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

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

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China Health Group Limited **中國衛生集團有限公司**

(Carrying on business in Hong Kong as CHG HS Limited)

(Incorporated in Bermuda with limited liability)

(Stock Code: 673)

- (1) PROPOSED GRANTING OF GENERAL MANDATES TO ISSUE NEW SHARES AND TO REPURCHASE SHARES OF THE COMPANY;**
- (2) PROPOSED RE-ELECTION OF THE RETIRING DIRECTORS;**
- (3) PROPOSED ADOPTION OF NEW BYE-LAWS;**
- (4) PROPOSED ADOPTION OF NEW SHARE OPTION SCHEME;**
- (5) PROPOSED CAPITAL REDUCTION OF ISSUED SHARES, SUB-DIVISION OF AUTHORISED BUT UNISSUED SHARES AND REDUCTION OF SHARE PREMIUM AND**
- (6) NOTICE OF ANNUAL GENERAL MEETING**

A notice convening an annual general meeting of China Health Group Limited to be held at Floor 12 Conference Room, Block B, Building 11, Shenzhen Bay Eco Technology Park, No 16 Keji South Road, Yuehai Sub-district, Nanshan District, Shenzhen City, China at 11:00 a.m. on 18 September 2023 is set out on pages 100 to 106 of this circular. A form of proxy for use at the annual general meeting is enclosed with this circular. Such form of proxy is also published on the websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company (<http://www.ch-groups.com>).

Whether or not you are able to attend the annual general meeting, please complete and sign the accompanying form of proxy in accordance with the instructions printed thereon and return it to the branch share registrar of the Company in Hong Kong, Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the annual general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting if you so wish.

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DEFINITIONS

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

“2012 Share Option Scheme”	the share option scheme of the Company adopted by the Company pursuant to an ordinary resolution of the Shareholders passed on 28 August 2012
“2023 Share Option Scheme”	the share option scheme proposed to be approved by the Shareholders at the AGM
“Adoption Date”	the date on which the 2023 Share Option Scheme was conditionally adopted by the Company by way of Shareholders’ resolution(s)
“AGM”	an annual general meeting of the Company to be held at Floor 12 Conference Room, Block B, Building 11, Shenzhen Bay Eco Technology Park, No 16 Keji South Road, Yuehai Sub-district, Nanshan District, Shenzhen City, China at 11:00 a.m. on 18 September 2023, to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting which is set out on pages 100 to 106 of this circular, or any adjournment thereof
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Buyback Mandate”	a general mandate proposed to be granted to the Directors to exercise the power of the Company to repurchase Shares not exceeding 10% of the total number of the issued Shares as at the date of the granting of the Buyback Mandate
“Business Day”	any day on which the Stock Exchange generally is open for business of dealing in securities in Hong Kong. For the avoidance of doubt, where the Stock Exchange is closed for the business of dealing in securities in Hong Kong on a business day by reason of a Number 8 or higher typhoon signal, black rainstorm warning or other similar event, such day shall for the purposes of this announcement be counted as a business day
“Bye-law(s)”	the bye-law(s) of the Company, as amended from time to time

DEFINITIONS

“Capital Reduction”	the reduction of the issued share capital of the Company by reducing the par value of each issued Share from HK\$1.00 to HK\$0.10 by cancelling the paid up share capital to the extent of HK\$0.90 per issued Share
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CCASS Operational Procedures”	the Operational Procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to operations and functions of CCASS, as from time to time
“close associate(s)”	has the meaning ascribed to it under the Listing Rules
“Company”	China Health Group Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“core connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Eligible Participants”	any person who is (or will be on the date of grant of an Option) an Employee, a director of the Company (excluding independent non-executive Directors) or a Service Provider, as may be determined by the Directors or the Remuneration Committee (as the case may be) from time to time
“Employee”	a person who is in the full-time or part-time employment of the Company or any of its subsidiaries
“General Rules of CCASS”	the terms and conditions regulating the use of CCASS, as may be amended or modified from time to time and where the context so permits, shall include the CCASS Operational Procedures
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“HKSCC”	the Hong Kong Securities Clearing Company Limited

DEFINITIONS

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Issuance Mandate”	a general mandate proposed to be granted to the Directors to allot, issue and deal with new Shares and other securities of the Company not exceeding 20% of the total number of the issued Shares as at the date of granting of the Issuance Mandate and the total number of the issued Shares repurchased by the Company pursuant to the Buyback Mandate, if any
“Latest Practicable Date”	18 August 2023, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“Listing Committee”	the listing committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Share(s)”	ordinary share(s) with par value of HK\$0.10 each in the share capital of the Company immediately following the Capital Reduction and the Sub-division becoming effective
“Option(s)”	any options granted or to be granted under the 2023 Share Option Scheme or the 2012 Share Option Scheme (as the case may be) conferring a right to subscribe for Shares
“Optionholder(s)”	the relevant holders of the Options
“PRC”	the People’s Republic of China, excluding (except where the context requires) Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Remuneration Committee”	the remuneration committee of the Board

DEFINITIONS

“Service Providers”	independent contractors, which includes advisers, consultants, distributors, contractors (including doctors, nurses, medical staff and hospitals), suppliers, agents, and service providers of any member of the Group who provide services to the Group on a continuing and recurring basis in its ordinary and usual course of business akin to those of employees. For the avoidance of doubt, financial advisors or placing agents providing fundraising or mergers and acquisitions services or consultants providing professional services to the Group, and professional service providers who provide assurance or are required to perform their services with impartiality and objectivity are excluded from the 2023 Share Option Scheme
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	ordinary share(s) of par value of HK\$1.00 each in the share capital of the Company prior to the Capital Reduction and the Sub-division becoming effective
“Shareholder(s)”	holder(s) of Share(s)
“Share Premium Reduction”	the proposed reduction of the entire amount standing to the credit of the share premium account of the Company to nil
“Share Registrar”	the branch share registrar and transfer office of the Company in Hong Kong, Tricor Tengis Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Sub-division”	the sub-division of each authorised but unissued Share into ten (10) unissued New Shares
“Takeovers Code”	the Code on Takeovers and Mergers issued by the Securities and Futures Commission of Hong Kong
“%”	per cent

EXPECTED TIMETABLE

Set out below is the expected timetable for the implementation of the Capital Reduction, the Sub-division and the Share Premium Reduction. The expected timetable is subject to the results of the AGM and satisfaction of the conditions to the Capital Reduction, the Sub-division and the Share Premium Reduction and is therefore for indicative purpose only. Any change to the expected timetable will be announced in a separate announcement by the Company as and when appropriate. All times and dates in this circular refer to the Hong Kong local times and dates.

Event	Timeline
Despatch date of circular with notice of the AGMon or before Thursday, 24 August 2023
Latest time for lodging transfers of shares in order to qualify for attendance and voting at the AGM	4:30 p.m. on Tuesday, 12 September 2023
Closure of register of members for determining the identity of the Shareholders entitled to attend and vote at the AGM	from Wednesday, 13 September 2023 to Monday, 18 September 2023
Latest time for lodging forms of proxy for the AGM	11 a.m. on Saturday, 16 September 2023
Record date for attendance and voting at the AGM	Monday, 18 September 2023
Date and time of the AGM	11:00 a.m. on Monday, 18 September 2023
Announcement of the poll results of the AGM	Monday, 18 September 2023

EXPECTED TIMETABLE

The following events are conditional on the fulfilment of the conditions for the implementation of the Capital Reduction, the Sub-division and the Share Premium Reduction as set out in this circular.

Event	Timeline
Effective date of the Capital Reduction, the Sub-division and the Share Premium Reduction	Wednesday, 20 September 2023
Commencement of dealing in the New Shares	9:00 a.m. on Wednesday, 20 September 2023
First day of free exchange of existing share certificates for new share certificates for the New Shares	Wednesday, 20 September 2023
Last day for free exchange of existing share certificates for new share certificates for the New Shares	Thursday, 19 October 2023

LETTER FROM THE BOARD



China Health Group Limited
中國衛生集團有限公司

(Carrying on business in Hong Kong as CHG HS Limited)

(Incorporated in Bermuda with limited liability)

(Stock Code: 673)

Executive Directors:

Mr. Zhang Fan
Mr. Chung Ho

Non-executive Directors:

Mr. Xing Yong
Mr. Huang Lianhai
Mr. Wang Jingming

Independent non-executive Directors:

Mr. Jiang Xuejun
Mr. Du Yanhua
Mr. Lai Liangquan

Registered Office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

*Head Office and Principal Place
of Business in Hong Kong:*

Unit 801, 8/F
China Insurance Group Building
141 Des Voeux Road Central
Hong Kong

24 August 2023

To the Shareholders

Dear Sir/Madam,

- (1) PROPOSED GRANTING OF GENERAL MANDATES TO ISSUE NEW
SHARES AND TO REPURCHASE SHARES
OF THE COMPANY;**
- (2) PROPOSED RE-ELECTION OF THE RETIRING DIRECTORS;**
- (3) PROPOSED ADOPTION OF NEW BYE-LAWS;**
- (4) PROPOSED ADOPTION OF NEW SHARE OPTION SCHEME;**
- (5) PROPOSED CAPITAL REDUCTION OF ISSUED SHARES,
SUB-DIVISION OF AUTHORISED BUT UNISSUED SHARES
AND REDUCTION OF SHARE PREMIUM
AND**
- (6) NOTICE OF ANNUAL GENERAL MEETING**

LETTER FROM THE BOARD

1. INTRODUCTION

The purpose of this circular is to provide Shareholders with information in respect of the resolutions to be proposed at the AGM for the granting of the Issuance Mandate to the Directors; the granting of the Buyback Mandate to the Directors; the extension of the Issuance Mandate by adding to it the total number of issued Shares repurchased by the Company under the Buyback Mandate; the re-election of the retiring Directors; the adoption of the new Bye-laws; the adoption of the 2023 Share Option Scheme; the Capital Reduction of issued Shares, Sub-division of authorised but unissued Shares and reduction of share premium and to provide Shareholders with a notice of such annual general meeting at which the resolutions will be proposed to consider and, if thought fit, approve such matters.

2. PROPOSED GRANTING OF THE ISSUANCE MANDATE AND THE BUYBACK MANDATE

Reference is made to the announcement of the Company dated 31 March 2023 in relation to the proposed refreshment of general mandates to issue new shares and to repurchase shares of the Company (the “**Refreshment Announcement**”). As disclosed in the Refreshment Announcement, the Board proposes to refresh the Existing General Mandates for the Directors to (i) allot, issue or deal with new Shares not exceeding 20% of the total number of the issued Shares as at the date of passing of the relevant resolution at the SGM and (ii) repurchase Shares on the Stock Exchange not exceeding 10% of the total number of the issued Shares as at the date of passing of the relevant resolution at the SGM. Such proposal was planned to be set out as a resolution submitted at the general meeting for the Shareholders’ consideration and approval. Upon further discussion and deliberation among the Directors, the Company has no immediate plan to issue any Shares or repurchase any Shares before the AGM. Therefore, the resolution of the proposed refreshment of general mandates to issue new shares and to repurchase shares of the Company will not be submitted at the general meeting for the Shareholders to consider and approve.

At the annual general meeting of the Company held on 30 September 2022, general mandates were granted to the Directors to exercise the power of the Company to issue new Shares not exceeding 87,798,952 Shares and to repurchase Shares not exceeding 43,899,476 Shares respectively (the “**Existing General Mandates**”). As disclosed in the announcement of the Company dated 6 February 2023 in relation to the discloseable transaction relating to the acquisition of 51% equity interest in the target company, the Company proposed to allot and issue up to 87,500,000 Shares as part of the consideration for the acquisition under the Existing General Mandates. As at the Latest Practicable Date, the Existing General Mandates have not been fully utilized and the Existing General Mandates, to the extent not utilized, will lapse at the conclusion of the AGM.

LETTER FROM THE BOARD

As at the Latest Practicable Date, there were 478,994,763 Shares in issue. Accordingly, ordinary resolutions will be proposed at the AGM to approve the granting of new general mandates to the Directors:

- (a) to allot, issue or deal with new Shares not exceeding 20% of the total number of the issued Shares as at the date of passing of such resolution (not exceeding 95,798,952 Shares) on the basis that the issued Shares remains unchanged as at the date of the AGM;
- (b) to repurchase Shares on the Stock Exchange not exceeding 10% of the total number of the issued Shares as at the date of passing of such resolution (not exceeding 47,899,476 Shares) on the basis that the issued Shares remains unchanged as at the date of the AGM; and
- (c) to extend the Issuance Mandate by an amount representing the total number of issued Shares repurchased by the Company pursuant to and in accordance with the Buyback Mandate.

The Issuance Mandate and the Buyback Mandate will continue in force until the conclusion of the next annual general meeting of the Company held after the AGM or any earlier date as referred to in the proposed ordinary resolutions contained in items 4 and 5 of the notice of the AGM as set out on pages 100 to 106 of this circular. As at the Latest Practicable Date, the Directors have no immediate plan to repurchase any Share or issue any new Share pursuant to the Buyback Mandate and the Issuance Mandate.

An explanatory statement as required by the Listing Rules in connection with the Buyback Mandate is set out in Appendix I to this circular.

3. PROPOSED RE-ELECTION OF THE RETIRING DIRECTORS

Pursuant to Bye-law 87, at each annual general meeting of the Company, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest but not less than one-third) shall retire from office by rotation provided that every Director (including Director(s) appointed for a specific term) shall be subject to retirement by rotation at least once every three years. The Directors to retire by rotation shall include (so far as necessary to ascertain the number of Directors to retire by rotation) any Director who wishes to retire and not to offer himself for re-election. Any further Directors so to retire shall be those of the other Directors subject to retirement by rotation who have been longest in office since their last re-election or appointment. As between persons who became or were last re-elected Directors on the same day, the person(s) to retire shall (unless they otherwise agree among themselves) be determined by lot. A retiring Director shall be eligible for re-election by the Shareholders at the relevant annual general meeting.

LETTER FROM THE BOARD

According to the above Bye-law 87, Mr. Zhang Fan, Mr. Wang Jingming and Mr. Xing Yong shall retire by rotation at the AGM. All retiring Directors, being eligible, will offer themselves for re-election at the AGM. At the AGM, an ordinary resolution will be proposed to re-elect Mr. Zhang Fan as an executive Director and Mr. Wang Jingming and Mr. Xing Yong as non-executive Directors.

In reviewing the structure of the Board, the nomination committee of the Company (the “**Nomination Committee**”) will consider the structure, size and diversity (including gender, age, cultural and educational background, length of service, skills, knowledge and experience etc.) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company’s corporate strategy. All appointments to the Board are based on meritocracy and the candidates will be assessed based on criteria such as education background and relevant skills and experience for consideration of the operation of the Board as a whole, with a view to maintaining a sound balance of the Board’s composition.

The Nomination Committee has evaluated the performance of each of the retiring Directors who offered themselves for re-election and found their performance satisfactory. Therefore, the Nomination Committee nominated the retiring Directors, Mr. Zhang Fan, Mr. Wang Jingming and Mr. Xing Yong, to the Board for it to propose to the Shareholders for re-election at the AGM.

Brief biographical and other details of the above-mentioned Directors offering themselves for re-election at the AGM, which are required to be disclosed under the Listing Rules, are set out in Appendix II to this circular.

4. PROPOSED ADOPTION OF NEW BYE-LAWS

The Board proposes certain amendments (the “**Proposed Amendments**”) to the existing bye-laws of the Company (the “**Existing Bye-laws**”) for approval by the Shareholders at the AGM in order to (i) reflect the latest amendments to the Listing Rules, particularly Appendix 3 to the Listing Rules concerning the core shareholder protection standards which came into effect on 1 January 2022 and to bring the Existing Bye-laws up-to-date with the applicable laws of Bermuda; (ii) provide flexibility to the Company in terms of conducting of general meetings of Shareholders, by allowing the Company to convene and hold electronic and hybrid general meetings; and (iii) incorporate other consequential and housekeeping amendments which are in line with the above amendments. The Board also proposes to adopt the amended and restated bye-laws of the Company which comprises the Proposed Amendments (the “**New Bye-laws**”) in substitution for, and to the exclusion of, the Existing Bye-laws in their entirety.

LETTER FROM THE BOARD

The full text of the Proposed Amendments to the Existing Bye-laws is set out in Appendix III to this circular. Shareholders are advised that the Proposed Amendments are in English only and that the Chinese translation contained in Appendix III to the Chinese version of this circular is for reference only. In case of any discrepancy or inconsistency, the English version shall prevail.

The Board confirm that the Proposed Amendments to the Existing Bye-laws and the New Bye-laws conform with the relevant provisions of the Listing Rules, including the Core Shareholder Protection Standards as set out in Appendix 3 of the Listing Rules.

The Proposed Amendments and the adoption of the New Bye-laws will become effective upon approval by the Shareholders by way of a special resolution at the AGM.

5. PROPOSED ADOPTION OF NEW SHARE OPTION SCHEME

Lapse of the 2012 Share Option Scheme

The 2012 Share Option Scheme has expired on 28 August 2022. In view of the expiry of the 2012 Share Option Scheme, the Board proposes to recommend to the Shareholders to approve the adoption of the 2023 Share Option Scheme.

As at the Latest Practicable Date, there were outstanding Options entitling the holders thereof to subscribe for 19,050,000 Shares under the 2012 Share Option Scheme.

Details of the share options outstanding as at the Latest Practicable Date which have been granted under the 2012 Share Option Scheme are as follows:

Name or category of participant	Date of grant of share options	Exercise period of share options (Note 1)	Exercise price of share options (HK\$)	Number of share options outstanding
<i>Directors</i>				
Mr. Zhang Fan	26 April 2019	27 April 2020 to 25 April 2029	1.80	400,000
	20 October 2020	21 October 2020 to 20 October 2030	1.80	400,000
Mr. Chung Ho	26 April 2019	27 April 2020 to 25 April 2029	1.80	3,000,000
Mr. Wang Jingming	26 April 2019	27 April 2020 to 25 April 2029	1.80	300,000

LETTER FROM THE BOARD

Name or category of participant	Date of grant of share options	Exercise period of share options (Note 1)	Exercise price of share options (HK\$)	Number of share options outstanding
Mr. Xing Yong	26 April 2019	27 April 2020 to 25 April 2029	1.80	400,000
	20 October 2020	21 October 2020 to 20 October 2030	1.80	3,000,000
Mr. Jiang Xuejun	26 April 2019	27 April 2020 to 25 April 2029	1.80	400,000
	20 October 2020	21 October 2020 to 20 October 2030	1.80	400,000
Mr. Huang Lianhai	26 April 2019	27 April 2020 to 25 April 2029	1.80	300,000
	20 October 2020	21 October 2020 to 20 October 2030	1.80	2,000,000
Mr. Du Yanhua	26 April 2019	27 April 2020 to 25 April 2029	1.80	300,000
Mr. Lai Liangquan	26 April 2019	27 April 2020 to 25 April 2029	1.80	300,000
Subtotal				11,200,000
<i>Employees</i>	26 April 2019	27 April 2020 to 25 April 2029	1.80	650,000
	20 October 2020	21 October 2020 to 20 October 2030	1.80	100,000
<i>Others (Note 2)</i>	26 April 2019	27 April 2020 to 25 April 2029	1.80	800,000
	20 October 2020	21 October 2020 to 20 October 2030	1.80	6,300,000
Total				19,050,000

LETTER FROM THE BOARD

Note 1: The applicable vesting periods of all share options outstanding as at the Latest Practicable Date which have been granted under the 2012 Share Option Scheme have expired.

Note 2: Share options were granted to 14 business consultants of the Group which comprises of (i) Qiu Peiyuan, Huang Bin and He Lijuan, the former Directors who have become consultants of the Group and have provided advices on business development of the Group; (ii) a former employee of the Company, namely Ding Jiuru, who has subsequently become a consultant of the Group and had provided advices on financial operation of the Group; and (iii) consultants and business partners of the Group, namely Zhong Bin, Liu Yanli, Rao Zhenan, Chan Nam, Hor Heng Siang, Yang Yongbin, Quo Wei, Lu Wenhui, Huang Hui and Wu Guanjie, who have provided business, legal or tax consultancy services or other professional services and introduced investment opportunities to the Group. As at the Latest Practicable Date, Rao Zhenan and Huang Bin hold 3,000,000 and 800,000 Options respectively, representing 0.626% and 0.167% of the issued shares of the Company. Save as disclosed above, none of the existing grantees under the “Others” category hold Options exceeding 0.1% of the issued shares of the Company.

The 2023 Share Option Scheme

At the AGM, ordinary resolutions will be proposed for the Company to approve and adopt the 2023 Share Option Scheme as the 2012 Share Option Scheme is due to expire and no further Options can thereafter be offered or granted under the 2012 Share Option Scheme. The 2023 Share Option Scheme is largely similar to the 2012 Share Option Scheme. The major differences between the 2023 Share Option Scheme and the 2012 Share Option Scheme are changes made to the terms of the 2023 Share Option Scheme to conform to the latest amendments to Chapter 17 of the Listing Rules. Both the 2023 Share Option Scheme and the 2012 Share Option Scheme comply with the requirements under Chapter 17 of the Listing Rules. The 2023 Share Option Scheme will take effect on the Adoption Date subject to the Stock Exchange granting approval for the listing of and dealing in the shares to be issued and allotted pursuant to the exercise of options in accordance with the terms and conditions of the 2023 Share Option Scheme.

