
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

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

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中软国际

CHINASOFT INTERNATIONAL LIMITED

中軟國際有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 354)

**NOTICE OF ANNUAL GENERAL MEETING
GENERAL MANDATES TO ISSUE NEW SHARES AND REPURCHASE SHARES
RE-ELECTION OF RETIRING DIRECTORS
DECLARATION OF DIVIDEND
ADOPTION OF 2023 SHARE OPTION SCHEME
AND
ADOPTION OF 2023 SHARE AWARD SCHEME AND
TERMINATION OF SHARE AWARD SCHEME
AND
ADOPTION OF NEW AMENDED AND RESTATED MEMORANDUM AND
ARTICLES OF ASSOCIATION**

A notice convening the annual general meeting (the “Annual General Meeting”) of shareholders of Chinasoft International Limited (the “Company”) to be held at Taishan Room, Level 5 Island Shangri-La Hong Kong Pacific Place, Supreme Court Road Central, Hong Kong at 2:00 p.m. on Monday, 22 May 2023 is contained in this circular. Whether or not you are able to attend such meeting, please complete and return the form of proxy enclosed herewith in accordance with the instructions printed thereon to the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong or the principal place of business of the Company in Hong Kong at Units 4607-8, 46th Floor, COSCO Tower, No. 183 Queen’s Road Central, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the Annual General Meeting or any adjournment thereof (as the case may be) should you so wish.

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DEFINITIONS

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

“Adoption Date”	22 May 2023 or such other date to which the AGM may be postponed or adjourned (being the date on which the 2023 Share Option Scheme or (as the case may be) the 2023 Share Award Scheme is conditionally adopted by the Shareholders in the AGM);
“AGM”	the annual general meeting of the Company to be held at Taishan Room, Level 5 Island Shangri-La Hong Kong Pacific Place, Supreme Court Road Central, Hong Kong on Monday, 22 May 2023 at 2:00 p.m.;
“AGM Notice”	the notice for convening the AGM as set out on pages AGM-1 to AGM-8 of this circular;
“associate”	has the meaning ascribed to it under the Listing Rules;
“Award”	an award of the Awarded Shares by the Board pursuant to the 2023 Share Award Scheme;
“Awarded Share(s)”	in respect of a Selected Employee, such number of Shares as awarded by the Board under the 2023 Share Award Scheme;
“Board”	the board of Directors;
“close associate”	as such term is defined under the Listing Rules;
“Company”	Chinasoft International Limited (Stock Code: 354), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the main board of the Stock Exchange;
“Contributed Amount”	cash paid or made available to the Trust by way of settlement or otherwise contributed by the Company and/or its Subsidiaries as permitted under the 2023 Share Award Scheme to the Trust as determined by the Board from time to time
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules;
“core connected persons”	has the meaning ascribed to it under the Listing Rules;
“Directors”	directors of the Company for the time being;

DEFINITIONS

“Employee”	any employee (including without limitation any executive director but excluding any independent non-executive director) of any member of the Group;
“Employee Participants”	the directors (other than the independent non-executive directors) and employees of the Group (whether full-time or part-time) (including persons who are granted options under the 2023 Share Option Scheme as an inducement to enter into employment contracts with the Company or any of its subsidiaries), provided that the Board shall have absolute discretion to determine whether or not one falls within such category;
“Excluded Employee”	any Employee who is resident in a place where the award of the Awarded Shares and/or the vesting and transfer of the Awarded Shares pursuant to the terms of the 2023 Share Award Scheme is not permitted under the laws or regulations of such place or where in the view of the Board or the Trustee (as the case may be), compliance with applicable laws or regulations in such place makes it necessary or expedient to exclude such Employee;
“Grantee(s)”	any Participant who accepts an offer in accordance with the terms of the 2023 Share Option Scheme or (where the context permits) the legal personal representative(s) entitled to any such Option in consequence of the death of the Grantee;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“holding company”	in relation to a company, means another company of which it is a Subsidiary;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Latest Practicable Date”	21 April 2023, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein;
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange;
“Memorandum and Articles of Association”	the amended and restated memorandum and articles of association of the Company as adopted on 8 December 2005;

