shall have been signed by at least two Directors or their respective alternates who are entitled to vote thereon or such number of Directors as shall form a quorum, shall be deemed to have been passed at a meeting of the Board duly convened and held, provided that a copy of such resolution has been given or the contents thereof have been communicated, to all of the Directors (or their respective alternates) for the time being entitled to receive notices of meetings of the Board at their respective last known address, telephone or facsimile number or, if none, at the Head Office and provided further that no Director is aware of or has received from any Director any objection to the resolution.
144. The Secretary shall be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit, and any Secretary so appointed may, without prejudice to his right under any contract with the Company, be removed by the Board. Anything by the Companies Act~~Law~~ or these Articles required or authorised to be done by or to the Secretary, if the office is vacant or there is for any other reason no Secretary capable of acting, may be done by or to any assistant or deputy Secretary, or if there is no assistant or deputy Secretary capable of acting, by or to any officer of the Company authorised generally or specifically on behalf of the Board.
145. The Secretary shall attend all meetings of the Shareholders and shall keep correct minutes of such meetings and enter the same in the proper books provided for the purpose. He shall perform such other duties as are prescribed by the Companies Act~~Law~~ and these Articles, together with such other duties as may from time to time be prescribed by the Board.

146. A provision of the Companies ~~Act~~ Law or of these Articles requiring or authorising a thing to be done by or to a Director and the Secretary shall not be satisfied by its being done by or to the same person acting both as Director and as, or in place of the Secretary.
- 147.(a) Subject to the Companies ~~Act~~ Law, the Company shall have one or more Seals as the Board may determine, and may have a Seal for use outside the Cayman Islands. The Board shall provide for the safe custody of each Seal, and no Seal shall be used without the authority of the Board or a committee authorised by the Board in that behalf.
- 153.(a) The Company in general meeting may, upon the recommendation of the Board, resolve to capitalise any sum standing to the credit of any of the Company's reserve accounts which are available for distribution (including its share premium account and capital redemption reserve fund, subject to the Companies ~~Act~~ Law) and to appropriate such sums to the holders of Shares on the Register at the close of business on the date of the relevant resolution (or such other date as may be specified therein or determined as provided therein) in the proportions in which such sum would have been divisible amongst them had the same been a distribution of profits by way of Dividend and to apply such sum on their behalf in paying up in full unissued Shares for allotment and distribution credited as fully paid-up to and amongst them in the proportion aforesaid.

- 153.(b) Subject to the Companies ~~Act~~Law, whenever such a resolution as aforesaid shall have been passed, the Board shall make all appropriations and applications of the reserves or profits and undivided profits resolved to be capitalised thereby, and attend to all allotments and issues of fully paid Shares, debentures, or other securities and generally shall do all acts and things required to give effect thereto. For the purpose of giving effect to any resolution under this Article, the Board may settle any difficulty which may arise in regard to a capitalisation issue as it thinks fit, and in particular may disregard fractional entitlements or round the same up or down and may determine that cash payments shall be made to any Shareholders in lieu of fractional entitlements or that fractions of such value as the Board may determine may be disregarded in order to adjust the rights of all parties or that fractional entitlements shall be aggregated and sold and the benefit shall accrue to the Company rather than to the Shareholders concerned, and no Shareholders who are affected thereby shall be deemed to be, and they shall be deemed not to be, a separate class of Shareholders by reason only of the exercise of this power. The Board may authorise any person to enter on behalf of all Shareholders interested in a capitalisation issue any agreement with the Company or other(s) providing for such capitalisation and matters in connection therewith and any agreement made under such authority shall be effective and binding upon all concerned. Without limiting the generality of the foregoing, any such agreement may provide for the acceptance by such persons of the Shares, debentures or other securities to be allotted and distributed to them respectively in satisfaction of their claims in respect of the sum so capitalised.
154. Subject to the Companies ~~Act~~Law and these Articles, the Company in general meeting may declare Dividends in any currency but no Dividends shall exceed the amount recommended by the Board.