The purpose of the 2023 Share Option Scheme is to provide incentives and/or rewards to the Eligible Participants for their contribution to the growth of the Group, to enable the Group to attract and retain individuals with experience and ability and/or to reward them for their past contributions, to attract and retain or otherwise maintain on-going relationships with such Eligible Participants who are significant to and/or whose contributions are or will be beneficial to the performance, growth or success of the Group, and continuing efforts to promote the interests of the Group, and to provide the Group with a more flexible means to reward, remunerate, compensate and/or provide benefits to the Eligible Participants.

LETTER FROM THE BOARD

The rules of the 2023 Share Option Scheme provide that the Board, subject to the approval of the Remuneration Committee, may specify the Eligible Participants to whom Options shall be granted, the number of Shares subject to each Option and the date on which the Options shall be granted. The basis for determining the subscription price is also specified precisely in the rules of the 2023 Share Option Scheme. The Board considers that the aforesaid criteria and rules will serve to preserve the value of the Company and encourage Eligible Participants to acquire proprietary interests in the Company. The Company does not at present intend to appoint any trustee to the 2023 Share Option Scheme. The resolutions to be proposed for the approval of the 2023 Share Option Scheme by the Shareholders at the AGM will also include the grant of the scheme mandate to the Board to grant Options under the 2023 Share Option Scheme for the allotment and issue of not more than 10% of the entire issued capital of the Company, i.e. as at the Latest Practicable Date, 47,899,476 Shares, (excluding, for this purpose, Options which have lapsed in accordance with the terms of any other share option scheme of the Company, and the outstanding Options granted and yet to be exercised pursuant to the 2012 Share Option Scheme) as at the date of the passing of the relevant resolutions upon their exercise.

The Board (or the case may be, the independent non-executive Directors) and the Remuneration Committee will assess the eligibility of Eligible Participants who are Employees and Directors based on factors, including but not limited to: (i) work performance; (ii) years of service; (iii) responsibilities and engagement conditions in accordance with the prevailing market practice and industry standard; (iv) potential or actual contribution to the business of the Group (e.g. actively promoting the development and growth of the business of the Group); and (v) the ability to make valuable contribution based on his/her work experience, qualifications, industry knowledge and professional skills and other relevant factors.

Service Providers

In addition to the Directors (excluding independent non-executive Directors) and the Employees, the Eligible Participants of the 2023 Share Option Scheme also covers the Service Providers, who has contributed or may contribute to the Group. The Board considers that the grant of Options to the Service Providers is necessary and appropriate, because the success of the Group does not only depend on the contributions by the Employees and Directors, but also depends on the co-operation and contribution from the Service Providers who provide services to the Group on a continuing and recurring basis in the Company's ordinary and usual course of business which are material and beneficial to the long term growth of the Group, including the persons who work for the Company as independent contractors but the continuity and frequency of their services are akin to those of employees.

LETTER FROM THE BOARD

Service Provider(s) are independent contractors, which includes advisers, consultants, distributors, contractors doctors, nurses, medical staff and hospitals, suppliers, agents, and service providers of any member of the Group who provide services to the Group on a continuing and recurring basis in its ordinary and usual course of business akin to those of employees. For the avoidance of doubt, financial advisors or placing agents providing fundraising or mergers and acquisitions services or consultants providing professional services to the Group, and professional service providers who provide assurance or are required to perform their services with impartiality and objectivity are excluded from the 2023 Share Option Scheme.

The Board considered that the inclusion of Service Providers as Eligible Participants will offer incentives to the Service Providers for their continuing efforts to promote the interests of the Group and benefits for the long-term growth of the Group. For instance, the grant of Options to Service Providers would provide incentive and reward for these grantees to optimize their performance efficiency for the benefit of the Group in their capacity as Service Providers.

The inclusion of the Service Providers as Eligible Participants under the 2023 Share Option Scheme provides sufficient flexibility in the scheme rules in light of the future development and is fair and reasonable and in the interest of the Company and its Shareholders as a whole in the long run because: (i) in a view to enhancing its competitive strength and maintaining its market position, the Company may need Service Providers to provide insights to various aspects of the business and operation of the Group; (ii) the Service Providers may provide recommendations and/or advice to the Group in matters including but not limited to investors' management, strategic management, business research and development, technological support, advice and expertise and other market or industry resources to the Group, which may be commercially beneficial to the Group, so as to contribute to assist the Group in achieving the operational competitiveness and business sustainability on mid to long term basis; and (iii) in the event that the Company engages Service Providers to provide consulting services to the Group, including these Service Providers as Eligible Participants may fill the gap and to foster the relationship with them as well as allowing the Company to pay such Service Providers a consideration comprising service fee and share-based consideration, leveraging on which, the Company may be able to avoid expensive one-off short-term transaction costs, at the same time incentivize the Service Providers with the long-term value to be brought by the growth of the Company's business and market capitalization. Furthermore, it will align the interests of the Service Providers with that of the Group, which would in the long term, and draw in key players of various industries that would help contribute to the Group's growth and development, and therefore is in the interests of the Company and the Shareholders as a whole, and in line with the purposes of the 2023 Share Option Scheme.

LETTER FROM THE BOARD

It is therefore desirable for the Company to motivate and align the interests of the Service Providers towards the Group by including them as the Eligible Participants. The Options will offer incentives and reward for the contribution of the Service Providers and their loyalty in having a sustainable business relationship with the Group, and therefore to provide continuing efforts as mentioned above to promote the interests of the Group and benefit the long-term growth of the Group. Further, the grant of Options to the Service Providers will provide the Company the flexibility to remunerate them with share-based consideration in lieu of cash-based fees. The Board will not grant and has never granted any options to a Service Provider if they have not or the Board believes upon its assessment, that they will not contribute to the long term growth of the businesses of the Group.

In respect of the Service Providers, despite that there may not be a performance target set on them, the Remuneration Committee will exercise due care to assess the importance and value of the services provided by the Service Providers to ensure that the grant of Options will be beneficial to the Company, and make recommendation to the Board.

Going forward, under the overriding principle that any potential grantees must be persons who have provide services to the Group on a continuing and recurring basis in its ordinary and usual course of business which are material to the long term growth of the Group and any grant to such Eligible Participants should be made in the interest of the Company and its Shareholders as a whole.

Service Providers shall provide services to the Group in connection with the research, development, manufacturing and selling of medical products including finished medicines, bulk pharmaceuticals and medical materials, medical equipment and medical consumables and provision of hospital operation and management service and business factoring, being the Group's principal business activities. In respect of the eligibility of Service Providers, the Board will, on a case by case basis, take into account the following factors, including but not limited to (i) the individual performance of relevant Service Providers; (ii) the length of business relationship with the Group; (iii) the materiality and nature of the business relationship with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third parties); (iv) the background, reputation and track record of the relevant Service Providers; (v) the scale of business dealings with the Group, in particular, whether such Service Providers could bring positive impacts to the Group's business with regard to factors such as the actual or expected increase in the Group's revenue or profits or reduction in costs which is or may be attributable to the Service Provider; and (vi) the Group's future business plans in relation to further collaboration with such Service Providers and the long term support that the Group may receive accordingly. For more details, please refer to the factors set out in the Appendix IV.

In assessing whether the Service Provider provides services to the Group on a continuing and recurring basis and in its ordinary and usual course of business, the Board will take into consideration (i) the length and type of services provided and the recurrences and regularity of such services; (ii) the nature of the services provided to the Group by the Service Provider; and (iii) whether such services form part of or are directly ancillary to the businesses conducted by the Group.

LETTER FROM THE BOARD

The Board and the Remuneration Committee also considers the grant of the Option to a Service Provider can serve the purpose of the 2023 Share Option Scheme, namely to provide incentives and/or rewards and/or attract and retain people who are valuable, have contributed or may contribute to the Group, and is in the interests of the Company and Shareholders as a whole, taking into account the following considerations, including but not limited to:

- (a) it gives the Company an alternative way of compensating a Service Provider and provides greater flexibility to recognise the contributions of a Service Provider;
- (b) as a substitute for cash compensation, it reduces current compensation expenses associated with paying by cash; and
- (c) it shares the risks associated with our growing business, where it is an incentive, not an entitlement to motivate the Eligible Participants to see the Company profits and stock value gains.

Based on the above, the Board considers that the inclusion of Service Provider in addition to the Employees and Directors as Eligible Participants is fair and reasonable and in the interests of the Company and the Shareholders as a whole, and would enable the purpose of the 2023 Share Option Scheme to be achieved.

After, taking into account the proportion of the Group's revenue attributable to the contribution made by the Service Providers and the future capital needs of the Group, the Board has also set a sublimit in respect of the Options that may be granted to Service Providers, being 1% of the total issued capital of the Company as at the Adoption Date (the "**Service Provider Sublimit**"), which is subject to separate approval by the Shareholders at the AGM.

The Service Provider Sublimit is determined based on the possible number of Options that the Company intends to grant to Service Providers and the Company's future business and development plan. The Board considers that the Service Providers Sublimit is appropriate and reasonable taking into account (i) the grant of Options to the Service Providers under the 2023 Share Option Scheme will be decided on a case-by-case basis based on his/her contributions to the development and growth of the Company from time to time; and (ii) the Company estimates that the percentage of the number of Options that the Company intends to grant to the Service Providers will be less than 1% of existing total issued capital of the Company as at the Adoption Date.

In determining the Service Provider Sublimit, the Directors consider that it is important to ensure that the 2023 Share Option Scheme is attractive and provide sufficient incentives to Service Providers who are able to contribute to the sales, research and development and supply of the Group, all of which being core functions on which the Group relies in its ordinary and usual course of business.

LETTER FROM THE BOARD

The Directors consider the Service Provider Sublimit to be appropriate and reasonable given the Group's business needs and such a limit provides the Group with flexibility to provide equity incentive (instead of expending cash resources in the form of monetary consideration) to reward and collaborate with persons who are not employees or officers of the Group, but who may have expertise in their field or who may be able to provide valuable expertise or services to the Group.

Eligible Participants to whom Options shall be granted, are entitled to subscribe for the number of Shares at a subscription price subject to each Option and the date on which the Options shall be granted. The basis for determining the subscription price is also specified precisely in the rules of the 2023 Share Option Scheme. There is no performance target specified in the 2023 Share Option Scheme. The Directors consider that the aforesaid criteria and rules will serve to preserve the value of the Company and encourage Eligible Participants to acquire proprietary interests in the Company.

The Directors consider that it is not appropriate to state the value of all Options that can be granted pursuant to the 2023 Share Option Scheme as if they had been granted on the Latest Practicable Date as a number of variables which are crucial for the calculation of the Option value have not been determined. Such variables include but are not limited to the exercise price, exercise period and lock-up period (if any). The Directors believe that any calculation of the value of the Options as at the Latest Practicable Date based on a number of speculative assumptions would not be meaningful and would be misleading to Shareholders.

None of the Directors is a trustee of the 2023 Share Option Scheme or has a direct or indirect interest in the trustee, if any. With respect to the operation of the 2023 Share Option Scheme, the Company will, where applicable, comply with the relevant requirements under Chapter 17 of the Listing Rules.

Vesting Period

In accordance with Rule 17.03F of the Listing Rules, an Option must be held for a minimum vesting period of 12 months before it can be exercised.

Options granted to Employees and/or Directors may be subject to a shorter vesting period under specific circumstances as set out in paragraph (i) of Appendix IV to this circular. The Board and the remuneration committee of the Board are of the view that it is reasonable and appropriate that a shorter vesting period may be imposed under the specific circumstances so as to allow flexibility, which would still enable such grant of Options to align with the purpose of the 2023 Share Option Scheme.

LETTER FROM THE BOARD

Conditions precedent of the 2023 Share Option Scheme

The adoption of the 2023 Share Option Scheme is conditional upon:

- (a) the Listing Committee of the Stock Exchange granting approval for the listing of and permission to deal in any Shares which may fall to be allotted and issued by the Company pursuant to the exercise of Options in accordance with the terms and conditions of the 2023 Share Option Scheme; and
- (b) the passing of ordinary resolutions at a general meeting of the Company approving the adoption of the 2023 Share Option Scheme.

Subject to the obtaining of Shareholders' approval with respect to the adoption of the 2023 Share Option Scheme at the AGM, the total number of Shares which may be issued upon exercise of all Options to be granted under the 2023 Share Option Scheme and any other schemes must not in aggregate exceed 10% of the total issued capital of the Company as at the Adoption Date unless the Company obtains a fresh approval from the Shareholders to renew the 10% limit.

As at the Latest Practicable Date, the Company has 478,994,763 issued Shares. Assuming that there is no change in the issued share capital between the period from the Latest Practicable Date and the Adoption Date, the number of Shares issuable pursuant to the 2023 Share Option Scheme on the Adoption Date will be 47,899,476 Shares, representing approximately 10% of the existing issued share capital of the Company. As there are outstanding 19,050,000 Options under the 2012 Share Option Scheme or any other share option scheme(s), the total number of 66,949,476 Options under the 2012 Share Option Scheme, the 2023 Share Option Scheme or any other share option scheme(s) represents 13.98% of the issued share capital of the Company as at the Latest Practicable Date. In the event that the Company conducts share consolidation or subdivision after the scheme limit has been approved, the maximum number of Shares that may be issued upon exercise of all options to be granted under the 2023 Share Option Scheme shall be adjusted in the same proportion of the issued share capital of the Company before such alteration.

The Board currently does not have a concrete plan to grant any Options to any of the Eligible Participants in the coming 12 months upon the adoption of the 2023 Share Option Scheme. The Board will from time to time consider whether to grant any Options to the Eligible Participants based on a number of factors including, inter alia, the Group's overall financial performance, the Eligible Participants' individual performance and their contribution to the revenue, profits or business development of the Group.

LETTER FROM THE BOARD

A summary of the principal terms of the 2023 Share Option Scheme which is proposed to be approved and adopted by the Company at the AGM is set out in Appendix IV to this circular from pages 100 to 106. A copy of the 2023 Share Option Scheme is available for inspection at the Company's principal place of business in Hong Kong at Unit 801, 8/F China Insurance Group Building, 141 Des Voeux Road Central, Hong Kong during normal business hours from the date hereof up to and including the date of the AGM.

Application for listing

Application will be made to the Listing Committee of the Stock Exchange for the approval of the listing of, and permission to deal in, the Shares to be issued pursuant to the exercise of the Options granted under the 2023 Share Option Scheme.

6. PROPOSED CAPITAL REDUCTION OF ISSUED SHARES, SUB-DIVISION OF UNISSUED SHARES AND REDUCTION OF SHARE PREMIUM

The Board proposes the Capital Reduction, the Sub-division and the Share Premium Reduction to be implemented in the following manner:

- (i) the Capital Reduction whereby the par value of each of the issued Shares will be reduced from HK\$1.00 to HK\$0.10 per issued Share by cancelling the paid up share capital to the extent of HK\$0.90 per issued Share;
- (ii) the Sub-division whereby each of the authorised but unissued Shares with par value of HK\$1.00 each will be sub-divided into ten (10) unissued New Shares with par value of HK\$0.10 each;
- (iii) the Share Premium Reduction whereby the entire amount standing to the credit of the share premium account of the Company will be reduced to nil; and
- (iv) upon the Capital Reduction and the Share Premium Reduction becoming effective, the credit arising from the Capital Reduction and the Share Premium Reduction will be transferred to the contributed surplus account of the Company within the meaning of the Companies Act 1981 of Bermuda (as amended from time to time) to thereafter be applied towards *inter alia* offsetting the accumulated losses of the Company as at the effective date of the Capital Reduction and the Share Premium Reduction (the "**Accumulated Losses**") in accordance with and as permitted by all applicable laws and the memorandum of association and bye-laws of the Company and as the Board considers appropriate.

LETTER FROM THE BOARD

As at the Latest Practicable Date, the authorised share capital of the Company is HK\$10,000,000,000 divided into 10,000,000,000 Shares of par value HK\$1.00 each, of which 478,994,763 Shares have been issued and are fully paid or credited as fully paid and 9,521,005,237 Shares remain unissued, and US\$150 divided into preference shares of US\$0.01 each. As at the Latest Practicable Date, the share premium account of the Company has a credit balance of approximately HK\$528,340,000.

For the avoidance of doubt, the authorised share capital of the Company shall remain at HK\$10,000,000,000 and US\$150 prior to and immediately after completion of the Capital Reduction, the Sub-division and the Share Premium Reduction.

Upon the Capital Reduction, the Sub-division and the Share Premium Reduction becoming effective, after the share subdivision of each authorised but unissued Share of HK\$1.00 into ten (10) New Shares of HK\$0.10 each, the authorised share capital will be HK\$10,000,000,000 divided into 100,000,000,000 New Shares of HK\$0.10 each, of which 478,994,763 Shares will be issued New Shares, and US\$150 divided into preference shares of US\$0.01 each.

The issued New Shares will rank *pari passu* with each other in all respects, including the rights as to dividends, voting and return of capital. Other than the expenses incurred in relation to the Capital Reduction, the Sub-division and the Share Premium Reduction, the implementation will not in itself, alter the underlying assets, business operations, management or financial position of the Group or the proportionate interests or rights of the Shareholders. The Capital Reduction, the Sub-division and the Share Premium Reduction will not have any material adverse effect on the financial position of the Group.

Assuming there will be no change in the issued share capital of the Company from the Latest Practicable Date up to the date on which the Capital Reduction, the Sub-division and the Share Premium Reduction become effective, the share capital structure of the Company immediately after the Capital Reduction, the Sub-division and the Share Premium Reduction becoming effective will be as follows:

	As at the Latest Practicable Date	Immediately after the Capital Reduction and the Sub-division becoming effective
Par value	HK\$1.00 per Share US\$0.01 per preference share	HK\$0.10 per New Share US\$0.01 per preference share
Amount of the authorised share capital	HK\$10,000,000,000 and US\$150	HK\$10,000,000,000 and US\$150
Number of authorised shares	10,000,000,000 Shares 15,000 preference shares	100,000,000,000 Shares 15,000 preference shares
Amount of the issued share capital	HK\$478,994,763	HK\$47,899,476.30
Number of issued shares	478,994,763 Shares	478,994,763 New Shares
Number of unissued shares	9,521,005,237 Shares	99,521,005,237 New Shares

LETTER FROM THE BOARD

As at the Latest Practicable Date, 478,994,763 Shares have been issued and are fully paid or credited as fully paid. Assuming that the par value of each of the 478,994,763 issued Shares will be reduced from HK\$1.00 to HK\$0.10 per issued Share by cancelling the paid up share capital to the extent of HK\$0.90 per issued Share by way of a reduction of capital, so as to form issued New Shares with par value of HK\$0.10 each, the Company's existing issued share capital of HK\$478,994,763 will be reduced by HK\$431,095,286.70 to HK\$47,899,476.30.

Conditions of the Capital Reduction, the Sub-division and the Share Premium Reduction

The Capital Reduction, the Sub-division and the Share Premium Reduction are conditional on the following conditions being fulfilled:

- (i) the passing of the necessary special and ordinary resolutions by the Shareholders at the AGM to be convened and held to consider and, if thought fit, approve, among other things, the Capital Reduction, the Sub-division and Share Premium Reduction;
- (ii) the Stock Exchange granting the listing of, and the permission to deal in, the New Shares arising from the Capital Reduction and the Sub-division;
- (iii) the compliance with the relevant procedures and requirements under the laws of Bermuda, which includes the Directors being satisfied that on the date the Capital Reduction and the Share Premium Reduction is to take effect, there are no reasonable grounds for believing that the Company is, or after the Capital Reduction and the Share Premium Reduction would be, unable to pay its liabilities as they become due;
- (iv) the compliance with the Listing Rules to effect the Capital Reduction, the Sub-division and the Share Premium Reduction; and
- (v) the obtaining of all necessary approvals from the regulatory authorities or otherwise as may be required in respect of the Capital Reduction, the Sub-division and the Share Premium Reduction.

Assuming the above conditions are fulfilled, the Capital Reduction, the Sub-division and the Share Premium Reduction will become effective on the second Business Day immediately following the fulfilment of these conditions, which is expected to be 20 September 2023.

Listing of and dealings in the New Shares

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the New Shares arising from the Capital Reduction and the Sub-division.

LETTER FROM THE BOARD

Subject to the granting of the listing of, and permission to deal in, the New Shares on the Stock Exchange, the New Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the New Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

None of the share capital or debt securities of the Company is listed or dealt in on any other stock exchange other than the Stock Exchange and no such listing or permission to deal is being or is proposed to be sought.

Free exchange of share certificates

Subject to the Capital Reduction and the Sub-division becoming effective, Shareholders may, on or after Wednesday, 20 September 2023 and until Thursday, 19 October 2023 (both days inclusive), submit their existing certificates for the Shares in blue colour to the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong, to exchange, at the expense of the Company, for new share certificates for the New Shares in brown colour. Thereafter, certificates for Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such other amount as may from time to time be specified by the Stock Exchange) by the Shareholders for each share certificate issued for the New Shares or each existing shares certificate for the Existing Shares submitted for cancellation, whichever the number of certificates issued or cancelled is higher. After trading hours on Tuesday, 19 September 2023, existing share certificates for the Shares will only remain effective as documents of legal title and may be exchanged for certificates for the New Shares at any time but will not be accepted for delivery, trading and settlement purposes.

REASONS FOR AND EFFECTS OF THE CAPITAL REDUCTION, THE SUB-DIVISION AND THE SHARE PREMIUM REDUCTION

The proposed Capital Reduction and Sub-division will enable the par value of the Shares to be reduced from HK\$1.00 to HK\$0.10 each. Upon the Capital Reduction and the Share Premium Reduction becoming effective, the credit arising from the Capital Reduction and the Share Premium Reduction will be transferred to the contributed surplus account of the Company within the meaning of the Companies Act 1981 of Bermuda (as amended from time to time) to thereafter be applied towards *inter alia* offsetting the Accumulated Losses of the Company as at the effective date of the Capital Reduction and the Share Premium Reduction, thereby reducing the Accumulated Losses of the Company in accordance with and as permitted by all applicable laws and the memorandum of association and bye-laws of the Company and as the Board considers appropriate.

LETTER FROM THE BOARD

As such, the Directors are of the view that the Capital Reduction, the Sub-division and the Share Premium Reduction are in the best interests of the Company and its Shareholders as a whole.

Save for applying the credit arising from the Capital Reduction and the Share Premium Reduction towards offsetting the Accumulated Losses of the Company and the expenses to be incurred in relation to the Capital Reduction, the Sub-division and the Share Premium Reduction, the Directors consider that the Capital Reduction, the Sub-division and the Share Premium Reduction will have no effect on the underlying assets, business operations, management or financial position of the Company or the proportional interests of the Shareholders in the Company.

As at the Latest Practicable Date, the Company has no intention to carry out other corporate action or arrangement, including share consolidation, share subdivision and capital reduction, in the next 12 months. Depending on the business development and funding need of the Group, the Company may require to conduct equity fund raising exercise in the next 12 months. As at the Latest Practicable Date, the Company did not have concrete plan for any fund raising activity. Further announcement will be made by the Company, when appropriate, in compliance with the Listing Rules.

7. ANNUAL GENERAL MEETING

The notice of the AGM is set out on pages 100 to 106 of this circular. At the AGM, resolutions will be proposed to approve, inter alia, the granting of the Issuance Mandate and the Buyback Mandate, the extension of the Issuance Mandate by the addition thereto of the total number of Shares repurchased by the Company pursuant to the Buyback Mandate, the re-election of the retiring Directors, adoption of the new Bye-laws, the proposed adoption of the 2023 Share Option Scheme and the proposed Capital Reduction of issued Shares, Sub-division of unissued Shares and reduction of share premium.

A form of proxy for use at the AGM is enclosed with this circular and such form of proxy is also published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (<http://www.chgroups.com>). Whether or not you are able to attend the AGM, please complete and sign the form of proxy in accordance with the instructions printed thereon and return it, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority, to the branch share registrar of the Company in Hong Kong, Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from attending and voting at the AGM or any adjournment thereof if you so wish and in such event, the proxy form shall be deemed to be revoked.

LETTER FROM THE BOARD

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll (except where the resolution relates purely to a procedural or administrative matter which may be voted on by a show of hands) and accordingly, all resolutions proposed at the AGM will be taken by poll. To the best of the Directors' knowledge, information and belief, after having made all reasonable enquiries, none of the Shareholders is required to abstain from voting on the ordinary resolutions to be proposed at the AGM pursuant to the Listing Rules and/or the Bye-laws.

The Board confirmed that to the best of their knowledge, information and belief, having made all reasonable enquiries, as at the Latest Practicable Date, there was no voting trust or other agreement or arrangement or understanding (other than an outright sale) entered into by or binding upon any Shareholder and there was no obligation or entitlement of any Shareholder whereby he, she or it has or may have temporarily or permanently passed control over the exercise of the voting right in respect of his, her or its Shares to a third party, either generally or on a case-by-case basis.

8. 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.

9. RECOMMENDATION

The Directors consider that the granting of the Issuance Mandate and the Buyback Mandate, the extension of the Issuance Mandate, the re-election of the retiring Directors, adoption of the new Bye-laws, the adoption of the 2023 Share Option Scheme and the proposed Capital Reduction of issued Shares, Sub-division of authorised but unissued Shares and reduction of share premium are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the AGM.

10. GENERAL INFORMATION

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

LETTER FROM THE BOARD

11. DOCUMENT AVAILABLE FOR INSPECTION

The full terms of the 2023 Share Option Scheme will be published on the website of the Stock Exchange and the website of the Company (www.ch-groups.com) for a period of 14 days before the date of the AGM (including the date of the AGM) and can be inspected at the AGM.

Yours faithfully,

By Order of the Board

China Health Group Limited

Zhang Fan

Chairman of the Board and Executive Director

The following is an explanatory statement required by the Listing Rules to be sent to the Shareholders to enable them to make an informed decision on whether to vote for or against the ordinary resolution to be proposed at the AGM in relation to the granting of the Buyback Mandate.

1. REASONS FOR BUYBACK OF SHARES

The Directors believe that the granting of the Buyback Mandate is in the interests of the Company and the Shareholders. Repurchases of Shares may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share. The Directors are seeking the granting of the Buyback Mandate to give the Company the flexibility to do so if and when appropriate. The number of Shares to be repurchased on any occasion and the price and other terms upon which the same are repurchased will be decided by the Directors at the relevant time, having regard to the circumstances then pertaining.

2. SHARE CAPITAL

As at the Latest Practicable Date, the issued Shares comprised 478,994,763 Shares.

Subject to the passing of the ordinary resolution set out in item 5 of the notice of the AGM in respect of the granting of the Buyback Mandate and on the basis that the issued ordinary share capital of the Company remains unchanged on the date of the AGM, the Directors would be authorized under the Buyback Mandate to repurchase, during the period in which the Buyback Mandate remains in force, up to 47,899,476 Shares, representing 10% of the total number of the issued Shares as at the date of the AGM.

3. FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its Memorandum of Association and Bye-laws, the laws of Bermuda and/or any other applicable laws, as the case may be.

The Company is empowered by its Memorandum of Association and the Bye-laws to repurchase Shares. The laws of Bermuda provide that the amount of capital paid in connection with a share repurchase by a company may only be paid out of the capital paid up on the relevant shares, or funds of the company which would otherwise be available for dividend or distribution or out of the proceeds of a fresh issue of shares made for such purpose. The amount of premium payable on a repurchase may only be paid out of the funds of the company which would otherwise be available for dividend or distribution or out of the share premium account of the company.

4. IMPACT OF REPURCHASES

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the annual report of the Company for the year ended 31 March 2023) in the event that the Buyback Mandate was to be carried out in full at any time during the proposed repurchase period. However, the Directors do not intend to exercise the Buyback Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital or the gearing levels of the Company.

5. TAKEOVERS CODE

If a shareholder's proportionate interest in the voting rights of the Company increases as a result of the Directors exercising the powers of the Company to repurchase Shares pursuant to the Buyback Mandate, such increase will be treated as an acquisition of voting rights for the purpose of Rule 32 of the Takeovers Code. As far as the Directors are aware, as at the Latest Practicable Date, Mr. Zhang Fan (the executive Director, "Mr. Zhang"), together with Treasure Wagon Limited wholly owned by Mr. Zhang, held 137,299,400 Shares (representing 28.66% of the total issued Shares). Save as disclosed above, there were no other Shareholders holding 10% or more in the issued Shares. Accordingly, on the basis that no further Shares are issued or repurchased and there is no change in share holding structure, an exercise of the Buyback Mandate in full would give rise to any obligation on Mr. Zhang to make a mandatory general offer under the Takeovers Code. However, the Directors have no intention to exercise the Buyback Mandate which would render any Shareholder or group of Shareholders (including Mr. Zhang) obliged to make a general mandatory offer under the Takeovers Code. Save as the foregoing, the Directors are not aware of any consequences which may arise under the Takeovers Code as a consequence of any purchase made under the Buyback Mandate.

6. GENERAL

None of the Directors or, to the best of their knowledge having made all reasonable enquiries, any of their respective close associates have any present intention to sell any Share to the Company in the event that the granting of the Buyback Mandate is approved by the Shareholders.

The Company has not been notified by any core connected persons of the Company that they have a present intention to sell any Share to the Company, or that they have undertaken not to sell any Share held by them to the Company in the event that the granting of the Buyback Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make repurchases of Shares pursuant to the Buyback Mandate in accordance with the Listing Rules and the applicable laws of Bermuda.

7. MARKET PRICES OF SHARES

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

Month	Highest HK\$	Lowest HK\$
2022		
July	0.56	0.47
August	1.30	0.49
September	1.86	0.97
October	1.33	1.08
November	1.25	1.00
December	1.64	1.11
2023		
January	1.44	0.92
February	1.60	1.06
March	1.30	1.07
April	1.34	1.06
May	1.19	1.01
June	1.24	1.10
July	1.23	0.70
August (up to the Latest Practicable Date)	1.00	0.80

8. REPURCHASES OF SHARES MADE BY THE COMPANY

No repurchases of Shares have been made by the Company during the previous six months (whether on the Stock Exchange or otherwise).

APPENDIX II DETAILS OF THE RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED AT THE AGM

Pursuant to the Listing Rules, the details of the Directors, who will retire and offer themselves for re-election at the AGM according to the Bye-laws, are provided below:

EXECUTIVE DIRECTOR

MR. ZHANG FAN

Mr. Zhang Fan, aged 58, was appointed as the executive Director on 16 December 2016. He graduated from the Engineering Department of Changsha University of Science and Technology with a Bachelor Degree in engineering, majoring in engineering machinery. From April 1989 to November 2016, he served at CSG Holding Co., Ltd. (which is listed on the Shenzhen Stock Exchange with stock code: 000012), and held a number of important positions with CSG Holding Co., Ltd. or its subsidiaries. Mr. Zhang has long been engaged in enterprise management, and in particular has accumulated extensive management experience in corporate standardization, regulation and information development. He has in-depth understanding of the relevant industries, and was president of the Guangdong Glass Association. Save as disclosed above, he has not held any other directorship in listed companies in the last three years.

There is no service contract between Mr. Zhang and the Company. The annual salaries and other benefits of Mr. Zhang amounted to approximately HK\$1,218,000, which was determined by the Board with reference to his responsibilities. He is subject to retirement and re-election in accordance with the Bye-laws.

As far as the Directors are aware, (1) Mr. Zhang does not have any relationship with any of the other Directors, senior management, substantial Shareholders (as defined in the Listing Rules), or controlling Shareholders (as defined in the Listing Rules) of the Company; and (2) as at the Latest Practicable Date, Mr. Zhang, together with Treasure Wagon Limited wholly owned by him, held 137,299,400 Shares and 800,000 share options of the Company. Save as disclosed above, he was not interested or deemed to be interested in any share or underlying share of the Company or its associated corporations pursuant to Part XV of the SFO.

There is no information which is discloseable nor is/was Mr. Zhang involved in any of the matters required to be disclosed pursuant to any of the requirements under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there are no other matters concerning Mr. Zhang that need to be brought to the attention of the Shareholders.

APPENDIX II DETAILS OF THE RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED AT THE AGM

NON-EXECUTIVE DIRECTORS

MR. WANG JINGMING

Mr. Wang Jingming, aged 66, was appointed as the executive Director on 15 May 2014 and has been re-designated from the executive Director to non-executive Director on 18 October 2021. He graduated from the Fourth Military Medical University and the Third Military Medical University and received a bachelor's degree in Medicine and a master's degree in Surgery respectively. In his career of hospital management from 1994, he served as the president of the 251st Hospital of the People's Liberation Army, Chang'an Hospital in Xi'an, Beijing Beiya Orthopedics Hospital, Nanchang 334 Hospital as president, Chengde City Shuangluan District People's Hospital, Cheng Du Qing Cheng Mt. Hospital. Mr. Wang has long been focused on theoretical research and practice of hospital operating mechanism, management model, development direction. He was awarded 8 military science and technology achievement awards and medical achievement awards, of which "The Research of Military Center Hospital Management New Model" awarded the second prize of military science and technology progress as the primary researcher, and he has published over 80 articles on hospital management and medical professional academic papers. He was the editor-in-chief of "Hospital Management New Model", "Health 4.0 Smart Hospital Management Model" and "Health 4.0 Smart Service-Practical Exploration".

During the 5 years when he served as president in the 251st Hospital, the hospital obtained sustainable and rapid development, accessed to social benefits and economic benefits double harvest. The hospital was named "Hospital Operating Mechanism Research Base", "Model Digital Trial Hospitals" by the Ministry of Health, and the "Advanced Unit of the Army in Hospital Informatization" by the General Logistics Department of the PLA. Mr. Wang Jingming was honoured "The Most Leading Chinese Hospital President Innovation Award", "China Outstanding CIO", "Excellent Hospital President of the Army", "Outstanding Contribution of Promoting Construction of China's Informatization", etc. He was also elected as a standing member of the Information Management Committee, a vice chairman of the Chinese Hospital Statistics Committee, a member of the Chinese Health Information Association, a standing member of the Military Hospital Economic Management Committee of Chinese Hospital Association and an expert on special allowance of the military.

As the president of Chang'an Hospital for more than three years, the number of beds increased from 300 to more than 1,000, and medical income increased from RMB120 million to RMB400 million, rising the Shaanxi provincial tertiary hospital rank from No. 48 to No. 12; it participated in the Ministry of Health electronic medical system function evaluation, and won the first place in the national inspection and evaluation; and participated in the US HIMMS, representing the first sixth level certified hospital in the PRC.

APPENDIX II DETAILS OF THE RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED AT THE AGM

When he served as the president of 334 Hospital for 1 year, it completed the overall introduction of new model hospital management, and the overall management level, service capacity, brand image were significantly improved, outpatient, inpatient beds increased by 1 time, hospital income increased by over 90%, and the hospital was certified tertiary hospital qualification.

In September 2015, he served as the president of Chengde City Shuangluan District People's Hospital, where he applied "Jingming Model" to promote the overall development of the hospital. With no changes in the conditions, personnel and equipment of the old hospital area, the admission and treatment capabilities, technical standards and employee mental outlook of employees of the hospital have been significantly improved; after moving to the new hospital area, although there are no residents around, the development momentum of the hospital has not diminished with great improvement in the hospital's technical standards and diagnosis and treatment capabilities. In 2017, at the "Primary Hospital Reform Forum" held by the National Health and Family Planning Commission in the hospital, Shuangluan District People's Hospital introduced its experience. The annual income of the hospital also increased from more than RMB20 million to RMB120 million.

In January 2021, he served as the president of Cheng Du Qing Cheng Mt. Hospital, where he had actively promoted the construction of the Healthcare 4.0 hospital and the promotion of the Jingming model. Since its opening in May 2021, the organisational structure, job responsibilities, workflow, cost accounting and performance management mechanisms of the hospital have been generally completed. The hospital is on the fast track of development. Save as disclosed above, he has not held any other directorship in listed companies in the last three years.

Mr. Wang has entered into a service agreement with the Company for two years commencing on 18 October 2021. The annual salaries and other benefits of Mr. Wang amounted to approximately HK\$100,000, which was determined by the Board with reference to his responsibilities. He is subject to retirement and re-election in accordance with the Bye-laws.

As far as the Directors are aware, (1) Mr. Wang does not have any relationship with any of the other Directors, senior management, substantial Shareholders (as defined in the Listing Rules), or controlling Shareholders (as defined in the Listing Rules) of the Company; and (2) as at the Latest Practicable Date, Mr. Wang was interested in 2,340,600 Shares and 300,000 share options of the Company. Save as disclosed above, Mr. Wang was not interested or deemed to be interested in any share or underlying share of the Company or its associated corporations pursuant to Part XV of the SFO.

There is no information which is discloseable nor is/was Mr. Wang involved in any of the matters required to be disclosed pursuant to any of the requirements under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there are no other matters concerning Mr. Wang that need to be brought to the attention of the Shareholders.

APPENDIX II DETAILS OF THE RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED AT THE AGM

MR. XING YONG

Mr. Xing Yong, aged 58, a senior engineer, was appointed as the non-executive Director on 18 June 2016. He graduated from Huaqiao University majoring in mechanical manufacturing. In 2004, Mr. Xing formed a Hong Kong company conducting the business of trading and shipping agency for customers from the United States, Europe and South Africa. Mr. Xing was appointed as the deputy general manager of Shenzhen Teamrun Investment Development Company Limited since 2015 and oversees commercial real estate development projects. Save as disclosed above, he has not held any other directorship in listed companies in the last three years.

There is no service contract between Mr. Xing and the Company. The annual salaries and other benefits of Mr. Xing amounted to approximately HK\$300,000, which was determined by the Board with reference to his responsibilities. He is subject to retirement and re-election in accordance with the Bye-laws.

As far as the Directors are aware, (1) Mr. Xing does not have any relationship with any of the other Directors, senior management, substantial Shareholders (as defined in the Listing Rules), or controlling Shareholders (as defined in the Listing Rules) of the Company; and (2) as at the Latest Practicable Date, Mr. Xing was interested in 139,800 Shares and 3,400,000 share options of the Company. Save as disclosed above, Mr. Xing was not interested or deemed to be interested in any share or underlying share of the Company or its associated corporations pursuant to Part XV of the SFO.

There is no information which is discloseable nor is/was Mr. Xing involved in any of the matters required to be disclosed pursuant to any of the requirements under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there are no other matters concerning Mr. Xing that need to be brought to the attention of the Shareholders.

The following are the Proposed Amendments brought about by the adoption of the New Bye-Laws. Unless otherwise specified, clauses, paragraphs and bye-law numbers referred to herein are clauses, paragraphs and bye-law numbers of the Bye-Laws. If the serial numbering of the clauses of the Bye-Laws is changed due to the addition, deletion or re-arrangement of certain clauses made in these amendments, the serial numbering of the clauses of the Bye-Laws as so amended shall be changed accordingly, including cross references.

Bye-Law No. Proposed Amendments (only showing those provisions with changes to the existing Bye-laws)

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

WORD	MEANING
<u>“announcement”</u>	<u>an official publication of a Notice or document of the Company, including a publication, subject to and to such extent permitted by the Listing Rules, by electronic communication or by advertisement published in the newspapers or in such manner or means ascribed and permitted by the Listing Rules and applicable laws.</u>
“associate”	the meaning attributed to it in the rules of the Designated Stock Exchange.
“capital”	the share capital <u>of the Company</u> from time to time of the Company.
<u>“close associate”</u>	<u>in relation to any Director, shall have the same meaning as defined in the Listing Rules as modified from time to time, except that for purposes of Bye-law 100 where the transaction or arrangement to be approved by the Board is a connected transaction referred to in the Listing Rules, it shall have the same meaning as that ascribed to “associate” in the Listing Rules.</u>
“Company”	China HealthCare Holdings Limited, formerly known as TechCap Holdings <u>Health Group Limited.</u>

“dollars” and “\$”	dollars, the legal currency of Hong Kong.
<u>“electronic communication”</u>	<u>a communication sent, transmitted, conveyed and received by wire, by radio, by optical means or by other similar means in any form through any medium.</u>
<u>“electronic meeting”</u>	<u>a general meeting held and conducted wholly and exclusively by virtual attendance and participation by Members and/or proxies by means of electronic facilities.</u>
<u>“hybrid meeting”</u>	<u>a general meeting convened for the (i) physical attendance by Members and/or proxies at the Principal Meeting Place and where applicable, one or more Meeting Locations and (ii) virtual attendance and participation by Members and/or proxies by means of electronic facilities.</u>
“Listing Rules”	shall mean the Rules Governing the Listing of Securities on the rules and regulations of the Designated Stock Exchange of Hong Kong Limited (as may be amended from time to time).
“Member”	a duly registered holder from time to time of the shares in the <u>the</u> capital of the Company.
<u>“Meeting Location”</u>	<u>has the meaning given to it in Bye-law 64(A).</u>
<u>“physical meeting”</u>	<u>a general meeting held and conducted by physical attendance and participation by Members and/or proxies at the Principal Meeting Place and/or where applicable, one or more Meeting Locations.</u>
<u>“Principal Meeting Place”</u>	<u>shall have the meaning given to it in Bye-law 59(2).</u>
“subsidiaries”	the meaning attributed to it in the rules of the Designated Stock Exchange.