- 155.(a) The Board may subject to Article 156 from time to time pay to the Shareholders such interim Dividends as appear to the Board to be justified by the financial conditions and 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 to 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 it 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.
- 156.(a) No Dividend shall be declared or paid or shall be made otherwise than in accordance with the Companies ~~Act~~Law.
- 156.(b) Subject to the provisions of the Companies ~~Act~~Law but without prejudice to paragraph (a) of this Article, where any asset, business or property is bought by the Company as from a past date (whether such date be before or after the incorporation of the Company) the profits and losses thereof as from such date may at the discretion of the Board in whole or in part be carried to revenue account and treated for all purposes as profits or losses of the Company, and be available for Dividend accordingly. Subject as aforesaid, if any Shares or securities are purchased cum Dividend or interest, such Dividend or interest may at the discretion of the Board be treated as revenue, and it shall not be obligatory to capitalise the same or any part thereof or to apply the same towards reduction of or writing down the book cost of the asset, business or property acquired.
171. The Board shall make or cause to be made such annual or other returns or filings as may be required to be made in accordance with the Companies ~~Act~~Law.

172. The Board shall cause proper books of account to be kept of the sums of money received and expended by the Company, and the matters in respect of which such receipts and expenditure take place; and of the assets and liabilities of the Company and of all other matters required by the Companies ~~Act~~ Law necessary to give a true and fair view of the state of the Company's affairs and to show and explain its transactions.
174. No Shareholder (not being a Director) or other person shall have any right of inspecting any account or book or document of the Company except as conferred by the Companies ~~Act~~ Law or ordered by a court of competent jurisdiction or authorised by the Board or the Company in general meeting.
- 176.(a) The ~~Shareholders Company~~ shall at ~~each annual~~ general meeting by Ordinary Resolution appoint one or more firms of auditors to hold office until the conclusion of the next annual general meeting on such terms and with such duties as may be agreed with the Board, but if an appointment is not made, the Auditors in office shall continue in office until a successor is appointed. ~~No A Director, or officer of the Company, or employee of any such Director, or officer or employee of the Company, shall not be appointed as Auditors of the Company. The Board may fill any casual vacancy in the office of Auditors, but while any such vacancy continues the surviving or continuing Auditors (if any) may act. The remuneration of the Auditors shall be fixed by or on the authority of the Company in the Shareholders in a annual general meeting by Ordinary Resolution, or in such manner as the Shareholders may determine except that in any particular year the Company in general meeting may delegate the fixing of such remuneration to the Board and the remuneration of any Auditors appointed to fill any casual vacancy may be fixed by the Board.~~

- 176.(b) The Shareholders may, at any general meeting convened and held in accordance with these Articles, remove the Auditors by ~~Special-Ordinary~~ Resolution at any time before the expiration of their ~~the~~ term of office and shall, by Ordinary Resolution, at that meeting, appoint new Auditors ~~auditors~~ in their ~~its~~ place for the remainder of such ~~the~~ term.
- 176.(c) The Directors may fill any causal vacancy in the office of Auditors, but while any such vacancy continues the surviving or continuing Auditor(s) (if any) may act. The remuneration of any Auditor appointed by the Directors under this Article may be fixed by the Board. Subject to Article 176(a), an Auditor appointed under this Article shall hold office until the next following annual general meeting of the Company and shall then be subject to appointment by the Shareholders at such remuneration to be determined by the Shareholders under Article 176(a).
177. The Auditors ~~of the Company~~ shall have a right of access at all times to the books and accounts and vouchers of the Company and shall be entitled to require from the Directors and officers of the Company such information as may be necessary for the performance of his or their duties, and the Auditors shall audit every balance sheet and profit and loss account of the Company in each year and prepare an Auditors' report thereon to be annexed thereto. Such report shall be laid before the Company in the annual general meeting.
178. No person other than the retiring Auditors shall be appointed as the Auditors at an annual general meeting unless notice of an intention to nominate that person to the office of Auditors has been given to the Company not less than 14 clear days before the annual general meeting, and the Company shall send a copy of any such notice to the retiring Auditors and shall give notice thereof to the Shareholders not less than seven days before the annual general meeting provided that the above requirement for sending a copy of such notice to the retiring Auditors may be waived by notice in writing by the retiring Auditors to the Secretary.