“substantial shareholder” a person who is entitled to exercise, or to control the exercise of, 10% or more (or such other percentage as may be prescribed by the Listing Rules from time to time) of the voting power at any general meeting of the Company.

2. (e) expressions referring to writing shall, unless the contrary intention appears, be construed as including printing, lithography, photography and other modes of representing or reproducing words or figures in a ~~visible form;~~ legible and non-transitory form or, to the extent permitted by and in accordance with the Statutes and other applicable laws, rules and regulations, any visible substitute for writing (including an electronic communication), or modes of representing or reproducing words partly in one visible form and partly in another visible form, and including where the representation takes the form of electronic display, provided that both the mode of service of the relevant document or notice and the Member’s election comply with all applicable Statutes, rules and regulations;
- (g) ~~expressions referring to “rules of the Designed Stock Exchange” for the purpose of this Bye-Laws shall include but not limited to the Listing Rules save as aforesaid words and expressions defined in the Statutes shall bear the same meanings in these Bye-laws if not inconsistent with the subject in the context;~~
- (h) a resolution shall be a special resolution when it has been passed by a majority of not less than three-fourths of votes cast by such Members as, being entitled so to do, vote in person or, in the case of such Members as are corporations, by their respective duly authorised representative or, where proxies are allowed, by proxy at a general meeting of which ~~not less than twenty-one (21) clear days’ Notice, specifying (without prejudice to the power contained in these Bye-laws to amend the same) the intention to propose the resolution as a special resolution, Notice~~ has been duly given. ~~Provided that, except in the case of an annual general meeting, if it is so agreed by a majority in number of the Members having the right to attend and vote at any such meeting, being a majority together holding not less than ninety-five (95) per cent. in nominal value of the shares giving that right and in the case of an annual general meeting, if it is so agreed by all Members entitled to attend and vote thereat, a resolution may be proposed and passed as a special resolution at a meeting of which less than twenty-one (21) clear days’ Notice has been given; in accordance with Bye-law 59;~~

- (i) a resolution shall be an ordinary resolution when it has been passed by a simple majority of votes cast by such Members as, being entitled so to do, vote in person or, in the case of any Member being a corporation, by its duly authorised representative or, where proxies are allowed, by proxy at a general meeting of which ~~not less than fourteen (14) clear days~~² Notice has been duly given in accordance with Bye-law 59;
- (j) a special resolution shall be effective for any purpose for which an ordinary resolution is expressed to be required under any provision of these or the Statutes;
- (k) a resolution shall be an extraordinary resolution when it has been passed by a majority of not less than two-thirds of votes cast by such Members as, being entitled so to do, vote in person or, in the case of such Members as are corporations, by their respective duly authorised representative or, where proxies are allowed, by proxy at a general meeting of which Notice has been duly given in accordance with Bye-law 59;
- (l) references to a document (including, but without limitation, a resolution in writing) being signed or executed include references to it being signed or executed under hand or under seal or by electronic signature or by electronic communication or by any other method and references to a notice or document include a notice or document recorded or stored in any digital, electronic, electrical, magnetic or other retrievable form or medium and information in visible form whether having physical substance or not;
- (m) references to the right of a Member to speak at an electronic meeting or a hybrid meeting shall include the right to raise questions or make statements to the chairman of the meeting, verbally or in written form, by means of electronic facilities. Such a right shall be deemed to have been duly exercised if the questions or statements may be heard or seen by all or only some of the persons present at the meeting (or only by the chairman of the meeting) in which event the chairman of the meeting shall relay the questions raised or the statements made verbatim to all persons present at the meeting, either orally or in writing using electronic facilities;

- (n) a reference to a meeting: (a) shall mean a meeting convened and held in any manner permitted by these Bye-laws and any Member or Director attending and participating at a meeting by means of electronic facilities shall be deemed to be present at that meeting for all purposes of the Statutes, these Bye-laws, other applicable laws and regulations, and the Listing Rules, and attend, participate, attending, participating, attendance and participation shall be construed accordingly, and (b) shall, where the context is appropriate, include a meeting that has been postponed by the Board pursuant to Bye-law 64E;
- (o) references to a person's participation in the business of a general meeting include without limitation and as relevant the right (including, in the case of a corporation, through a duly authorised representative) to speak or communicate, vote, be represented by a proxy and have access in hard copy or electronic form to all documents which are required by the Statutes or these Bye-laws to be made available at the meeting, and participate and participating in the business of a general meeting shall be construed accordingly;
- (p) references to electronic facilities include, without limitation, website addresses, webinars, webcast, video or any form of conference call systems (telephone, video, web or otherwise);
- (q) where a Member is a corporation, any reference in these Bye-laws to a Member shall, where the context requires, refer to a duly authorised representative of such Member; and
- (r) references to general meeting shall include such meeting being held as a physical meeting, hybrid meeting or electronic meeting in accordance with these Bye-laws, as the case may be.
3. (1) As at the date of adoption of this Bye-law, the share capital of the Company is divided into ordinary shares of HK\$~~0.10~~1.00 each and redeemable cumulative convertible preference shares of US\$~~0.01~~0.01 each (the "Preference Shares"). The Preference Shares shall confer on the holders thereof the respective rights and privileges and be subject to the respective restrictions as set out in Bye-law 9A.

- (2) Subject to the Act, the Company's memorandum of association and, where applicable, the ~~rules of any Designated Stock Exchange Listing Rules~~ and/or any competent regulatory authority, any power of the Company to purchase or otherwise acquire its own shares shall be exercisable by the Board upon such terms and subject to such conditions as it thinks fit.
- (3) ~~Neither the Company nor any of its subsidiaries shall directly or indirectly give financial assistance to a person who is acquiring or proposing to acquire shares in the Company for the purpose of that acquisition whether before or at the same time as the acquisition takes place or afterwards PROVIDED that nothing in this Bye-law shall prohibit transactions permitted by the Act. Subject to compliance with the Listing Rules and any other competent regulatory authority, the Company may give financial assistance for the purpose of or in connection with a purchase made or to be made by any person of any shares in the Company.~~
6. The Company may from time to time by special resolution, subject to any confirmation or consent required by law, reduce its ~~authorised or issued~~ share capital or, save for the use of share premium as expressly permitted by the Act, any share premium account or other undistributable reserve ~~in any manner permitted by law~~.
9. Subject to Sections 42 and 43 of the Act, these Bye-laws, and to any special rights conferred on the holders of any shares or attaching to any class of shares, any preference shares may be issued or converted into shares that, at a determinable date or at the option of the Company or the holder if so authorised by its memorandum of association, are liable to be redeemed on such terms and in such manner as the Company before the issue or conversion may by ordinary resolution of the Members determine. ~~Where the Company purchases for redemption a redeemable share, purchases not made through the market or by tender shall be limited to a maximum price as may from time to time be determined by the Company in generally meeting, either generally or with regard to specific purchases. If purchases are by tender, tenders shall be available to all Members alike.~~
- 9A. (1) "Ordinary Shares" ordinary shares of HK\$~~0.10~~1.00 each in the capital of the Company or, if there has been a sub-division, consolidation, re-classification or re-construction of the ordinary share capital of the Company, such ordinary shares forming part of the ordinary equity share capital of the Company of such other nominal amount as shall result from any such sub-division, consolidation, re-classification or re-construction;

“Other ~~Pan~~Pari Passu Shares” shares ranking pari passu as regards dividends with the Preference Shares;

“PRC” the ~~Peoples’s~~People’s Republic of China but excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan;

“Preference Shares” the unlisted redeemable convertible cumulative preference shares of ~~US\$0.01~~US\$0.01 each in the capital of the Company, the rights of which are set out in Bye-law 9A;

- (12) “Consolidated Borrowings” means indebtedness of the Company, on a consolidated basis, (other than ~~ordina~~ordinary trade indebtedness) incurred in respect of (a) money borrowed or raised, (b) any bond, note, loan stock, debenture or similar instrument, (c) acceptance credit, trust receipts or commercial paper facilities, (d) deferred payments for assets or services acquired, (e) payments under finance leases (whether in respect of land, machinery, equipment or otherwise) entered into primarily as a method of raising finance or of financing the acquisition of the asset leased, (f) guarantees, bonds, standby letters of credit or other instruments issued in connection with the performance of contracts, (g) any crystallized amount in respect of any derivative transactions which is payable by any member of the Company and (h) Contingencies;

“Test Dates” means 1 January 2008 and 1 July 2008 and thereafter each 1 January and ~~H~~July (or, to the extent of the Company’s Financial year is amended, the first day of the fourth month following the end of each Relevant Period) and “Test Date” means any of the foregoing each “Test Date” will be in respect of the most recently completed Relevant Period.

10. Subject to the Act and without prejudice to Bye-law 8, all or any of the special rights for the time being attached to the shares or any class of shares may, unless otherwise provided by the terms of issue of the shares of that class, from time to time (whether or not the Company is being wound up) be varied, modified or abrogated either with the consent in writing of the holders of not less than three-fourths in nominal value of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting all the provisions of these Bye-laws relating to general meetings of the Company shall, mutatis mutandis, apply, but so that:

- (a) the necessary quorum (~~other than~~including at an adjourned meeting) shall be two persons (or in the case of a Member being a corporation, its duly authorised representative) holding or representing by proxy not less than one-third in nominal value of the issued shares of that class; ~~and at any adjourned meeting of such holders, two holders present in person (or in the case of a Member being a corporation, its duly authorised representative) or by proxy (whatever the number of shares held by them) shall be a quorum;~~
- (b) every holder of shares of the class shall be entitled ~~on a poll~~ to one vote for every such share held by him; ~~and.~~
- ~~(c) any holder of shares of the class present in person or by proxy may demand a poll.~~
12. (1) Subject to the Act, these Bye-laws, any direction that may be given by the Company in general meeting and, where applicable, the ~~rules of any Designated Stock Exchange~~Listing Rules and without prejudice to any special rights or restrictions for the time being attached to any shares or any class of shares, the unissued shares of the Company (whether forming part of the original or any increased capital) shall be at the disposal of the Board, which may offer, allot, grant options over or otherwise dispose of them to such persons, at such times and for such consideration and upon such terms and conditions as the Board may in its absolute discretion determine but so that no shares shall be issued at a discount to their nominal value. Neither the Company nor the Board shall be obliged, when making or granting any allotment of, offer of, option over or disposal of shares, to make, or make available, any such allotment, offer, option or shares to Members or others with registered addresses in any particular territory or territories being a territory or territories where, in the absence of a registration statement or other special formalities, this would or might, in the opinion of the Board, be unlawful or impracticable. Members affected as a result of the foregoing sentence shall not be, or be deemed to be, a separate class of ~~members~~Members for any purpose whatsoever.
- (2) The Board may issue warrants or convertible securities or securities of similar nature conferring the right upon the holders thereof to subscribe for any class of shares or securities in the capital of the Company on such terms as it may from time to time determine.

16. Every share certificate shall be issued under the Seal or a facsimile thereof or with the Seal printed thereon and shall specify the number and class and distinguishing numbers (if any) of the shares to which it relates, and the amount paid up thereon and may otherwise be in such form as the Directors may from time to ~~time~~ lifetime determine. The seal of the Company may only be affixed or imprinted to a share certificate with the authority of the Directors, or be executed under the signature of appropriate officials with statutory authority, unless otherwise determined by the Directors. No certificate shall be issued and representing shares of more than one class. The Board may by resolution determine, either generally or in any particular case or cases, that any signatures on any such certificates (or certificates in respect of other securities) need not be autographic but may be affixed to such certificates by ~~some~~ some mechanical means or may be printed thereon or that such certificates need not be signed by any person.
19. Share certificates shall be issued within the relevant time limit as prescribed in the Act or as the Designated Stock Exchange may from time to time determine, whichever is the shorter, after allotment or, except in the case of a transfer which the Company is for the time being entitled to refuse to register and does not register, after lodgment of a transfer with the Company.
20. (2) The fee referred to in paragraph (1) above shall be an amount not exceeding the relevant maximum amount as the Designated Stock Exchange may from time to time determine provided that the Board may at any time determine a lower amount for such fee.
22. The Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys (whether presently payable or not) called or payable at a fixed time in respect of that share. The Company shall also have a first and paramount lien on every share (not being a fully paid share) registered in the name of a Member (whether or not jointly with other Members) for all amounts of money presently payable by such Member or his estate to the Company whether the same shall have been incurred before or after notice to the Company of any equitable or other interest of any person other than such ~~member~~ Member, and whether the period for the payment or discharge of the same shall have actually arrived or not, and notwithstanding that the same are joint debts or liabilities of such Member or his estate and any other person, whether a Member or not. The Company's lien on a share shall extend to all dividends or other moneys payable thereon or in respect thereof. The Board may at any time, generally or in any particular case, waive any lien that has arisen or declare any share exempt in whole or in part, from the provisions of this Bye-law.

23. Subject to these Bye-laws, the Company may sell in such manner as the Board determines ~~any~~ share on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable, or the liability or engagement in respect of which such lien exists is liable to be presently fulfilled or discharged nor until the expiration of fourteen (14) clear days after a notice in writing, stating and demanding payment of the sum presently payable, or specifying the liability or engagement and demanding fulfilment or discharge thereof and giving notice of the intention to sell in default, has been served on the registered holder for the time being of the share or the person entitled thereto by reason of his death or bankruptcy.
40. Notwithstanding any such forfeiture as aforesaid the Board may at any time, before any shares so forfeited shall have been sold, re-allotted or otherwise disposed of, permit the shares forfeited to be bought back upon the terms of payment of all calls and interest due upon and expenses incurred in respect of the share, and upon such further terms (if any) as it thinks fit.
43. (1) (a) the name and address of each Member, the number and class of shares held by him and, in respect of any shares that are not fully paid, the amount paid or agreed to be considered as paid on such shares;
44. The Register and branch register of Members, as the case may be, shall be open to inspection between 10 a.m. and 12 noon ~~on every~~during business day ~~by Members~~hours by members of the public without charge ~~or by any other person, upon a maximum payment of five Bermuda dollars~~; at the Office or such other place ~~in Bermuda~~ at which the Register is kept in accordance with the Act ~~or, if appropriate, upon a maximum payment of ten dollars at the Registration Office~~. The Register including any overseas or local or other branch register of Members may, after notice has been given by advertisement in an appointed newspaper and where applicable, any other newspapers in accordance with the requirements of any Designated Stock Exchange or by any means in such manner as may be accepted by the Designated Stock Exchange to that effect, be closed at such times or for such periods not exceeding in the whole thirty (30) days in each year as the Board may determine and either generally or in respect of any class of shares.
45. ~~Notwithstanding~~ Subject to the Listing Rules, ~~notwithstanding~~ any other provision of these Bye-laws the Company or the Directors may fix any date as the record date for:

- (a) ~~determining the Members entitled to receive any dividend, distribution, allotment or issue and such record date may be on, or at any time not more than thirty (30) days before or after, any date on which such dividend, distribution, allotment or issue is declared, paid or made;~~

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

48. (1) The Board may, in its absolute discretion, and without giving any reason therefor, refuse to register a transfer of any share (not being a fully paid ~~up~~ share) to a person of whom it does not approve, or any share issued under any share incentive scheme for employees upon which a restriction on transfer imposed thereby still subsists, and it may also, without prejudice to the foregoing generality, refuse to register a transfer of any share to more than four (4) joint holders or a transfer of any share (not being a fully paid up share) on which the Company has a lien.

(4) Unless the Board otherwise agrees (which agreement may be on such terms and subject to such conditions as the Board in its absolute discretion may from time to time determine, and which agreement the Board shall, without giving any reason therefor, be entitled in its absolute discretion to give or withhold), no shares upon the Register shall be transferred to any branch register nor shall shares on any branch register be transferred to the Register or any other branch register and all transfers and other documents of title shall be lodged for registration, and registered, in the case of any shares on a branch register, at the relevant Registration Office, and, in the easecase of any shares on the Register, at the Office or such other place in Bermuda at which the Register is kept in accordance with the Act.

51. The registration of transfers of shares or of any class of shares may, after notice has been given by announcement or by electronic communication or by advertisement in an appointed newspaper and, where applicable, any other any newspapers in accordance with the requirements of any Designated Stock Exchange or by any means in such manner as may be accepted by the Designated Stock Exchange to that effect be suspended at such times and for such periods (not exceeding in the whole thirty (30) days in any year) as the Board may determine.
53. Subject to Section 52 of the Act, any person becoming entitled to a share in consequence of the death or bankruptcy or winding-up of a Member may, upon such evidence as to his title being produced as may be required by the Board, elect either to become the holder of the share or to have some person nominated by him registered as the transferee thereof. If he elects to become the holder ~~he~~ he shall notify the Company in writing either at the Registration Office or Office, as the case may be, to that effect. If he elects to have another person registered he shall execute a transfer of the share in favour of that person. The provisions of these Bye-laws relating to the transfer and registration of transfers of shares shall apply to such notice or transfer as aforesaid as if the death or bankruptcy of the Member had not occurred and the notice or transfer were a transfer signed by such Member.
54. A person becoming entitled to a share by reason of the death or bankruptcy or winding-up of a Member shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share. However, the Board may, if it thinks fit, withhold the payment of any dividend payable or other advantages in respect of such share until such person shall become the registered holder of the share or shall have effectually transferred such share, but, subject to the requirements of Bye-law ~~7572~~7572(2) being met, such a person may vote at meetings.
55. (1) Without prejudice to the rights of the Company ~~under~~under paragraph (2) of this Bye-law, the Company may cease sending cheques for dividend entitlements or dividend warrants by post if such cheques or warrants have been left uncashed on two consecutive occasions. However, the Company may exercise the power to cease sending cheques for dividend entitlements or dividend warrants after the first occasion on which such a cheque or warrant is returned undelivered.

- (2) (a) all cheques or warrants in respect of dividends of the shares in question, being not less than three in total number, for any sum payable in cash to the holder of such shares in respect of them sent during the relevant period in the manner authorised by the Bye-laws of the Company have remained uncashed;
- (c) the Company, if so required by the ~~rules governing the listing of shares on the Designated Stock Exchange~~ Listing Rules, has given notice to, and caused advertisement in newspapers in accordance with the requirements of, the Designated Stock Exchange to be made of its intention to sell such shares in the manner required by the Designated Stock Exchange, and a period of three (3) months or such shorter period as may be allowed by the Designated Stock Exchange has elapsed since the date of such advertisement.

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

56. Subject to the Act, an Annual annual general meeting of the Company shall be held ~~in~~for each financial year other than the financial year in which its statutory meeting is convened at such time ~~(within a period of not more than fifteen~~and such annual general meeting must be held within six (156) months after the ~~holding of the last preceding annual general meeting~~ end of the Company’s financial year (unless a longer period would not infringe the rules of the Designated Stock Exchange, if any) ~~and place as may be determined by the Board.~~
57. Each general meeting, other than an annual general meeting, shall be called a special general meeting. General All general meetings (including an annual general meeting, any adjourned meeting or postponed meeting) may be held as a physical meeting in any part of the world and at one or more locations as provided in Bye-law 64A, as a hybrid meeting or as an electronic meeting, as may be determined by the Board in its absolute discretion.

58. The Board may whenever it thinks fit call special general meetings, and Members holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company, on a one vote per share basis, shall at all times have the right, by written requisition to the Board or the Secretary of the Company, to require a special general meeting to be called by the Board for the transaction of any business or resolution specified in such requisition; and such meeting shall be held in the form of a physical meeting only and within two (2) months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting the requisitionists themselves may ~~do so~~ convene such physical meeting in accordance with the provisions of Section 74(3) of the Act.
59. (1) An annual general meeting ~~and any special general meeting at which the passing of a special resolution is to be considered~~ shall be called by Notice of not less than twenty-one (21) clear days' ~~Notice~~. All other ~~special general meetings may~~ (including a special general meeting) must be called by Notice of not less than fourteen (14) clear days' ~~Notice~~ but if permitted by the Listing Rules, a general meeting may be called by shorter notice if it is so agreed:
- (b) in the case of any other meeting, by a majority in number of the Members having the right to attend and vote at the meeting, being a majority together ~~holding~~ representing not less than ninety-five per cent. (95%) ~~in nominal value of the issued shares giving that right~~ of the total voting rights at the meeting of all the Members.