179. All acts done by any person acting as the Auditors shall, as regards all persons dealing in good faith with the Company, be valid, notwithstanding that there was some defect in their appointment or that they were at the time of their appointment not qualified for appointment or subsequently became disqualified.
180. (a) Except where otherwise expressly stated, any notice or document to be given to or by any person pursuant to these Articles shall be in writing or, to the extent permitted by the Companies Act-Law and the Listing Rules from time to time and subject to this Article, contained in an electronic communication. A notice calling a meeting of the Board need not be in writing.
- (b) Except where otherwise expressly stated, any notice or document to be given to or by any person pursuant to these Articles (including any corporate communications within the meaning ascribed thereto under the Listing Rules) may be served on or delivered to any Shareholder either personally or by sending it through the post in a prepaid envelope or wrapper addressed to such Shareholder at his registered address as appearing in the register or by leaving it at that address addressed to the Shareholder or by any other means authorised in writing by the Shareholder concerned or (other than share certificate) by publishing it by way of advertisement in the Newspapers. In case of joint holders of a share, all notices shall be given to that one of the joint holders whose name stands first in the register and notice so given shall be sufficient notice to all the joint holders. Without limiting the generality of the foregoing but subject to the Companies Act-Law and the Listing Rules, a notice or document may be served or delivered by the Company to any Shareholder by electronic means to such address as may from time to time be authorised by the Shareholder concerned or by publishing it on a website and notifying the Shareholder concerned that it has been so published.

- 181.(b) Any Shareholder who fails (and, where a Share is held by joint holders, where the first joint holder named on the register fails) to supply his registered address or a correct registered address to the Company for service of notices and documents on him shall not (and where a Share is held by joint holders, none of the other joint holders whether or not they have supplied a registered address shall) be entitled to service of any notice or documents by the Company and any notice or document which is otherwise required to be served on him may, if the Board in its absolute discretion so elects (and subject to them re-electing otherwise from time to time), be served, in the case of notices, by displaying a copy of such notice conspicuously at the Registered Office and the Head Office or, if the Board sees fit, by advertisement in the Newspapers, and, in the case of documents, by posting up a notice conspicuously at the Registered Office and the Head Office addressed to such Shareholder which notice shall state the address within the Relevant Territory at which he served in the manner so described which shall be sufficient service as regards Shareholders with no registered or incorrect addresses, provided that nothing in this paragraph (b) shall be construed as requiring the Company to serve any notice or document on any Shareholder with no or an incorrect registered address for the service of notice or document on him or on any Shareholder other than the first named on the Register ~~register of members of the Company~~.
- 183 A notice or document may be given by the Company to the person entitled to a Share in consequence of the death, mental disorder, bankruptcy or liquidation of a Shareholder by sending it through the post in a prepaid envelope or wrapper addressed to him by name, or by the title of representative of the deceased, the trustee of the bankrupt or the liquidator of the Shareholder, or by any like description, at the address, if any, supplied for the purpose by the person claiming to be so entitled, or (until such an address has been so supplied) by giving the notice or document in any manner in which the same might have been given if the death, mental ~~meta~~ disorder, bankruptcy or winding up had not occurred.

187. No Shareholder (not being a Director) shall be entitled to require discovery of or any information respecting any detail of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade or secret process which may relate to the conduct of the business of the Company which in the opinion of the Board will be inexpedient in the interests of the Shareholders ~~of the Company~~ to communicate to the public.
188. Subject to the Companies ~~Law~~ Act, a resolution that the Company be wound up by the Court or be wound up voluntarily shall be passed by way of a Special Resolution.
190. If the Company shall be wound up (in whatever manner) the liquidator may, with the sanction of a Special Resolution and any other sanction required by the Companies Act ~~Law~~, divide among the Shareholders in specie or kind the whole or any part of the assets of the Company whether the assets shall consist of property of one kind or shall consist of properties of different kinds and the liquidator may, for such purpose, set such value as he deems fair upon any one or more class or classes of property to be divided as aforesaid and may determine how such division shall be carried out as between the Shareholders or different classes of Shareholders and the Shareholders within each class. The liquidator may, with the like sanction, vest any part of the assets in trustees upon such trusts for the benefit of Shareholders as the liquidator, with the like sanction, shall think fit, but so that no Shareholder shall be compelled to accept any Shares or other assets upon which there is a liability.
195. The following provisions shall have effect to the extent that they are not prohibited by and are in compliance with the Companies Act ~~Law~~:
196. The following provisions shall have effect at any time and from time to time provided that they are not prohibited by or inconsistent with the Companies Act ~~Law~~:

FINANCIAL YEAR

197. The Directors shall determine the financial year of the Company and may change it from time to time. Unless they determine otherwise, the financial year end of the Company shall be the 31st day of December in each calendar year.

NOTICE OF 2023 AGM



SANVO Fine Chemicals Group Limited

三和精化集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 301)

NOTICE IS HEREBY GIVEN THAT the annual general meeting (the "**2023 AGM**") of SANVO Fine Chemicals Group Limited (the "**Company**") will be held at Portion 2, 12th Floor, The Center, 99 Queen's Road Central, Hong Kong on Friday, 30 June 2023 at 3:00 p.m. for the following purposes:

As ordinary business,

1. To receive and adopt the audited consolidated financial statements and the reports of the directors (the "**Directors**") and the independent auditor of the Company for the year ended 31 December 2022.
2. To approve, each as a separate resolution, the re-election of the following Directors:
 - (i) Mr. Chen Bingqiang as an executive Director; and
 - (ii) Ir. Daniel Lai as an independent non-executive Director.
3. To authorise the board of Directors (the "**Board**") to fix the Directors' remuneration for the year ending 31 December 2023.
4. To re-appoint Moore Stephens CPA Limited as the independent auditor of the Company for the ensuing year and authorise the Board to fix its remuneration.

NOTICE OF 2023 AGM

5. To consider and, if thought fit, pass with or without amendments the following resolution as an ordinary resolution:

“THAT:

- (a) subject to paragraph (c) of this resolution below, pursuant to the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with additional shares of the Company (the “**Shares**”) or securities convertible into or exchange for Shares, or options or warrants, for similar rights to subscribe for any Shares and to make or grant offers, agreements and options, including warrants to subscribe for Shares, which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this resolution above shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate number of Shares allotted and issued or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to options or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as defined below); or (ii) the exercise of any options granted under the share option scheme of the Company; or (iii) any scrip dividend or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company in force from time to time (the “**Articles of Association**”); or (iv) any issue of Shares upon the exercise of rights of subscription, conversion or exchange under the terms of any warrants of the Company or any securities which are convertible into or exchangeable for Shares, shall not exceed the aggregate of 20% of the aggregate number of the issued Shares as at the date of the passing of this resolution and the authority pursuant to paragraph (a) of this resolution above shall be limited accordingly; and

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(d) for the purposes of this resolution:

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

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required to be held by the Articles of Association or the applicable laws of the Cayman Islands; or
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution.

“**Rights Issue**” means an offer of Shares, or offer or issue of warrants, options or other securities giving the rights to subscribe for Shares open for a period fixed by the Directors to holders of Shares on the register on a fixed record date in proportion to their then holdings of such Shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction applicable to the Company or any recognised regulatory body or any stock exchange applicable to the Company).”

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6. To consider and, if thought fit, pass with or without amendments the following resolution as an ordinary resolution:

“THAT:

- (a) subject to paragraph (b) of this resolution below, the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to repurchase the Shares on the Stock Exchange or any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission of Hong Kong (the “**Commission**”) and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the Commission, the Stock Exchange, the applicable laws of the Cayman Islands and all other applicable laws in this regard, be and the same is hereby generally and unconditionally approved;
- (b) the aggregate number of the Shares which may be repurchased by the Company pursuant to the approval in paragraph (a) of this resolution above during the Relevant Period (as defined below) shall not exceed 10% of the aggregate number of the issued Shares as at the date of the passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and
- (c) for the purpose of this resolution:

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

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required to be held by the Articles of Association or the applicable laws of the Cayman Islands; or
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution.