- (2) The Notice shall specify (a) the time and date of the meeting, (b) save for an electronic meeting, the place of the meeting and, in ease of special business, the general nature of the business if there is more than one meeting location as determined by the Board pursuant to Bye-law 64A, the principal place of the meeting (the "Principal Meeting Place"), (c) if the general meeting is to be a hybrid meeting or an electronic meeting, the notice shall include a statement to that effect and with details of the electronic facilities for attendance and participation by electronic means at the meeting or where such details will be made available by the Company prior to the meeting, and (d) particulars of resolutions to be considered at the meeting. The Notice convening an annual general meeting shall specify the meeting as such. Notice of every general meeting shall be given to all Members other than to such Members as, under the provisions of these Bye-laws or the ~~terms~~ terms of issue of the shares they hold, are not entitled to receive such notices from the Company, to all persons entitled to a share in consequence of the death or bankruptcy or winding-up of a Member and to each of the Directors and the Auditors.
61. (2) No business other than the appointment of a chairman of a meeting shall be transacted at any general meeting unless a quorum is present at the commencement of the business. Two (2) Members entitled to vote and present in person ~~(or in the case of a Member being a corporation by its duly authorised representative) or by proxy or by proxy~~ or, for quorum purposes only, two persons appointed by the clearing house as authorised representative or proxy, shall form a quorum for all purposes.
62. If within thirty (30) minutes (or such longer time not exceeding one hour as the chairman of the meeting may determine to wait) after the time appointed for the meeting a quorum is not present, the meeting, if convened on the requisition of Members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week at the same time and ~~place~~ place (where applicable) same place(s) or to such time and place as the Board may (where applicable) such place(s) and in such form and manner referred to in Bye-law 57 as the chairman of the meeting (or in default, the Board) may absolutely determine. If at such adjourned meeting a quorum is not present within half an hour from the time appointed for holding the meeting, the meeting shall be dissolved.

63. (1) ~~The president~~chairman of the Company or ~~the chairman~~if there is more than one chairman, any one of them as may be agreed amongst themselves or failing such agreement, any one of them elected by all the Directors present shall preside as chairman at every~~a~~ general meeting. If at any meeting ~~the president or theno~~ chairman,~~as the case may be, is not~~ present within fifteen (15) minutes after the time appointed for holding the meeting, or ~~if neither of them is~~ willing to act as chairman, the deputy chairman of the Company or if there is more than one deputy chairman, any one of them as may be agreed amongst themselves or failing such agreement, any one of them elected by all the Directors present shall preside as chairman. If no chairman or deputy chairman is present or is willing to act as chairman of the meeting, the Directors present shall choose one of their number to act, or if one Director only is present he shall preside as chairman if willing to act. If no Director is present, or if each of the Directors present declines to take the chair, or if the chairman chosen shall retire from the chair, the Members present in person or by proxy and entitled to vote shall elect one of their number to be chairman of the meeting.
- (2) If the chairman of a general meeting is participating in the general meeting using an electronic facility or facilities and becomes unable to participate in the general meeting using such electronic facility or facilities, another person (determined in accordance with Bye-law 63(1) above) shall preside as chairman of the meeting unless and until the original chairman of the meeting is able to participate in the general meeting using the electronic facility or facilities.
64. Subject to Bye-law 64C, the ~~The~~ chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time (or indefinitely) and/ or from place to place(s) and/or from one form to another (a physical meeting, a hybrid meeting or an electronic meeting) as the meeting shall determine, but no business shall be transacted at any adjourned meeting other than the business which might lawfully have been transacted at the meeting had the adjournment not taken place. When a meeting is adjourned for fourteen (14) days or more, at least seven (7) clear days' Notice of the adjourned meeting shall be given specifying the ~~time and place of the adjourned meeting~~details set out in Bye-law 59(2) but it shall not be necessary to specify in such notice the nature of the business to be transacted at the adjourned meeting and the general nature of ~~the~~the business to be transacted. Save as aforesaid, it shall be unnecessary to give notice of an adjournment.

- 64A.
- (1) The Board may, at its absolute discretion, arrange for persons entitled to attend a general meeting to do so by simultaneous attendance and participation by means of electronic facilities at such location or locations (“Meeting Location(s)”) determined by the Board at its absolute discretion. Any Member or any proxy attending and participating in such way or any Member participating in an electronic meeting or a hybrid meeting by means of electronic facilities is deemed to be present at and shall be counted in the quorum of the meeting.
 - (2) All general meetings are subject to the following:
 - (a) where a Member is attending a Meeting Location and/or in the case of a hybrid meeting, the meeting shall be treated as having commenced if it has commenced at the Principal Meeting Place;
 - (b) Members present in person or by proxy at a Meeting Location and/or Members participating in an electronic meeting or a hybrid meeting by means of electronic facilities shall be counted in the quorum for and entitled to vote at the meeting in question, and that meeting shall be duly constituted and its proceedings valid provided that the chairman of the meeting is satisfied that adequate electronic facilities are available throughout the meeting to ensure that Members at all Meeting Locations and Members participating in an electronic meeting or a hybrid meeting by means of electronic facilities are able to participate in the business for which the meeting has been convened;
 - (c) where Members attend a meeting by being present at one of the Meeting Locations and/or where Members participating in an electronic meeting or a hybrid meeting by means of electronic facilities, a failure (for any reason) of the electronic facilities or communication equipment, or any other failure in the arrangements for enabling those in a Meeting Location other than the Principal Meeting Place to participate in the business for which the meeting has been convened or in the case of an electronic meeting or a hybrid meeting, the inability of one or more Members or proxies to access, or continue to access, the electronic facilities despite adequate electronic facilities having been made available by the Company, shall not affect the validity of the meeting or the resolutions passed, or any business conducted there or any action taken pursuant to such business provided that there is a quorum present throughout the meeting.

- (d) if any of the Meeting Locations is outside the jurisdiction of the Principal Meeting Place and/or in the case of a hybrid meeting, unless otherwise stated in the Notice, the provisions of these Bye-laws concerning the service and giving of Notice for the meeting, and the time for lodging proxies, shall apply by reference to the Principal Meeting Place; and in the case of an electronic meeting, the time for lodging proxies shall be as stated in the Notice for the meeting.

64B.

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

64C.

If it appears to the chairman of the general meeting that:

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

(d) there is violence or the threat of violence, unruly behaviour or other disruption occurring at the meeting or it is not possible to secure the proper and orderly conduct of the meeting;

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

64D.

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

64E.

If, after the sending of Notice of a general meeting but before the meeting is held, or after the adjournment of a meeting but before the adjourned meeting is held (whether or not Notice of the adjourned meeting is required), the Directors, in their absolute discretion, consider that it is inappropriate, impracticable, unreasonable or undesirable for any reason to hold the general meeting on the date or at the time or place or by means of electronic facilities specified in the Notice calling the meeting, they may change or postpone the meeting to another date, time and/or place and/or change the electronic facilities and/or change the form of the meeting (a physical meeting, an electronic meeting or a hybrid meeting) without approval from the Members. Without prejudice to the generality of the foregoing, the Directors shall have the power to provide in every Notice calling a general meeting the circumstances in which a postponement of the relevant general meeting may occur automatically without further notice, including without limitation where a number 8 or higher typhoon signal, black rainstorm warning or other similar event is in force at any time on the day of the meeting. This Bye-law shall be subject to the following:

- (a) when a meeting is so postponed, the Company shall endeavour to post a notice of such postponement on the Company's website as soon as practicable (provided that failure to post such a notice shall not affect the automatic postponement of such meeting);
- (b) when only the form of the meeting or electronic facilities specified in the Notice are changed, the Board shall notify the Members of details of such change in such manner as the Board may determine;
- (c) when a meeting is postponed or changed in accordance with this Bye-law, subject to and without prejudice to Bye-law 64, unless already specified in the original Notice of the meeting, the Board shall fix the date, time, place (if applicable) and electronic facilities (if applicable) for the postponed or changed meeting and shall notify the Members of such details in such manner as the Board may determine; further all proxy forms shall be valid (unless revoked or replaced by a new proxy) if they are received as required by these Bye-laws not less than 48 hours before the time of the postponed or changed meeting; and
- (d) notice of the business to be transacted at the postponed or changed meeting shall not be required, nor shall any accompanying documents be required to be recirculated, provided that the business to be transacted at the postponed or changed meeting is the same as that set out in the original Notice of general meeting circulated to the Members.

- 64F. All persons seeking to attend and participate in an electronic meeting or a hybrid meeting shall be responsible for maintaining adequate facilities to enable them to do so. Subject to Bye-law 64C, any inability of a person or persons to attend or participate in a general meeting by way of electronic facilities shall not invalidate the proceedings of and/or resolutions passed at that meeting.
- 64G. Without prejudice to other provisions in Bye-law 64, a physical meeting may also be held by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting.
66. (1) Subject to any special rights or restrictions as to voting for the time being attached to any shares by or in accordance with these Bye-laws, at any general meeting ~~on a show of hands every Member present in person (or being a corporation, is present by a representative duly authorised under Section 78 of the Act), or by proxy shall have one vote and~~ on a poll every Member present in person or by proxy or, in the case of a Member being a corporation, by its duly authorised representative shall have one vote for every fully paid share of which he is the holder but so that no amount paid up or credited as paid up on a share in advance of calls or instalments is treated for the foregoing purposes as paid ~~tipup~~ on the share. ~~Notwithstanding anything contained in these Bye-Laws, A~~ resolution put to the vote of a meeting shall be decided by way of a poll save that in the case of a physical meeting, the chairman of the meeting may in good faith, allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands in which case every Member present in or by proxy(ies) shall have one vote provided that where more than one proxy is appointed by a Member which is a clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands. ~~A resolution put to the vote of a meeting shall be decided on a~~ For purposes of this Bye-law, procedural and administrative matters are those that (i) are not on the agenda of the general meeting or in any supplementary circular that may be issued by the Company to its Members; and (ii) relate to the chairman's duties to maintain the orderly conduct of the meeting and/or allow the business of the meeting to be properly and effectively dealt with, whilst allowing all Members a reasonable opportunity to express their views. Votes may be cast by such means, electronic or otherwise, as the Directors or the chairman of the meeting may determine.

(2) In the case of a physical meeting where a show of hands unless (is allowed, before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is required under the rules of the Designated Stock Exchange or is, a poll may be demanded:

~~(a) by the chairman of such meeting; or~~

(a) by at least three Members present in person ~~(or in the case of a Member being a corporation by its duly authorised representative)~~ or by proxy for the time being entitled to vote at the meeting; or

(b) by a Member or Members present in person ~~(or in the case of a Member being a corporation by its duly authorised representative)~~ or by proxy and representing not less than one-tenth of the total voting rights of all Members having the right to vote at the meeting; or

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

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

67. Where ~~Unless a poll is duly demanded or required and the demand is not withdrawn~~ a resolution is voted on by a show of hands, a declaration by the chairman that a resolution has been carried, or carried unanimously, or by a particular majority, or not carried by a particular majority, or lost, and an entry to that effect made in the minute book of the Company, shall be conclusive evidence of the ~~fact~~facts without proof of the number or proportion of the votes recorded for or against the resolution.

68:67. (continued)

~~If a poll is duly demanded or required the~~ The result of the poll shall be deemed to be the resolution of the meeting ~~at which the poll was demanded or.~~ The Company shall only be required. ~~There shall be no requirement for the chairman to disclose the voting figures on a poll if such disclosure is required by the Listing Rules.~~

69. ~~A poll demanded on the election of a chairman, or on a question of adjournment, shall be taken forthwith. A poll demanded on any other question shall be taken in such manner (including the use of ballot or voting papers or tickets) and either forthwith or at such time (being not later than thirty (30) days after the date of the demand) and place as the chairman directs. It shall not be necessary (unless the chairman otherwise directs) for notice to be given of a poll not taken immediately.~~
70. ~~The demand or requirement for a poll shall not prevent the continuance of a meeting or the transaction of any business other than the question on which the poll has been demanded, and, with the consent of the chairman, it may be withdrawn at any time before the close of the meeting or the taking of the poll, whichever is the earlier. All questions submitted to a meeting shall be decided by a simple majority of votes except where a greater majority is required by these Bye-laws or by the Act. In the case of an equality of votes, ~~whether on a show of hands or on a poll,~~ the chairman of such meeting shall be entitled to a second or casting vote in addition to any other vote he may have.~~
72. (1) A Member who is a patient for any purpose relating to mental health or in respect of whom an order has been made by any court having jurisdiction for the protection or management of the affairs of persons incapable of managing their own affairs may vote, ~~whether on a show of hands or on a poll,~~ by his receiver, committee, curator bonis or other person in the nature of a receiver, committee or curator bonis appointed by such court, and such receiver, committee, curator bonis or other person may vote ~~on a poll~~ by proxy, and may otherwise act and be treated as if he were the registered holder of such shares for the purposes of general meetings, provided that such evidence as the Board may require of the authority of the person claiming to vote shall have been deposited at the Office, head office or Registration Office, as appropriate, not less than forty-eight (48) hours before the time appointed for holding the meeting, or adjourned meeting, ~~or postponed meeting,~~ as the case may be.

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

73.

(2) All members shall have the right to (a) speak at a general meeting, and (b) vote at a general meeting except where a Member is required, by the Listing Rules, to abstain from voting to approve the matter under consideration.

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

74.

If:

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

the objection or error shall not vitiate the decision of the meeting or adjourned meeting or postponed meeting on any resolution unless the same is raised or pointed out at the meeting or₂ as the case may be, the adjourned meeting or postponed meeting at which the vote objected to is given or tendered or at which the error occurs. Any objection or error shall be referred to the chairman of the meeting and shall only vitiate the decision of the meeting on any resolution if the chairman decides that the same may have affected the decision of the meeting. The decision of the chairman on such matters shall be final and conclusive.

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

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

(2) The instrument appointing a proxy and (if required by the Board) the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, shall be delivered to such place or one of such places (if any) as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the meeting (or, if no place is so specified at the Registration Office or the Office, as may be appropriate), or if the Company has provided an electronic address in accordance with the preceding paragraph, shall be received at the electronic address specified, not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting or postponed meeting at which the person named in the instrument proposes to vote ~~or, in the case of a poll taken subsequently to the date of a meeting or adjourned meeting, not less than twenty-four (24) hours before the time appointed for the taking of the poll and in default the instrument of proxy shall not be treated as valid.~~ No instrument appointing a proxy shall be valid after the expiration of twelve (12) months from the date named in it as the date of its execution, except at an adjourned meeting or ~~on a poll demanded at a meeting or an adjourned~~postponed meeting in cases where the meeting was originally held within twelve (12) months from such date. Delivery of an instrument appointing a proxy shall not preclude a Member from attending and voting ~~in person~~ at the meeting convened and in such event, the instrument appointing a proxy shall be deemed to be revoked.

~~77A. No powers shall be taken to freeze or otherwise impair any of the rights attaching to any share by reason only that the person or persons who are interested directly or indirectly therein have failed to disclose their interest to the Company.~~

78. Instruments of proxy shall be in any common form or in such other form as the Board may approve (provided that this shall not preclude the use of the two-way form) and the Board may, if it thinks fit, send out with the notice of any meeting forms of instrument of proxy for use at the meeting. The instrument of proxy shall be deemed to confer authority to demand or join in demanding a poll and to vote on any amendment of a resolution put to the meeting for which it is given as the proxy thinks fit. The instrument of proxy shall, unless the contrary is stated therein, be valid as well for any adjournment or postponement of the meeting as for the meeting to which it relates. The Board may decide, either generally or in any particular case, to treat a proxy appointment as valid notwithstanding that the appointment or any of the information required under these Bye-laws has not been received in accordance with the requirements of these Bye-laws. Subject to aforesaid, if the proxy appointment and any of the information required under these Bye-laws is not received in the manner set out in these Bye-laws, the appointee shall not be entitled to vote in respect of the shares in question.

79. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the instrument of proxy or of the authority under which it was executed, provided that no intimation in writing of such death, insanity or revocation shall have been received by the Company at the Office or the Registration Office (or such other place as may be specified for the delivery of instruments of proxy in the notice convening the meeting or other document sent therewith) two (2) hours at least before the commencement of the meeting or adjourned meeting, ~~or the taking of the poll~~ postponed meeting, at which the instrument of proxy is used.
81. (2) Where a Member is a clearing house (or its nominee(s) and, in each case, being a corporation), it may authorise such person or persons as it thinks fit to act as its representative or representatives at any meeting of the Company or at any meeting of any class of Members 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. Each person so authorised under the provisions of this Bye-law shall be deemed to have been duly authorised without further evidence of the facts and be entitled to exercise the same rights and powers on behalf of the clearing house (or its nominee(s)) as if such person was the registered holder of the shares of the Company held by the clearing house (or its nominee(s)) in respect of the number and class of shares specified in the relevant authorisation including, where a show of hands is allowed, the right to vote individually on a show of hands.
82. (1) Subject to the Act, a resolution in writing signed (in such manner as to indicate, expressly or impliedly, unconditional approval) by or on behalf of all persons for the time being entitled to receive notice of and to attend and vote at general meetings of the Company shall, for the purposes of these Bye-laws, be treated as a resolution duly passed at a general meeting of the Company and, where relevant, as a special resolution so passed. Any such resolution shall be deemed to have been passed at a meeting held on the date on which it was signed by the last Member to sign, and where the resolution states a date as being the date of his signature thereof by any Member the statement shall be prima facie evidence that it was signed by him on that date. Such a resolution may consist of several documents in the like form, each signed by one or more relevant Members.

- (2) ~~Notwithstanding~~ Notwithstanding any provisions contained in these Bye-laws, a resolution in writing shall not be passed for the purpose of removing a Director before the expiration of his term of office under Bye-law ~~86~~83(4) or for the purposes set out in Bye-law ~~154~~152(3) relating to the removal and appointment of the Auditor.
- 83.
- (1) Unless otherwise determined by the Company in general meeting, the number of Directors shall not be less than two (2). There shall be no maximum number of Directors unless otherwise determined from time to time by the Members in general meeting. The Directors shall be elected or appointed in the first place at the statutory meeting of Members and thereafter at ~~any~~the annual general meeting ~~and in accordance with Bye-law 84~~ or at any special general meeting called for such purpose and who shall hold office until the next appointment or Directors for such term as the Members may determine or, in the absence of such determination, in accordance with Bye-law 84 or until their successors are elected or appointed. ~~The Company may at any~~ or their office is otherwise vacated. Any general meeting may authorise the Board to fill any vacancy in their number left unfilled at a general meeting.
- (2) The Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or, subject to authorisation by the Members in general meeting, as an addition to the existing Board but so that the number of Directors so appointed shall not exceed any maximum number determined from time to time by the Members in general meeting. Any Director so appointed ~~by the Board shall hold office only until the next following general meeting of the Company (in the case of a Director appointed to fill a casual vacancy) or the next following annual general meeting of the Company (in the case of a Director appointed as an addition to the Board)~~ and shall then be eligible for re-election ~~at that meeting~~.

- (4) ~~Subject to any provision to the contrary in these Bye-laws the~~ The Members may, at any general meeting convened and held in accordance with these Bye-laws, by ~~special~~ordinary resolution remove a Director at any time before the expiration of his period of office notwithstanding anything to the contrary in these Bye-laws or in any agreement between the Company and such Director (but without prejudice to any claim for damages under any such agreement) provided that the Notice of any such meeting convened for the purpose of removing a Director shall contain a statement of the intention so to do and be served on such Director fourteen (14) days before the meeting and at such meeting such Director shall be entitled to be heard on the motion for his removal.
- 84.
- (1) Notwithstanding any other provisions in the Bye-laws, at each annual general meeting, one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation; provided that every Director ~~(including those appointed for a specific term)~~ shall be subject to retirement ~~by rotation~~ at least once every three years.
- (2) A retiring Director shall be eligible for re-election and shall continue to act as a Director throughout the meeting at which he retires. The Directors to retire by rotation shall include (so far as necessary to ascertain the number of directors to retire by rotation) any Director who wishes to retire and not to offer himself for re-election. Any further Directors so to retire shall be those of the other Directors subject to retirement by rotation who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-election Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. Any Director appointed pursuant to Bye-law ~~8683~~(2) shall not be taken into account in determining which particular Directors or the number of Directors who are to retire by rotation.

85. No person other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for election as a Director at any general meeting unless a Notice signed by a Member (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also a Notice signed by the person to be proposed of his willingness to be elected shall have been lodged at the head office or at the Registration Office provided that the minimum length of the period, during which such Notice(s) are given, shall be at least seven (7) days and that (if the Notices are submitted after the ~~dispatch~~despatch of the notice of the general meeting appointed for such election) the period for lodgment of such Notice(s) shall commence on the day after the ~~dispatch~~despatch of the notice of the general meeting appointed for such election and end no later than seven (7) days prior to the date of such general meeting.