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7. To consider and, if thought fit, pass with or without amendments the following resolution as an ordinary resolution:

“THAT subject to the passing of resolutions nos. 5 and 6 set out in the notice convening the 2023 AGM (the **“Notice”**), the authority of the Directors pursuant to resolution no. 5 set out in the Notice be and is hereby approved to extend to cover such amount representing the aggregate number of the issued Shares repurchased pursuant to the authority granted pursuant to resolution no. 6 set out in the Notice.”

8. To consider and, if thought fit, pass with or without amendments the following resolution as an ordinary resolution:

“THAT conditional upon the Listing Committee of the Stock Exchange granting the listing of, and the permission to deal in, the Bonus Shares (as defined in paragraph (a) of this resolution below) to be issued pursuant to this resolution:

- (a) an amount standing to the credit of the share premium account of the Company as would be required to be applied in paying up in full at par new Shares, such Shares, credited as fully paid, to be allotted, issued and distributed (subject as referred to in paragraph (b) below) among members of the Company whose names appear on the register of members of the Company (except for Overseas Shareholders (as defined in the circular of the Company dated 30 May), if any) on Tuesday, 11 July 2023 (the **“Record Date”**) on the basis of one (1) new Share (**“Bonus Share(s)”**) for every ten (10) existing Shares then held by the shareholders of the Company on the Record Date, be capitalised and applied in such manner and the Directors be and are hereby authorised to allot and issue such Bonus Shares;
- (b) in the case where there is any Overseas Shareholder(s) on the Record Date and upon making relevant enquiries as the Directors may consider necessary or appropriate, the Directors be and are hereby authorised to consider the exclusion of such Overseas Shareholders, arrange for the Bonus Shares which would otherwise have been issued to such Overseas Shareholders to be sold in the market as soon as practicable after dealings in the Bonus Shares commence, and distribute the net proceeds of sale, after

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deduction of the related expenses, of HK\$100 or more in Hong Kong dollars to the Relevant Overseas Shareholders, if any, pro-rata to their respective shareholdings and remittances therefor by post, at their own risk, unless the amount falling to be distributed to any such persons is less than HK\$100, in which case the Directors be and are hereby authorised to retain such amount for the benefit of the Company;

- (c) no fractional Bonus Shares shall be allotted and issued to members of the Company and fractional entitlements (if any) will be aggregated, sold and retained for the benefit of the Company, where applicable;
 - (d) the Bonus Shares to be allotted, issued and distributed pursuant to paragraph (a) above shall rank *pari passu* in all respects with the existing issued and unissued Shares as at the date of issue of such Bonus Shares including the entitlement to dividends and other distribution the record date for which is on or after the date of allotment and issue of the Bonus Shares; and
 - (e) the Directors be and are hereby authorised to do all acts and things as may be necessary and expedient in connection with the issue of the Bonus Shares referred to in paragraphs (a) to (d) of this resolution, including but not limited to determining the amount to be capitalised out of the share premium account and the number of Bonus Shares to be allotted, issued and distributed in the manner referred to in paragraphs (a) to (d) of this resolution."
9. To consider and, if thought fit, pass with or without amendments the following resolution as a **special resolution**:

"THAT:

- (a) the proposed amendments to the existing memorandum and articles of association of the Company, the details of which are set out in Appendix III to the circular of the Company dated 30 May 2023, be and are hereby approved;

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- (b) the second amended and restated articles of association of the Company (a copy of which has been produced to this meeting and marked "A" and for the purpose of identification, initialed by the chairman of the AGM), be and is hereby approved and adopted as the new memorandum and articles of association of the Company in substitution for and to the exclusion of the existing memorandum and articles of association of the Company with immediate effect after the close of this meeting; and
- (c) any Director or company secretary of the Company be and are hereby authorised to do all such acts and things and execute all such documents and make all such arrangements as they shall, in their absolute discretion, deem necessary or expedient in connection with the implementation of or giving effect to the aforesaid adoption of the second amended and restated memorandum and articles of association of the Company."