86. The office of a Director shall be vacated if the Director:

- (1) resigns his office by notice in writing delivered to the Company at the Office or tendered at a meeting of the Board ~~whereupon the Board resolves to accept such resignation;~~
- (3) without special leave of absence from the Board, is absent from meetings of the Board for six consecutive months, and his alternate Director, if any, shall not during such period have attended in his stead and the Board resolves that his office be vacated; ~~or~~

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

88. Notwithstanding Bye-laws 93, 94, 95 and 96, 97, 98 and 99, ~~an executive director appointed to an office under Bye-law 8790 hereof shall receive such remuneration (whether by way of salary, commission, participation in profits or otherwise or by all or any of those modes) and such other benefits (including pension and/or gratuity and/or other benefits on retirement) and allowances as the Board may from time to time determine, and either in addition to or in lieu of his remuneration as a Director.~~

89. Any Director may at any time by Notice delivered to the Office or head office or at a meeting of the Directors appoint any person to be his alternate Director. Any person so appointed shall have all the rights and powers of the Director or Directors for whom such person is appointed in the alternative provided that such person shall not be counted more than once in determining whether or not a quorum is present. An alternate Director may be removed at any time by the person or body which appointed him and, subject thereto, the office of alternate Director shall continue until the ~~next annual election of Directors or, if earlier, the date on which the relevant Director~~ happening of any event which, if he were a Director, would cause him to vacate such office or if his appointer ceases for any reason to be a Director. Any appointment or removal of an alternate Director shall be effected by Notice signed by the appointor and delivered to the Office or head office or tendered at a meeting of the Board. An alternate Director may also be a Director in his own right and may act as alternate to more than one Director. An alternate Director shall, if his appointor so requests, be entitled to receive notices of meetings of the Board or of committees of the Board to the same extent as, but in lieu of, the Director appointing him and shall be entitled to such extent to attend and vote as a Director at any such meeting at which the Director appointing him is not personally present and generally at such meeting to exercise and discharge all the functions, powers and duties of his appointor as a Director and for the purposes of the proceedings at such meeting the provisions of these Bye-laws shall apply as if he were a Director save that as an alternate for more than one Director his voting rights shall be cumulative.
98. Subject to the Act and to these Bye-laws, no Director or proposed or intending Director shall be disqualified by his office from contracting with the Company, either with regard to his tenure of any office or place of profit or as vendor, purchaser or in any other manner ~~whatever~~whatsoever, nor shall any such contract or any other contract or arrangement in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company or the Members for any remuneration, profit or other benefits realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established provided that such Director shall disclose the nature of his interest in any contract or arrangement in which he is interested in accordance with ~~Bye-law 102~~Bye-law 99 herein.

100.

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

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

~~any contract or arrangement for the giving to such(a) to the Director or his close associate(s) any security or indemnity in respect of money lent by him or any of his associates or obligations incurred or undertaken by him or any of his associates~~them at the request of or for the benefit of the Company or any of its subsidiaries; or

(ii) ~~any contract or arrangement for the giving of any security or indemnity(b) to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his close associate(s) has himself/themselves assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;~~

(ii) ~~any contract or arrangement~~proposal concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase; where the Director or his close associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;

(iv) ~~any contract or arrangement in which the Director or his associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company;~~

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

- ~~(v) any contract or arrangement concerning any other company in which the Director or his associate(s) is/are interested only, whether directly or indirectly, as an officer or executive or a shareholder or in which the Director and any of his associates are not in aggregate beneficially interested in five (5) per cent. or more of the issued shares or of the voting rights of any class of shares of such company (or of any third company through which his interest or that of any of his associates is derived); or~~
- (a) the adoption, modification or operation of any employees' share scheme or any share incentive or share option scheme under which the Director or his close associate(s) may benefit; or
- ~~(vi) any proposal or arrangement concerning~~(b) the adoption, modification or operation of a share option scheme, a pension fund or retirement, death or disability benefits scheme or other arrangement which relates both to directorsthe Director, his associates and employeesclose associate(s) and employee(s) of the Company or of any of its subsidiaries and does not provide in respect of any Director, or his close associate(s), as such any privilege or advantage not accordedgenerally accorded to the class of persons to which such scheme or fund relates; and
- (iv) any contract or arrangement in which the Director or his close associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company.

- ~~(2) — A company shall be deemed to be a company in which a Director and/or his associate(s) owns five (5) per cent. or more if and so long as (but only if and so long as) he and/or his associates, (either directly or indirectly) are the holders of or beneficially interested in five (5) per cent. or more of any class of the equity share capital of such company or of the voting rights available to members of such company (or of any third company through which his interest or that of any of his associates is derived). For the purpose of this paragraph there shall be disregarded any shares held by a Director or his associate(s) as bare or custodian trustee and in which he or any of them has no beneficial interest, any shares comprised in a trust in which the interest of the Director or his associate(s) is/are in reversion or remainder if and so long as some other person is entitled to receive the income thereof, and any shares comprised in an authorised unit trust scheme in which the Director or his associate(s) is/are interested only as a unit holder.~~
- ~~(3) — Where a company in which a Director and/or his associate(s) holds five (5) per cent. or more is materially interested in a transaction, then that Director and/or his associate(s) shall also be deemed materially interested in such transaction.~~
- (2) If any question shall arise at any meeting of the Board as to the materiality of the interest of a Director (other than the chairman of the meeting) or any of his associate(s) or as to the entitlement of any Director (other than such chairman) to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the chairman of the meeting and his ruling in relation to such other Director shall be final and conclusive except in a case where the nature or extent of the interest of the Director or any of his associates concerned as known to such Director has not been fairly disclosed to the Board. If any question as aforesaid shall arise in respect of the chairman of the meeting such question shall be decided by a resolution of the Board (for which purpose such chairman shall not vote thereon) and such resolution shall be final and conclusive except in a case where the nature or extent of the interest of such chairman or any of his associates as known to such chairman has not been fairly disclosed to the Board.

101. (3) Without prejudice to the general powers conferred by these Bye-laws it is hereby expressly declared that the Board shall have the following powers:
- (a) to give to any person the right or option of requiring at a future date that an allotment shall be made to him of any share at par or at such premium as may be agreed;
 - (b) to give to any Directors, officers or servants of the Company an interest in any particular business or transaction or participation in the profits thereof or in the general profits of the Company either in addition to or in substitution for a salary or other remuneration; and
 - (c) to resolve that the Company be discontinued in Bermuda and continued in a named country or jurisdiction outside Bermuda subject to the provisions of the Act.
106. (2) The Board may pay, enter into agreements to pay or make grants of revocable or irrevocable, and either subject or not subject to any terms or conditions, pensions or other benefits to employees and ex-employees and their dependants, or to any of such persons, including pensions or benefits additional to those, if any, to which such employees or ex-employees or their dependants are or may become entitled ~~under~~under any such scheme or fund as mentioned in the last preceding paragraph. Any such pension or benefit may, as the Board considers desirable, be granted to an employee either before and in anticipation of or upon or at any time after his actual retirement.
111. The Board may meet for the despatch of business, adjourn or postpone and otherwise regulate its meetings as it considers appropriate. Questions arising at any meeting shall be determined by a majority of votes. In the case of any equality of votes the chairman of the meeting shall have an additional or casting vote.

112. A meeting of the Board may ~~he~~ be convened by the Secretary on request of a Director or by any Director. The Secretary shall convene a meeting of the Board ~~of which notice may be given~~ whenever he shall be required so to do by any Director. Notice of a meeting of the Board shall be deemed to be duly given to a Director if it is given to such Director in writing or verbally (including in person or by telephone) or by electronic means to an electronic address from time to time notified to the Company by such Director or (if the recipient consents to it being made available on a website) by making it available on a website or in such other manner as the Board may from time to time determine ~~whenever he shall be required so to do by the president or chairman, as the case may be, or any Director.~~
115. The Board may elect ~~one or more~~ chairman and one or more deputy chairman of its meetings and determine the period for which they are respectively to hold such office. If no chairman or deputy chairman is elected, or if at any meeting ~~neither then~~ chairman ~~nor any~~ or deputy chairman is present within five (5) minutes after the time appointed for holding the same, the Directors present may choose one of their number to be chairman of the meeting.
119. A resolution in writing signed by all the Directors except such as are temporarily unable to act through ill-health or disability, and all the alternate Directors, if appropriate, whose appointors are temporarily unable to act as aforesaid shall be as valid and effectual as if a resolution had been passed at a meeting of the Board duly convened and held provided that such number is sufficient to constitute a quorum and that a copy of such resolution has been given or the contents thereof communicated to all the Directors for the time being entitled to receive notices of Board meetings in the same manner as notices of meetings are required to be given by these Bye-laws and further provided that no Director is aware of or has received any objection to the resolution from any Director. A notification of consent to such resolution given by a Director in writing to the Board by any means (including by means of electronic communication) shall be deemed to be his/her signature to such resolution in writing for the purpose of this Bye-law. Such resolution may be contained in one document or in several documents in like form each signed by one or more of the Directors or alternate Directors and for this purpose a facsimile signature of a Director or an alternate Director shall be treated as valid. Notwithstanding the foregoing, a resolution in writing shall not be passed in lieu of a meeting of the Board for the purposes of considering any matter or business in which a substantial shareholder of the Company or a Director has a conflict of interest and the Board has determined that such conflict of interest to be material.

- 124.
- (1) The officers of the Company shall consist of a ~~president and vice-president or chairman and deputy chairman~~; the Directors and Secretary and such additional officers (who may or may not be Directors) as the Board may from time to time determine, all of whom shall be deemed to be officers for the purposes of the Act and, subject to Bye-law 128(4), these Bye-laws.
- ~~(2) The Directors shall, as soon as may be after each appointment or election of Directors, elect amongst the Directors a president and a vice-president or a chairman and a deputy chairman; and if more than one (1) Director is proposed for either of these offices, the election to such office shall take place in such manner as the Directors may determine.~~
- 128.
- (1) The Board shall cause to be kept in one or more books at the Office a Register of Directors and Officers and shall enter therein the following particulars with respect to each Director and Officer, that is to say:
- (a) in the case of an individual, his or her present first name, surname and address; and
- (b) in the case of a company, its name and registered office.
- (2) The Board shall within a period of fourteen (14) days from the occurrence of:
- (a) any change among the Directors and Officers; or
- (b) any change in the particulars contained in the Register of Directors and Officers,
- cause to be entered on the Register of Directors and Officers the particulars of such change ~~and of the date on which it occurred.~~

(3) The Register of Directors and Officers shall be open to inspection by members of the public without charge at the Office between 10:00 a.m. and 12:00 noon ~~on every~~during business ~~day~~hours.

(4) In this Bye-law “Officer” has the meaning ascribed to it in Section 92A(7) of the Act.

~~129. The president or the chairman, as the case may be, shall act as chairman at all meetings of the Members and of the Directors at which he is present. In his absence a chairman shall be appointed or elected by those present at the meeting.~~

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

134. No dividend shall be paid or distribution made out of contributed surplus if to do so would render the Company unable to pay its liabilities as they become due or the realisable value of its assets would thereby become less than ~~the aggregate of its liabilities and its issued share capital and share premium accounts.~~

142.

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

- (iv) the dividend (or that part of the dividend in respect of which a right of election has been accorded) shall not be payable in cash on shares in respect whereof the share election has been duly exercised (“the elected shares”) and in lieu thereof shares of the relevant class shall be allotted credited as fully paid up to the holders of the elected shares on the basis of allotment determined as aforesaid and for such purpose the Board shall capitalise and apply out of any part of the undivided profits of the Company (including profits carried and standing to the credit of any reserves or other special account other than the Subscription Rights Reserve (as defined below)) as the Board may determine, such sum as may be required to pay up in full the appropriate number of shares of the relevant class for allotment and distribution to and amongst the holders of the elected shares on such basis.
- (2) (a) The shares allotted pursuant to the provisions of paragraph (1) of this Bye-law shall rank *pari passu* in all respects with shares of the same class (if any) then in issue save only as regards participation in the relevant dividend or in any other distributions, bonuses or rights paid, made, declared or announced prior to or contemporaneously with the payment or declaration of the relevant dividend unless, contemporaneously with the announcement by the Board of their proposal to apply the provisions of sub-paragraph (a) or (b) of paragraph ~~(1)~~(2) of this Bye-law in relation to the relevant dividend or contemporaneously with their announcement of the distribution, bonus or rights in question, the Board shall specify that the shares to be allotted pursuant to the provisions of paragraph (1) of this Bye-law shall rank for participation in such distribution, bonus or rights.

(b) The Board may do all acts and things considered necessary or expedient to give effect to any capitalisation pursuant to the provisions of paragraph (1) of this Bye-law, with full power to the Board to make such provisions as it thinks fit in the case of shares becoming distributable in fractions (including provisions whereby, in whole or in part, ~~fractional~~fractional entitlements are aggregated and sold and the net proceeds distributed to those entitled, or are disregarded or rounded up or down or whereby the benefit of fractional entitlements accrues to the Company rather than to the Members concerned). The Board may authorise any person to enter into on behalf of all Members interested, an agreement with the Company providing for such capitalisation and matters incidental thereto and any agreement made pursuant to such authority shall be effective and binding on all concerned.

(3) The Company may upon the recommendation of the Board by ordinary resolution resolve in respect of any one particular dividend of the Company that notwithstanding the provisions of paragraph (1) of this Bye-law a dividend may be satisfied wholly in the form of an allotment of shares credited as fully paid ~~tip up~~ without offering any right to shareholders to elect to receive such dividend in cash in lieu of such allotment.

144.

(1) The Company may, upon the recommendation of the Board, at any time and from time to time pass an ordinary resolution to the effect that it is desirable to capitalise all or any part of any amount for the time being standing to the credit of any reserve or fund (including the profit and loss account) whether or not the same is available for distribution and accordingly that such amount be set free for distribution among the Members or any class of Members who would be entitled thereto if it were distributed by way of dividend and in the same proportions, on the footing that the same is not paid in cash but is applied either in or towards paying up the amounts for the time being unpaid on any shares in the Company held by such Members respectively or in paying up in full unissued shares, debentures or other obligations of the Company, to be allotted and distributed credited as fully paid up among such Members, or partly in one way and partly in the other, and the Board shall give effect to such resolution provided that, for the purposes of this Bye-law ~~and subject to Section 40(2A) of the Act~~, a share premium account and any reserve or fund representing unrealised profits, may be applied only in paying up in full unissued shares of the Company to be allotted to such Members credited as fully paid. In carrying sums to reserve and in applying the same the Board shall comply with the provisions of the Act.

- (2) Notwithstanding any provisions in these Bye-laws, the Board may resolve to capitalise all or any part of any amount for the time being standing to the credit of any reserve or fund (including the profit and loss account) whether or not the same is available for distribution by applying such sum in paying up unissued shares to be allotted to (i) employees (including directors) of the Company and/or its affiliates (meaning any individual, corporation, partnership, association, joint-stock company, trust, unincorporated association or other entity (other than the Company) that directly, or indirectly through one or more intermediaries, controls, is controlled by or is under common control with, the Company) upon exercise or vesting of any options or awards granted under any share incentive scheme or employee benefit scheme or other arrangement which relates to such persons that has been adopted or approved by the Members at a general meeting, or (ii) any trustee of any trust to whom shares are to be allotted and issued by the Company in connection with the operation of any share incentive scheme or employee benefit scheme or other arrangement which relates to such persons that has been adopted or approved by the Members at a general meeting.

149.

Subject to Section 88 of the Act and Bye-law 150, a printed copy of the Directors' report, accompanied by the balance sheet and profit and loss account, including every document required by law to be annexed thereto, made up to the end of the applicable financial year and containing a summary of the assets and liabilities of the Company under convenient heads and a statement of income and expenditure, together with a copy of the Auditors' report, shall be sent to each person entitled thereto at least twenty-one (21) days before the date of the general meeting and at the same time as the notice of annual general meeting and laid before the Company ~~in~~ at the annual general meeting in accordance with the requirements of the Act provided that this Bye-law shall not require a copy of those documents to be sent to any person whose address the Company is not aware of or to more than one of the joint holders of any shares or debentures.

150. To the extent permitted by and subject to due compliance with all applicable Statutes, rules and regulations, including, without limitation, the Listing Rules, and to obtaining all necessary consents, if any, required thereunder, the requirements of Bye-law 149 shall be deemed satisfied in relation to any person by sending to the person in any manner not prohibited by the Statutes, summarised financial statements derived from the Company's annual accounts and the directors' report which shall be in the form and containing the information required by applicable laws and regulations, provided that any person who is otherwise entitled to the annual financial statements of the Company and the directors' report thereon may, if he so requires by notice in writing served on the Company, demand that the Company sends to him, in addition to summarised financial statements, a complete printed copy of the Company's annual financial statement and the directors' report thereon.
151. The requirement to send to a person referred to in Bye-law 149 the documents referred to in that provision or a summary financial report in accordance with Bye-law 150 shall be deemed satisfied where, in accordance with all applicable Statutes, rules and regulations, including, without limitation, the Listing Rules, the Company publishes copies of the documents referred to in Bye-law 149 and, if applicable, a summary financial report complying with Bye-law 150, on the Company's computer network or in any other permitted manner (including by sending any form of electronic communication), and that person has agreed or is deemed to have agreed to treat the publication or receipt of such documents in such manner as discharging the Company's obligation to send to him a copy of such documents.

152. (3) The Members may, at any general meeting convened and held in accordance with these Bye-laws, by ~~special~~ extraordinary resolution remove the Auditor at any time before the expiration of his term of office and shall by ordinary resolution at that meeting appoint another Auditor in his stead for the remainder of his term.
155. The Directors may fill any casual vacancy in the office of Auditor but while any such vacancy continues the surviving or continuing Auditor or Auditors, if any, may act. The remuneration of any Auditor appointed by the Directors under this Bye-law may be fixed by the Board. Subject to Bye-law 152(3), an Auditor appointed under this Bye-law shall hold office until the next following annual general meeting of the Company and shall then be subject to appointment by the Members under Bye-law 152(1) at such remuneration to be determined by the Members under Bye-law 154.
- ~~157. If the office of auditor becomes vacant by the resignation or death of the Auditor, or by his becoming incapable of acting by reason of illness or other disability at a time when his services are required, the Directors shall as soon as practicable convene a special general meeting to fill the vacancy.~~
- ~~158.~~
158. (1) Any Notice or document (including any “corporate communication” within the meaning ascribed thereto under the Listing Rules), whether or not, to be given or issued under these Bye-laws from the Company to a Member shall be given in writing or by cable, telex or facsimile transmission message or other form of electronic transmission or electronic communication and any such Notice and (where appropriate) any other document may be served or delivered by the Company on or to any Member either personally or given or issued by the following means:
- (a) by serving it personally on the relevant person;
- (b) by sending it through the post in a prepaid envelope addressed to such Member at his registered address as appearing in the Register or at any other address supplied by him to the Company for the purpose or, as the case may be, by transmitting it to any such address or transmitting it to any telex or facsimile transmission number supplied;

- (c) by delivering or leaving it at such address as aforesaid;
 - (d) by him to the Company for the giving of Notice to him or which the person transmitting the notice reasonably and bona fide believes at the relevant time will result in the Notice being duly received by the Member or may also be served by placing an advertisement in appointed newspapers or other publication and where applicable, (as defined in the Act) or in newspapers published daily and circulating generally in the territory of and in accordance with the requirements of the Designated Stock Exchange;
 - (e) by sending or transmitting it as an electronic communication to the relevant person at such electronic address as he may provide under Bye-law 158(5), subject to the Company complying with the Statutes and any other applicable laws, rules and regulations from time to time in force with regard to any requirements for the obtaining of consent (or deemed consent) from such person;
 - (f) by publishing it on the Company's website or the website to which the relevant person may have access, subject to the Company complying with the Statutes and any other applicable laws, rules and regulations from time to time in force with regard to any requirements for the obtaining of consent (or deemed consent) from such person and/or for giving notification to any such person that the notice, document or publication is available on the Company's computer network website (a "notice of availability").
 - (g) by sending or otherwise making it available to such person through such other means to the extent permitted by and in accordance with the Statutes and other applicable laws, rules and regulations.
- (2) The notice of availability may be given by any of the means set out above other than by posting it on a website.
- (3) In the case of joint holders of a share all notices shall be given to that one of the joint holders whose name stands first in the Register and notice so given shall be deemed a sufficient service on or delivery to all the joint holders.

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

159.

Any Notice or other document:

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

- (d) if served or delivered in any other manner contemplated by these Bye-laws, shall be deemed to have been served or delivered at the time of personal service or delivery or, as the case may be, at the time of the relevant despatch, transmission or publication; and in proving such service or delivery a certificate in writing signed by the Secretary or other officer of the Company or other person appointed by the Board as to the fact and time of such service, delivery, despatch, transmission or publication shall be conclusive evidence thereof; and
- (e) if published as an advertisement in a newspaper or other publication permitted under these Bye-laws, shall be deemed to have been served on the day on which the advertisement first so appears.

160.

- (1) Any Notice or other document delivered or sent by post to or left at the registered address of any Member in pursuance of these Bye-laws shall, notwithstanding that such Member is then dead or bankrupt or that any other event has occurred, and whether or not the Company has notice of the death or bankruptcy or other event, be deemed to have been duly served or delivered in respect of any share registered in the name of such Member as sole or joint holder unless his name shall, at the time of the service or delivery of the ~~notice~~Notice or document, have been removed from the Register as the holder of the share, and such service or delivery shall for all purposes be deemed a sufficient service or delivery of such Notice or document on all persons interested (whether jointly with or as claiming through or under him) in the share.
- (2) A ~~notice~~Notice may be given by the Company to the person entitled to a share in consequence of the death, mental disorder or bankruptcy of a Member by sending it through the post in a prepaid letter, envelope or wrapper addressed to him by name, or by the title of representative of the deceased, or trustee of the bankrupt, or by any like description, at the address, if any, supplied for the purpose by the person claiming to be so entitled, or (until such an address has been so supplied) by giving the ~~notice~~Notice in any manner in which the same might have been given if the death, mental disorder or bankruptcy had not occurred.
- (3) Any person who by operation of law, transfer or other means whatsoever shall become entitled to any share shall be bound by every ~~notice~~Notice in respect of such share which prior to his name and address being entered on the Register shall have been duly given to the person from whom he derives his title to such share.