Yours faithfully,

For and on behalf of the Board

SANVO Fine Chemicals Group Limited

CHEN Bingqiang

*Chief Executive Officer, Executive Director and
Chairman of the Board*

Hong Kong, 30 May 2023

Notes:

1. Any member of the Company (the "**Member**") entitled to attend and vote at the 2023 AGM convened by this Notice or its adjourned meeting (as the case may be) is entitled to appoint one (or, if he/she/it holds two or more Shares, more than one) proxy to attend and, on a poll, vote on his/her/its behalf subject to the provisions of the Articles of Association. A proxy need not be a Member but must be present in person at the 2023 AGM to represent the Member. If more than one proxy is so appointed, the appointment shall specify the number and class of such Shares in respect of which such proxy is so appointed.
2. In order to be valid, the duly completed and signed form of proxy must be deposited together with a power of attorney or other authority, if any, under which it is signed or a notorially certified copy of that power or authority, at the office of the Company's Hong Kong Branch Share Registrar, Computershare Hong Kong Investor Services Limited, located at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 48 hours (excluding any part of a day that is a public holiday) before the time appointed for holding the 2023 AGM or its adjourned meeting. Completion and return of a form of proxy will not preclude a Member from subsequently attending in person and voting at the 2023 AGM or its adjourned meeting should he/she/it so wish.

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3. For determining Shareholders' entitlement to attend and vote at the Meeting, the register of members of the Company will be closed from Tuesday, 27 June 2023 to Friday, 30 June 2023 (both dates inclusive), during which period no transfer of Shares will be effected. In order to qualify for attending and voting at the forthcoming Meeting, all transfer documents accompanied by the relevant share certificate must be lodged with the Company's Hong Kong Branch Share Registrar, Computershare Hong Kong Investor Services Limited, located at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Monday, 26 June 2023.
4. In relation to the proposed resolution no. 1 above, details of the retiring Directors standing for re-election are set out in Appendix I to the circular (the "**Circular**") of the Company dated 30 May 2023.
5. In relation to the proposed resolution no. 4 above, the Board concurs with the views of the audit committee of the Company and has recommended that Moore Stephens CPA Limited be re-appointed as the independent auditor of the Company.
6. In relation to the proposed resolutions nos. 5 and 7 above, approval is being sought from the Members for the grant to the Directors of a general mandate to authorise the allotment and issue of Shares under the Listing Rules. The Directors have no immediate plans to issue any new Shares.
7. In relation to the proposed resolution no. 6 above, the Directors wish to state that they will exercise the powers conferred thereby to repurchase Shares only in the circumstances which they consider appropriate for the benefit of the Members. An explanatory statement containing the information necessary to enable the Members to make an informed decision to vote on the proposed resolution as required by the Listing Rules is set out in Appendix II to the Circular.
8. In compliance with Rule 13.39(4) of the Listing Rules, voting on all proposed resolutions set out in this Notice will be decided by way of a poll.
9.
 - (a) Subject to paragraph (b) below, if a tropical cyclone warning signal No. 8 or above is expected to be hoisted or a black rainstorm warning signal is expected to be in force at any time between 8:00 a.m. and 5:00 p.m. on the date of the 2023 AGM, the 2023 AGM will be postponed and Members will be informed of the date, time and venue of the postponed 2023 AGM by a supplemental notice posted on the respective websites of the Company and the Stock Exchange.
 - (b) If a tropical cyclone warning signal No. 8 or above or a black rainstorm warning signal is lowered or cancelled three hours or more before the appointed time of the 2023 AGM and where conditions permit, the 2023 AGM will be held as scheduled.
 - (c) The 2023 AGM will be held as scheduled when an amber or red rainstorm warning signal is in force.
 - (d) After considering their own situations, Members should decide on their own whether or not they would attend the 2023 AGM under any bad weather condition and if they do so, they are advised to exercise care and caution.
10. The translation into Chinese language of this Notice is for reference only. In case of any inconsistency, the English version shall prevail.

As at the date of this notice, the executive Directors are Mr. Chen Bingqiang, Mr. Chen Bingyao and Mr. Ng Cheuk Lun; and the independent non-executive Directors are Ir. Daniel Lai, Mr. Xu Kai and Mr. Yeung Chun Yue David.