161. For the purposes of these ~~Bye-laws, a cable or telex or~~ Bye-laws, a facsimile or electronic transmission message purporting to come from a holder of shares or, as the case may be, a Director or alternate Director, or, in the case of a corporation which is a holder of shares from a director or the secretary thereof or a duly appointed attorney or duly authorised representative thereof for it and on its behalf, shall in the absence of express evidence to the contrary available to the person relying thereon at the relevant time be deemed to be a document or instrument in writing signed by such holder or Director or alternate Director in the terms in which it is received. The signature to any notice or document to be given by the Company may be written, printed or made electronically.
- 162.
- (1) ~~The~~ Subject to Bye-law 162(2), the Board shall have power in the name and on behalf of the Company to present a petition to the court for the Company to be wound up.
 - (2) A resolution that the Company be wound up by the court or be wound up voluntarily shall be a special resolution.
- 164.
- (1) The Directors, Secretary and other officers and every Auditor ~~for the time being~~ of the Company at any time, whether at present or in the past, and the liquidator or trustees (if any) for the time being acting or who have acted in relation to any of the affairs of the Company and everyone of them, and everyone of their heirs, executors and administrators, shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them, their or any of their heirs, executors or administrators, shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, in their respective offices or trusts; and none of them shall be answerable for the acts, receipts, neglects or defaults of the other or others of them or for joining in any receipts for the sake of conformity, or for any bankers or other persons with whom any moneys or effects belonging to the Company shall or may be lodged or deposited for safe custody, or for insufficiency or deficiency of any security upon which any moneys of or belonging to the Company shall be placed out on or invested, or for any other loss, misfortune or damage which may happen in the execution of their respective offices or trusts, or in relation thereto; **PROVIDED THAT** this indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to any of said persons.

165. No Bye-law shall ~~he~~be rescinded, altered or amended and no new Bye-law shall be made until the same has been approved by a resolution of the Directors and confirmed by a special resolution of the Members. A special resolution shall be required to alter the provisions of the memorandum of association or to change the name of the Company.
166. No Member shall be entitled to require discovery of or any information in respect of any detail of the Company's trading or any matter which is or may be in the nature of a trade secret or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Directors it will be inexpedient in the interests of the ~~members of the Company~~Members to communicate to the public.

This Appendix summarises the principal terms of the 2023 Share Option Scheme but does not form part of, nor was it intended to be, part of the 2023 Share Option Scheme nor should it be taken as effecting the interpretation of the rules of the 2023 Share Option Scheme.

(a) Purpose of the 2023 Share Option Scheme

The purpose of the 2023 Share Option Scheme is to provide incentives and/or rewards to the Eligible Participants for their contribution to the growth of the Group, to enable the Group to attract and retain individuals with experience and ability and/or to reward them for their past contributions, to attract and retain or otherwise maintain on-going relationships with such Eligible Participants who are significant to and/or whose contributions are or will be beneficial to the performance, growth or success of the Group, and continuing efforts to promote the interests of the Group, and to provide the Group with a more flexible means to reward, remunerate, compensate and/or provide benefits to the Eligible Participants.

(b) Who may join

Eligible Participants include any person who is (or will be on the date of grant of an Option) an Employee, a Director (excluding independent non-executive Directors) or a Service Provider, as may be determined by the Directors or the Remuneration Committee (as the case may be) from time to time.

Service Provider(s) are independent contractors, which includes advisers, consultants, distributors, contractors (including doctors, nurses, medical staff and hospitals), suppliers, agents, and service providers of any member of the Group who provide services to the Group on a continuing and recurring basis in its ordinary and usual course of business akin to those of employees. For the avoidance of doubt, financial advisors or placing agents providing fundraising or mergers and acquisitions services or consultants providing professional services to the Group, and professional service providers who provide assurance or are required to perform their services with impartiality and objectivity are excluded from the 2023 Share Option Scheme.

Service Providers shall provide services to the Group in connection with the research, development, manufacturing and selling of medical products including finished medicines, bulk pharmaceuticals and medical materials, medical equipment and medical consumables and provision of hospital operation and management service and business factoring, being the Group's principal business activities. In respect of the eligibility of Service Providers, the Board will, on a case by case basis, take into account the following factors, including but not limited to (i) the individual performance of relevant Service Providers; (ii) the length of business relationship with the Group; (iii) the materiality and nature of the business relationship with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third parties); (iv) the background, reputation and track record of the relevant Service Providers; (v)

the scale of business dealings with the Group, in particular, whether such Service Providers could bring positive impacts to the Group's business with regard to factors such as the actual or expected increase in the Group's revenue or profits or reduction in costs which is or may be attributable to the Service Provider; and (vi) the Group's future business plans in relation to further collaboration with such Service Providers and the long term support that the Group may receive accordingly.

Set out below are the detailed description of each type of Service Providers and the specific criteria for determining the eligibility of each type of Service Providers under the 2023 Share Option Scheme.

Type(s) of Service Providers	Contributions of the Service Providers	Criteria for determining eligibility under the 2023 Share Option Scheme
Distributor	Service Providers in this category include distributors that offer various sales channels and modes for medical raw materials and products in the areas of pharmaceuticals, medical equipment, consumables and vaccines so as to distribute the medical raw materials and products to hospitals pharmacies, primary healthcare organisation and other end consumers. Certain distributors also offer services related to sales promotion and marketing as well as other promotional services to facilitate the sales and distribution of such medical raw materials and products. It also includes distributors that provide services in relation to market research, analysis of market and consumer feedback, development of sales plans and strategies as well as other post-distribution services so as to enhance the effectiveness of product sales.	<p>The Board will, on a case by case basis, take into account both qualitative and quantitative factors when determining the eligibility of such distributor, including but not limited to:</p> <ol style="list-style-type: none"> <li data-bbox="963 1115 1410 1221">(1) the monthly average number of medical products distributed by the relevant distributor; <li data-bbox="963 1272 1410 1378">(2) the value of the medical products distributed by the relevant distributor; <li data-bbox="963 1430 1410 1536">(3) the distribution network of medical products of the relevant distributor; <li data-bbox="963 1587 1410 1693">(4) the frequency of collaboration and length of business relationship with the Group;

Type(s) of Service Providers	Contributions of the Service Providers	Criteria for determining eligibility under the 2023 Share Option Scheme
		<p>(5) the materiality and nature of the business relationship with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third parties);</p> <p>(6) the background, reputation and track record of the relevant distributor;</p> <p>(7) the replacement cost of such distributor and/or the medical products and/or materials (including continuity and stability of distribution of such products or materials); and</p> <p>(8) the potential and/or actual contribution to the business affairs of the Group, in particular, whether such distributor could bring positive impacts to the Group's business, such as an increase in revenue or profits or a reduction in costs attributable to or brought by the sales of products attributable to the distribution of products by the relevant distributor.</p>

Type(s) of Service Providers	Contributions of the Service Providers	Criteria for determining eligibility under the 2023 Share Option Scheme
Supplier	<p>Service Providers in this category include suppliers who offer medical raw materials and products in the areas of pharmaceuticals, medical equipment, consumables and vaccines for the purpose of distribution and sale, as well as services connected to the provisioning, logistics and delivery, distribution, product exchange and return arrangements, post-sale maintenance and other after-sale services of such supplied medical raw materials and products. It also includes suppliers that offer professional training to the staff and personnel of the Group, as well as sales promotion, promotion cooperation and other marketing services so as to enhance the effectiveness of product sales.</p>	<p>The Board will, on a case by case basis, take into account both qualitative and quantitative factors when determining the eligibility of such supplier, including but not limited to:</p> <ol style="list-style-type: none"> <li data-bbox="962 719 1410 910">(1) the nature, reliability and quality of the medical products, and/or raw materials, goods or services supplied in support of the medical products; <li data-bbox="962 959 1410 1151">(2) the value of the medical products, and/or raw materials, goods or services in support of the medical products provided by the relevant supplier; <li data-bbox="962 1200 1410 1306">(3) the frequency of collaboration and length of business relationship with the Group; <li data-bbox="962 1355 1410 1672">(4) the materiality and nature of the business relationship with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third parties);

Type(s) of Service Providers	Contributions of the Service Providers	Criteria for determining eligibility under the 2023 Share Option Scheme
		(5) the background, reputation and track record of the relevant supplier;
		(6) the replacement cost of such supplier and/or the raw materials, goods or services (including continuity and stability of supply or provision of such raw materials, goods or services); and
		(7) the potential and/or actual contribution to the business affairs of the Group, in particular, whether such supplier could bring positive impacts to the Group's business, such as an increase in revenue or profits or a reduction in costs attributable to or brought by the raw materials, goods or services supplied and/or provided by such supplier.

Type(s) of Service Providers	Contributions of the Service Providers	Criteria for determining eligibility under the 2023 Share Option Scheme
Contractor (including doctor, nurse, medical staff and hospital), agent, consultant, adviser	Service Providers under this category are mainly independent contractors (including doctors, nurses, medical staff and hospitals), agents, consultants and advisers who provide advisory services, consultancy services, and/or other professional services to the Group on areas relating to the Group's principal business activities in (i) the manufacture and sale of medical products; (ii) the research, development, procurement and marketing of medical products; (iii) the provision of hospital operation and management service and business factoring; and help maintain or enhance the competitiveness of the Group by way of introducing new customers or business opportunities to the Group and/or applying their specialised skills and/or knowledge in the abovementioned fields.	<p>The Board will, on a case by case basis, take into account both qualitative and quantitative factors when determining the eligibility of such contractor, agent, consultant and/or adviser, including but not limited to:</p> <ol style="list-style-type: none"> <li data-bbox="963 761 1410 868">(1) individual performance of the relevant contractor, agent, consultant and/or adviser; <li data-bbox="963 923 1410 1029">(2) their knowledge, experience and network in the relevant industry; <li data-bbox="963 1085 1410 1191">(3) the frequency of collaboration and length of business relationship with the Group; <li data-bbox="963 1247 1410 1555">(4) the materiality and nature of the business relationship with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third parties); <li data-bbox="963 1610 1410 1751">(5) the background, reputation and track record of the relevant contractor, agent, consultant and/or adviser;

Type(s) of Service Providers	Contributions of the Service Providers	Criteria for determining eligibility under the 2023 Share Option Scheme
		(6) the potential and/or actual contribution to the business affairs of the Group, in particular, whether such contractor, agent, consultant and/or adviser could bring positive impacts to the Group's business, such as an increase in revenue or profits or a reduction in costs attributable to or brought by services provided by such contractor, agent, consultant and/or adviser;
		(7) the replacement cost of such contractor, agent, consultant and/or adviser (including continuity and stability of provision of the necessary services);
		(8) possess deep understanding or insight in the business, financial or commercial areas of the Group; and
		(9) other factors, including but not limited to the capability, expertise, technical know-how and/or business connections of the relevant contractor, agent, consultant and/or adviser, and/or the synergy between the relevant contractor, agent, consultant and/or adviser and the Group.

In assessing whether the Service Provider provides services to the Group on a continuing and recurring basis and in its ordinary and usual course of business, the Board will take into consideration (i) the length and type of services provided and the recurrences and regularity of such services; (ii) the nature of the services provided to the Group by the Service Provider; and (iii) whether such services form part of or are directly ancillary to the businesses conducted by the Group.

In determining the Service Provider Sublimit, the Directors consider that it is important to ensure that the 2023 Share Option Scheme is attractive and provide sufficient incentives to Service Providers who are able to contribute to the sales, research and development and supply of the Group, all of which being core functions on which the Group relies in its ordinary and usual course of business.

(c) Administration of the 2023 Share Option Scheme

The 2023 Share Option Scheme shall be subject to the administration of the Directors whose decision on all matters arising in relation to the 2023 Share Option Scheme or their interpretation or effect shall (save as otherwise provided therein) be final and binding on all persons who may be affected thereby.

(d) Grant and acceptance of Options

The Board shall, subject to and in accordance with the provisions of the 2023 Share Option Scheme and the Listing Rules, be entitled (but shall not be bound) at any time and from time to time on any business day within a period of ten years commencing on the date of which the 2023 Share Option Scheme is adopted to make an offer for the grant of an Option (the “Offer”) to such Eligible Participant as it may in its absolute discretion select, and subject to such conditions as the Board may think fit, to subscribe for such number of Shares as the Board may determine at the Subscription Price (hereinafter defined).

An Offer shall be made to an Eligible Participant in writing (and unless so made shall be invalid) in such form as the Board may from time to time determine and shall remain open for acceptance by the Eligible Participant concerned for a period of twenty-eight (28) days inclusive of, and from the date of which an Offer is made to an Eligible Participant provided that no such Offer shall be open for acceptance after the earlier of the 10th anniversary of the adoption date of the 2023 Share Option Scheme or the termination of the 2023 Share Option Scheme. A non-refundable nominal consideration of HK\$1.00 is payable by the grantee upon acceptance of an Option. An Option shall be deemed to have been accepted when the duplicate letter comprising acceptance of the Option duly signed by the Eligible Participant together with the said consideration of HK\$1.00 is received by the Company.

Any Offer may be accepted in respect of less than the number of Shares in respect of which it is offered provided that it is accepted in such number of Shares as represents a board lot for the time being for the purpose of trading on main board or an integral multiple thereof.

(e) Exercise of Options and Price of Shares

An Option may be exercised in whole or in part by the grantee giving notice in writing to the Company stating that the Option is thereby exercised and the number of Shares in respect of which it is exercised. Each such notice must be accompanied by a remittance for the full amount of the Subscription Price for the Shares in respect of which the notice is given. Within twenty-one (21) days after receipt of the notice and the remittance and, where appropriate, receipt of the certificate from the Company's auditors or independent financial advisers, the Company shall allot and issue the relevant Shares to the grantee (or his legal personal representative(s)) credited as fully paid.

The Options (before exercise) do not carry any right to vote in general meeting of the Company, or any dividend, transfer or other rights, including those arising on the liquidation of the Company, save as otherwise provided under the 2023 Share Option Scheme or under the relevant laws or the memorandum and articles of association of the Company in effect from time to time. Shares to be allotted and issued upon the exercise of an Option will be subject to all the provisions of the memorandum and articles of association of the Company for the time being in force and will rank *pari passu* in all respects with the existing fully paid Shares in issue on the date on which the Option is duly exercised or, if that date falls on a day when the register of members of the Company is closed, the first day of the re-opening of the register of members (the "Exercise Date") and accordingly will entitle the holders thereof to participate in all dividends or other distributions paid or made on or after the Exercise Date other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be before the Exercise Date. A Share allotted upon the exercise of an Option shall not carry voting rights until the name of the grantee of the Option(s) has been duly entered onto the register of members of the Company as the holder thereof.

The exercise price for Shares under the 2023 Share Option Scheme (the "Subscription Price") shall be determined by the Board at its absolute discretion but in any event will not be less than the higher of: (i) the closing price of the Shares as stated in the daily quotations sheet of the Stock Exchange on the date of grant of an Option, which must be a business day; (ii) the average closing price of the Shares as stated in the daily quotations sheets of the Stock Exchange for the five business days immediately preceding the date of grant of an Option; and (iii) the nominal value of the Shares.

(f) Maximum number of Shares available for issue

- (1) The total number of Shares which may be issued upon exercise of all Options to be granted under the 2023 Share Option Scheme and any other share option schemes of the Company adopted by the Group must not, in aggregate, exceed 10% of the Shares in issue as at the date of the approval of the 2023 Share Option Scheme (the “Scheme Mandate Limit”), and in respect of Options that may be granted to Service Providers, a sublimit of 1% of the Shares in issue as at the date of approval of the 2023 Share Option Scheme, unless Shareholders’ approval has been obtained pursuant to subparagraphs (2) and (3) below. Options lapsed in accordance with the terms of the 2023 Share Option Scheme will not be counted for the purpose of calculating the Scheme Mandate Limit and the Service Provider Sublimit.
- (2) The Company may seek separate approval by its Shareholders in general meeting for granting Options beyond the Scheme Mandate Limit (and the Service Provider Sublimit) provided the Options in excess of the Scheme Mandate Limit (and the Service Provider Sublimit) are granted only to Eligible Participants specifically identified by the Company before such approval is sought. The Company must send a circular to the Shareholders containing a general description of the specified Eligible Participant and such other information as required under the Listing Rules.
- (3) The Company may seek approval by its Shareholders in general meeting for “refreshing” the Scheme Mandate Limit (and the Service Provider Sublimit) under the 2023 Share Option Scheme after three years from the date of Shareholders’ approval for the last refreshment (or the adoption of the 2023 Share Option Scheme). However, the total number of Shares which may be issued upon exercise of all Options to be granted under the 2023 Share Option Scheme and any other schemes of the Company under the limit as “refreshed” must not exceed 10% of the Shares in issue as at the date of passing the relevant resolution. The Company must send a circular to the Shareholders containing the information as required under the Listing Rules.

(g) Grant of Options to a Director, chief executive or substantial Shareholder of the Company, or any of their respective associates

Any grant of Options to a Director (excluding independent non-executive Directors), chief executive or substantial Shareholder of the Company, or any of their respective associates, must be approved by the independent non-executive Directors. Where Options are proposed to be granted to a substantial Shareholder or any of its/his/her respective associates and if such grant would result in the total number of Shares issued and to be issued upon exercise of the Options granted and to be granted (excluding any options lapsed in accordance with the terms of the 2023 Share Option Scheme) in any 12-month period up to and including the date of grant to such person representing in aggregate over 0.1% of the total issued Shares, then the proposed grant must be subject to the approval of Shareholders taken on a poll in a general meeting. The relevant Grantee, his associates and all core connected persons of the Company must abstain from voting at such general meeting (except where any such person intends to vote against the proposed grant and that his intention to do so has been stated in the shareholders' circular to be issued as stated below).

A circular must be prepared by the Company explaining the proposed grant, disclosing (i) the number and terms of the Options to be granted; (ii) containing the views of the independent non-executive Directors as to whether the terms of the grant are fair and reasonable, whether such grant is in the interests of the Company and Shareholders as a whole and recommendation on whether or not to vote in favour of the proposed grant; (iii) containing information relating to any Directors who are trustees of the scheme or have a direct or indirect interest in the trustees; and (iv) such other information as required under the Listing Rules. Any change in the terms of Options granted to an Eligible Participant who is a substantial Shareholder or its associates must be approved by Shareholders in a general meeting.

(h) Maximum entitlement of each Eligible Participant

The total number of Shares issued and to be issued upon exercise of the options granted to each Eligible Participant or grantee (including exercised and outstanding options) in any twelve (12)-month period up to the date of grant shall not exceed 1% of the Shares in issue at the date of grant (the "Individual Limit"). Where it is proposed that any offer is to be made to an Eligible Participant (or where approximate, an existing grantee) which would result in the Shares issued and to be issued upon exercise of all options granted and to be granted to such person (including exercised, cancelled and outstanding options) in the twelve (12)-month period up to and including the relevant date of grant to exceed his, her or its Individual Limit, such offer and any acceptance thereof must be conditional upon Shareholders' approval in general meeting with such Eligible Participant (or where appropriate, an existing grantee) and his, her or its associates abstaining from voting. The Company must send a circular to the Shareholders disclosing the identity of the Eligible Participant or grantee, the number and terms of options to be granted (and options previously granted) to such Eligible Participant and the information required under the Listing

Rules. The number and terms (including the subscription price) of options to be granted to such Eligible Participant must be fixed before the date on which Shareholders' approval is sought and the date of the Board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the subscription price.

(i) Time of Exercise of Options

Subject to the terms of the 2023 Share Option Scheme, an Option may be exercised in whole or in part at any time during the period to be determined and identified by the Board to each grantee at the time of making an offer for the grant of an Option, but in any event no later than 10 years from the date of grant but subject to the early termination of the 2023 Share Option Scheme (the "**Option Period**").

Under the 2023 Share Option Scheme, an Option must be held for a minimum vesting period of 12 months before it can be exercised. Options granted to Employees and/or Directors may be subject to a shorter vesting period under the specific circumstances as set out in paragraphs (o) to (q) below.

There is no performance target which must be achieved before an Option can be exercised under the terms of the 2023 Share Option Scheme and there is no clawback mechanism to recover or withhold the remuneration (which may include the Options) to any Eligible Participant in the event of serious misconduct, a material misstatement in the Company's financial statements or other circumstances.

(j) Restrictions on the time of grant of Options

The Board shall not grant any Option under the 2023 Share Option Scheme after inside information has come to its knowledge until such inside information has been announced in accordance with the relevant requirements of the Listing Rules. In particular, no Option may be granted during the period commencing one month immediately preceding the earlier of (i) the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company's quarterly, interim or annual results (whether or not required under the Listing Rules) and (ii) the deadline for the Company to publish its quarterly, interim or annual results announcement (whether or not required under the Listing Rules), and ending on the date of such results announcements.

(k) Rights are personal to grantees

An Option is personal to the grantee and shall not be assignable and no grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest whatsoever in favour of any third party over or in relation to any option or enter into any agreement so to do. Any breach of the foregoing by a grantee shall entitle the Company to cancel any option or part thereof granted to such grantee to the extent not already exercised.

(l) Rights on cessation of employment by dismissal

If the grantee of an Option is an employee (the “Employee”) of the Group and ceases to be an Employee on one or more of the grounds that he or she has been guilty of persistent or serious misconduct, bankruptcy, insolvency, composition with his or her creditors generally or conviction of any criminal offence or other grounds on which an employer would be entitled to terminate his or her employment pursuant to any applicable law, his or her Option (to the extent not already exercised) will lapse on the date of cessation of his or her employment.

(m) Rights on death

If the grantee of an Option is an Employee and ceases to be an Employee by reason of his or her death before exercising the Options in full and none of the events referred to in paragraph (k) above as ground for termination of his or her Options arises, his or her personal representative(s) may exercise the Option (to the extent not already exercised) within a period of 12 months following the date of death (or such longer period as the Board may determine), failing which it will lapse.

(n) Rights on cessation of employment for other reasons

If the grantee of an Option who is an Employee and ceases to be an Eligible Participant for any other reason the Options (to the extent not already exercised) shall lapse on the date of cessation or termination and shall not be exercisable unless the Board otherwise determines in which event the grantee may exercise the vested portion of the Option (to the extent not already exercised) in whole or in part within a period as the Board may determine following the date of such cessation or termination, which date shall be the last actual working day with the Group, whether salary is paid in lieu of notice or not. If any of the events referred to in paragraph (n) to (p) below occurs during such period, he or she may exercise the Option pursuant to paragraphs (n) to (p) respectively.

(o) Rights on a general offer

In the event of a general offer being made to all Shareholders (or all such holders other than the offeror and/or person controlled by the offeror and/or any person acting in concert (as defined in the Takeovers Code) with the offeror) and such offer becomes or is declared unconditional during the Option Period of the relevant Option, the grantee (or his personal representative(s)) shall be entitled to exercise the Option in full (to the extent not already exercised) at any time within the Option Period and up to the close of such offer.

For the avoidance of doubt, this paragraph (o) only applies to Options granted to Employees and/or Directors and does not apply to Options granted to Service Providers.

(p) Rights on winding up

In the event a notice is given by the Company to its members to convene a general meeting for the purpose of considering and, if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date as or as soon as after it despatches such notice to each member of the Company give notice thereof to all grantees and any grantee (or his or her personal representative(s) may by notice in writing to the Company accompanied by a remittance for the full amount of the aggregate subscription price in respect of the relevant Option (such notice to be received by the Company no later than five business days prior to the propose general meeting)) exercise the Option (to the extent not already exercised) either to its full extent or to the extent that he or she may specify in his or her notice and the Company shall as soon as possible and in any event no later than the business day immediately prior to the date of the proposed general meeting referred to above, allot and issue such number of Shares to the grantee credited as fully paid.

For the avoidance of doubt, this paragraph (p) only applies to Options granted to Employees and/or Directors and does not apply to Options granted to Service Providers.

(q) Rights on reconstruction, compromise or arrangement

If a compromise or arrangement between the Company and its members or creditors is proposed for the purpose of or in connection with a scheme for the reconstruction or amalgamation of the Company, the Company shall give notice to the grantee on the same date as it despatches the notice to each member or creditor of the Company to consider such a compromise or arrangement, and thereupon the grantee (or his or her personal representative(s)) may by notice in writing to the Company accompanied by a remittance of the full amount of the subscription price in respect of which the notice is given (such notice to be received by the Company no later than five business days prior to the proposed meeting) exercise the Option (to the extent not already exercised) either to its full extent or to the extent specified in the notice and the Company shall as soon as possible and in any event no later than the business day immediately prior to the date of the proposed general meeting allot and issue such number of Shares to the grantee credited as fully paid.

For the avoidance of doubt, this paragraph (q) only applies to Options granted to Employees and/or Directors and does not apply to Options granted to Service Providers.

(r) Cancellation of Options

The Board shall be entitled at its discretion at any time and from time to time to cancel any Option, either in whole or in part, which has not been validly exercised by a grantee, by giving notice in writing to the grantee stating that such Option is thereby cancelled.

(s) Effect of alterations to share capital

In the event of any alteration in the capital structure of the Company by way of capitalisation of profits or reserved, rights issue, consolidation, subdivision or reduction of the share capital of the Company (other than an issue of Shares as consideration in respect of a transaction while any Option remains exercisable), such corresponding alterations (if any) will be made in (i) the numbers or nominal amount of Shares subject to any Option so far as such Option remains unexercised and/or (ii) the subscription price per Share and/or (iii) the maximum number of Shares available for subscription and/or; (iv) the method of exercise of the Option as the auditors or independent financial advisers for the time being of the Company shall at the request of the Company or any grantee certify in writing to be in their opinion fair and reasonable, provided that any such alterations shall be made on the basis that the grantee shall have the same proportion of the issued share capital of the Company to which he was entitled before such alteration and the aggregate subscription price payable by the grantee on the full exercise of any Option shall remain as nearly as possible the same as (but not greater than) it was before such event, but so that no such alterations shall be made the effect of which would be to enable a Share to be issue at less than its nominal value. Save in the case of a capitalisation issue, the auditors or independent financial advisers for the time being of the Company must confirm to the Directors in writing that such adjustment(s) satisfy the aforesaid requirements.

(t) Ranking of Shares

The Shares to be allotted upon the exercise of an Option will be subject to all the provisions of the memorandum and articles of association of the Company for the time being in force and will rank *pari passu* in all respects with the fully paid Shares in issue on the date on which the Option is exercised and accordingly will entitle the holders of Shares to participate in all dividends or other distributions paid or made on or after the date on which the Option is exercised other than any dividends or other distributions previously declared or recommended or resolved to be paid or made with respect to a record date which shall be before the date of allotment.

(u) Duration of the 2023 Share Option Scheme

The 2023 Share Option Scheme shall continue in force for the period commencing from the date of adoption of the 2023 Share Option Scheme and expiring at the close of business on the tenth anniversary thereof, after such period no further Options will be granted but the provisions of the 2023 Share Option Scheme shall remain in full force and effect in respect of any Options granted before its expiry or termination but not yet exercised.

(v) Alterations to the 2023 Share Option Scheme

- (1) Any alterations to the terms and conditions of the 2023 Share Option Scheme which are of a material nature or any alterations to the provisions relating to the matters set out in rule 17.03 of the Listing Rules to the advantage of the Eligible Participants must be approved by Shareholders in a general meeting.
- (2) Any change to the terms of Options granted to a grantee must be approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or Shareholders (as the case may be) if the initial grant of the Options was approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or Shareholders (as the case may be), except where the alterations take effect automatically under the existing terms of the 2023 Share Option Scheme.
- (3) Any change to the authority of the Directors to alter the terms of the 2023 Share Option Scheme must be approved by Shareholders in a general meeting.
- (4) Any alterations to the terms and conditions of the 2023 Share Option Scheme shall comply with the relevant requirements of Chapter 17 of the Listing Rules.

Save as the above, the 2023 Share Option Scheme may be altered in any respect by a resolution of the Board.

(w) Conditions of the 2023 Share Option Scheme

The 2023 Share Option Scheme is conditional upon:

- (1) the Listing Committee of the Stock Exchange granting the listing of and permission to deal in any Shares to be issued by the Company pursuant to the exercise of Options in accordance with the terms and conditions of the 2023 Share Option Scheme; and
- (2) the passing of the necessary resolutions to approve and adopt the 2023 Share Option Scheme in general meeting.

(x) Lapse of Options

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

- (1) the expiry of the Option Period;
- (2) the expiry of any of the periods referred to in paragraphs (l) to (q);

- (3) the date on which the Directors shall exercise the Company's right to cancel the Option by reason of a breach of paragraph (k) by the grantee of the Option in respect of that or any other Option; and
- (4) the date on which the grantee, being an employee of a member of the Group, ceases to be an Eligible Participant by reason of a termination of his employment on any one or more of the grounds that he has been guilty of persistent or serious misconduct, or has become bankrupt or has become insolvent or has made any arrangement or composition with his creditors generally, or has been convicted of any criminal offence (other than an offence which in the opinion of the Directors does not bring the grantee or the Group into disrepute) or other grounds on which the Company and its Subsidiaries would be entitled to terminate his or her employment pursuant to any applicable law.

(y) Termination

The Company by ordinary resolution in general meeting may at any time terminate the operation of the 2023 Share Option Scheme and in such event no further Options will be offered but in all other respects the provisions of the 2023 Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any Options granted but not yet exercised prior to such termination. Options (to the extent not already exercised) granted prior to such termination shall continue to be valid and exercisable in accordance with the 2023 Share Option Scheme. Details of the Options granted, including Options exercised or outstanding, under the 2023 Share Option Scheme shall be disclosed in the circular to Shareholders seeking approval of any subsequent share option scheme to be established after such termination.

(z) Miscellaneous

The terms of the 2023 Share Option Scheme (and any other schemes adopted by the Company from time to time) shall be in accordance with the requirements set out in Chapter 17 of the Listing Rules.

The Company will comply with the relevant statutory requirements and the Listing Rules from time to time in force on a continuing basis in respect of the 2023 Share Option Scheme and any other schemes of the Company. Any dispute arising in connection with the number of Shares of an Option and any of the matters referred to in paragraph (s) above shall be referred to the decision of the auditors or the independent financial advisers of the Company who shall act as experts and not as arbitrators and whose decision, in the absence of manifest error, shall be final and binding.

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China Health Group Limited **中國衛生集團有限公司**

(Carrying on business in Hong Kong as CHG HS Limited)

(Incorporated in Bermuda with limited liability)

(Stock Code: 673)

NOTICE IS HEREBY GIVEN that an annual general meeting of China Health Group Limited (the “**Company**”) will be held at Floor 12 Conference Room, Block B, Building 11, Shenzhen Bay Eco Technology Park, No 16 Keji South Road, Yuehai Sub-district, Nanshan District, Shenzhen City, China at 11:00 a.m. on 18 September 2023 to transact the following ordinary businesses:

ORDINARY RESOLUTIONS

1. To receive, consider and adopt the audited consolidated financial statements of the Company and the reports of the directors and the auditors for the year ended 31 March 2023;
- 2(A). To re-elect Mr. Zhang Fan as an executive director of the Company;
- 2(B). To re-elect Mr. Wang Jingming as a non-executive director of the Company;
- 2(C). To re-elect Mr. Xing Yong as a non-executive director of the Company;
- 2(D). To authorize the board of directors to appoint additional directors of the Company, where necessary;
- 2(E). To authorize the board of directors to fix the respective directors' remuneration;
3. To re-appoint Messrs. Elite Partners CPA Limited as auditors of the Company and to authorize the board of directors to fix the auditors' remuneration;

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

4. **“THAT:**

- (a) subject to paragraph (c) below, the exercise by the directors of the Company during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with authorized and unissued ordinary shares in the ordinary share capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorize the directors of the Company to make or grant offers, agreements and options during the Relevant Period which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the total number of Shares allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to the approval in paragraph (a) above, otherwise than pursuant to:
 - (i) a Rights Issue (as defined below);
 - (ii) any issue of ordinary shares of the Company on the exercise of the outstanding subscription rights or conversion rights attaching to the securities issued by the Company which are convertible into ordinary shares of the Company;
 - (iii) the exercise of options under a share option scheme of the Company; and
 - (iv) any scrip dividend scheme or similar arrangement providing for the allotment of ordinary shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the Bye-laws of the Company,

shall not exceed 20% of the total number of the issued ordinary share capital of the Company as at the date of passing of this resolution and the said approval shall be limited accordingly; and

- (d) for the purposes of this resolution:

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

- (i) the conclusion of the next annual general meeting of the Company;

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- (ii) the revocation or variation of the authority given under this resolution by ordinary resolution passed by the Company's shareholders in general meetings;
- (iii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company or any applicable laws to be held; and

“Rights Issue” means an offer of ordinary shares of the Company open for a period fixed by the directors of the Company to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction or the requirements of any recognized regulatory body or any stock exchange).”;

5. **“THAT:**

- (a) subject to paragraph (b) below, the exercise by the directors of the Company during the Relevant Period (as defined below) of all the powers of the Company to purchase its ordinary shares, subject to and in accordance with the applicable laws, be and is hereby generally and unconditionally approved;
- (b) the total number of shares of the Company to be purchased pursuant to the approval in paragraph (a) above shall not exceed 10% of the total number of the issued ordinary share capital of the Company as at the date of passing of this resolution and the said approval shall be limited accordingly; and
- (c) for the purpose of this resolution, "Relevant Period" means the period from the passing of this resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the revocation or variation of the authority given under this resolution by ordinary resolution passed by the Company's shareholders in general meetings; and
 - (iii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company or any applicable laws to be held.”;

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6. “**THAT** conditional upon the passing of resolutions set out in items 4 and 5 of the notice convening this meeting (the “**Notice**”), the general mandate referred to in the resolution set out in item 4 of the Notice be and is hereby extended by the addition to the total number of ordinary shares which may be allotted and issued or agreed conditionally or unconditionally to be allotted and issued by the directors of the Company pursuant to such general mandate of an amount representing the total number of the ordinary shares purchased by the Company pursuant to the mandate referred to in the resolution set out in item 5 of the Notice, provided that such amount shall not exceed 10% of the total number of the issued ordinary shares of the Company as at the date of passing of this resolution.”;
7. “**THAT**
- (a) subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) granting the approval for the listing of, and permission to deal in, the shares in the capital of the Company which may fall to be issued and allotted pursuant to the exercise of any options that may be granted under the share option scheme of the Company (the rules of which are contained in the document marked “A” produced to the EGM and signed by the chairman of the AGM for the purpose of identification) (“**2023 Share Option Scheme**”), the 2023 Share Option Scheme be and is hereby approved and adopted and the directors of the Company be and are hereby authorised to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the 2023 Share Option Scheme including without limitation:
- (i) to administer the 2023 Share Option Scheme under which options will be granted to eligible participants under the 2023 Share Option Scheme to subscribe for shares of the Company;
- (ii) to modify and/or amend the 2023 Share Option Scheme from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the 2023 Share Option Scheme relating to modification and/or amendment;
- (iii) to issue and allot from time to time such number of shares of the Company as may be required to be issued pursuant to the exercise of the options under the 2023 Share Option Scheme and subject to the Rules Governing the Listing of Securities on the Stock Exchange;
- (iv) to make application at the appropriate time or times to the Stock Exchange for the listing of, and permission to deal in any shares of the Company which may thereafter from time to time be issued and allotted pursuant to the exercise of the options under the 2023 Share Option Scheme; and

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- (v) to consent, if they deem fit and expedient, to such conditions, modifications and/or variations as may be required or imposed by the relevant authorities in relation to the 2023 Share Option Scheme.”
8. “**THAT** the Scheme Mandate Limit (as defined in the 2023 Share Option Scheme) on the total number of Shares that may be issued in respect of all options and awards to be granted to the eligible participants under all the share schemes of the Company (i.e. 10% of the Shares in issue as at the date of passing of this resolution) be and is hereby approved and adopted and the directors of the Company be and are hereby authorised to take all such steps and attend all such matters, approve and execute (whether under hand or under seal) such documents and do such other things, for and on behalf of the Company, as the directors of the Company may consider necessary, desirable or expedient to effect and implement the Scheme Mandate Limit.”
9. “**THAT** the Service Provider Sublimit (as defined in the 2023 Share Option Scheme) on the total number of Shares that may be issued in respect of all options and awards to be granted to service providers under all the share schemes of the Company (i.e. 1% of the Shares in issue as at the date of passing of this resolution) be and is hereby approved and adopted and the directors of the Company be and are hereby authorised to take all such steps and attend all such matters, approve and execute (whether under hand or under seal) such documents and do such other things, for and on behalf of the Company, as the directors of the Company may consider necessary, desirable or expedient to effect and implement the Service Provider Sublimit.”
10. “**THAT** subject to and conditional upon the granting by the Stock Exchange of the listing of, and permission to deal in, the New Shares (as defined below) arising from the Sub-division (as defined below), the Sub-division be effected with effect from 9:00 a.m. (Hong Kong time) on the second business day immediately following the date on which this resolution is passed or the above conditions are fulfilled (whichever is the later) by way of:
- (a) a sub-division (the “**Sub-division**”) of each authorised but unissued Share of HK\$1.00 (which shall include the authorised but unissued share capital resulting from Capital Reduction) into ten (10) New Shares of HK\$0.10 each; and
 - (b) the Sub-division and the transactions contemplated thereunder be and are hereby approved and any one Director be and is hereby authorised to do all such acts and things and execute all such documents on behalf of the Company, including under seal where applicable, as he may consider necessary or expedient to give effect to or in connection with the implementation of the Sub-division and the transactions contemplated thereunder.”

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SPECIAL RESOLUTION

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

11. **“THAT:**

- (a) the proposed amendments (**“Proposed Amendments”**) to the existing bye-laws of the Company, the details of which are set forth in Appendix III to the circular of the Company dated 24 August 2023, be and are hereby approved;
- (b) the amended and restated bye-laws of the Company incorporating the Proposed Amendments (**“New Bye-Laws”**) (a copy of which has been produced to this meeting and marked “A” and initialed by the chairman of this meeting for the purpose of identification) be and are hereby approved and adopted in substitution for and to the exclusion of the existing bye-laws of the Company with immediate effect; and
- (c) any one Director, company secretary or registered office provider of the Company be and is hereby authorised to do all such acts and things and execute all such documents, deeds and make all such arrangements that he/she shall, in his/her absolute discretion, deem necessary or expedient to give effect to the Proposed Amendments and the adoption of the New Bye-Laws and to make relevant registrations and filings in accordance with the relevant requirements of the applicable laws, rules and regulations in Bermuda and Hong Kong.”

12. **“THAT** subject to and conditional upon the granting by the Stock Exchange of the listing of, and permission to deal in, the New Shares (as defined below) arising from the Capital Reduction (as defined below) and the Share Premium Reduction (as defined below), the Capital Reduction and the Share Premium Reduction be effected with effect from 9:00 a.m. (Hong Kong time) on the second business day immediately following the date on which this resolution is passed or the above conditions are fulfilled (whichever is the later) by way of:

- (a) a reduction (the **“Capital Reduction”**) of the issued share capital of the Company through a cancellation of the paid-up capital of the Company to the extent of HK\$0.90 on each of the issued shares of par value of HK\$1.00 each in the share capital of the Company (the **“Shares”**) so that the nominal value of each issued Existing Share will be reduced from HK\$1.00 to HK\$0.10 (each such reduced share, a **“New Share”**);
- (b) a reduction (the **“Share Premium Reduction”**) of the entire amount standing to the credit of the share premium account of the Company be reduced to nil;

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- (c) the transfer of the credit arising from the Capital Reduction and the Share Premium Reduction to the contributed surplus account of the Company and the directors of the Company be authorised to apply the contributed surplus in such manner as they consider appropriate; and
- (d) the Capital Reduction and the Share Premium Reduction and the transactions contemplated thereunder be and are hereby approved and any one director of the Company be and is hereby authorised to do all such acts and things and execute all such documents on behalf of the Company, including under seal where applicable, as he may consider necessary or expedient to give effect to or in connection with the implementation of the Capital Reduction and the Share Premium Reduction and the transactions contemplated thereunder.”

By Order of the Board
China Health Group Limited
Zhang Fan
Chairman of the Board and Executive Director

Hong Kong, 24 August 2023

Notes:

1. In order to establish entitlements to attend and vote at the AGM, the register of members of the Company will be closed from Wednesday, 13 September 2023 to Monday, 18 September 2023, both days inclusive, during which period no transfer of the shares can be registered. Shareholders are reminded to ensure that all completed share transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong not later than 11:00 a.m. on Saturday, 16 September 2023.
2. Any member of the Company entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote instead of him. A proxy need not be a member of the Company. A member who is the holder of two or more Shares may appoint more than one proxy to represent him/her/it to attend and vote on his/her/its behalf. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
3. In orders to be valid, a form of proxy together with the power of attorney or other authority, if any, under which it is signed or a certified copy of that power or authority, must be deposited at the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Delivery of the form of proxy shall not preclude a member of the Company from attending and voting in person at the meeting and, in such event, the form of proxy shall be deemed to be revoked.
4. In relation to the ordinary resolutions set out in items 4, 5, 6 of the above notice, the directors of the Company wish to state that they have no immediate plan to issue any new Shares or repurchase any existing Shares.