DEFINITIONS

“New Amended and Restated Memorandum and Articles of Association”	the new amended and restated memorandum and articles of association of the Company proposed to be adopted to replace the Memorandum and Articles of Association respectively with immediate effect after the close of the AGM following the passing of the relevant special resolution;
“Offer”	the offer of the grant of an Option to be made by the Board in accordance with the terms of the 2023 Share Option Scheme;
“Offer Date”	the date on which an Offer is made to a Participant;
“Option(s)”	a right granted to the Participants to subscribe for Shares pursuant to the terms of the 2023 Share Option Scheme;
“Option Period”	a period to be determined by the Board at its absolute discretion and notified by the Board to each Grantee as being the period during which an Option may be exercised and in any event, such period shall not be longer than 10 years from the date upon which any particular Option is granted in accordance with the 2023 Share Option Scheme;
“Ordinary Resolution(s)”	the proposed ordinary resolution(s) as set out in the AGM Notice;
“Participant(s)”	the Employee Participants, Related Entity Participants and Service Providers;
“PRC”	the People’s Republic of China;
“Related Entity Participants”	the directors (other than the independent non-executive directors) and employees (whether full-time or part-time) of the holding company, fellow subsidiaries and associated companies of the Company, provided that the Board shall have absolute discretion to determine whether or not one falls within such category;
“relevant company”	any holding company, fellow Subsidiary or associated company of the Company;
“Re-election of Retiring Directors”	the proposed re-election of Dr. Chen Yuhong as an executive Director, and Mr. Zeng Zhijie and Professor Mo Lai Lan as independent non-executive Directors immediately following their retirement at the AGM;

DEFINITIONS

“Repurchase Mandate”	a general mandate to the Directors to exercise the powers of the Company to repurchase Shares up to a maximum of 10% of the total number of Shares in issue as at the date of passing of Ordinary Resolution no. 6 during the period as set out in Ordinary Resolution no. 6;
“Residual Cash”	cash in the Trust Fund (including without limitation (i) any Contributed Amount or any remaining amount thereof which is not being returned to the Company at its request following no purchase instructions given for one week or more after the last purchase of Shares by the Trustee; (ii) any cash income or dividends derived from Shares held under the Trust; (iii) other cash income or net proceeds of sale of non-cash and non-scrip distribution derived from or in respect of the Shares held under the Trust; and (iv) all interest or income derived from deposits maintained with licensed banks in Hong Kong which has not been applied in the acquisition of any Shares;
“RMB”	Renminbi, the lawful currency of the PRC;
“Scheme Mandate Limit”	has the meaning ascribed to it in Appendix III and Appendix IV to this circular;
“Selected Employee(s)”	Employee(s) selected by the Board pursuant to the 2023 Share Award Scheme;
“Service Provider(s)”	means person(s) who provide services to the Group on a continuing and recurring basis in its ordinary and usual course of business which are in the interest of the long-term growth of the Group, including any person providing, among others, advisory services, consultancy services, sales and marketing services, technology services, product engineering services, management services and/or research services to the Group, as consultants, independent contractors or agents, but for the avoidance of doubt exclude placing agents or financial advisers providing advisory services for fundraising, mergers or acquisition, professional service providers such as auditors or valuers who provide assurance, or are required to perform their services with impartiality and objectivity, and provided that the Board shall have absolute discretion to determine whether or not one falls within such category;
“Service Provider Sublimit”	has the meaning ascribed to it in Appendix III to this circular;
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong;

DEFINITIONS

“Share(s)”	ordinary share(s) of HK\$0.05 each in the share capital of the Company (or of such other nominal amount as shall result from a sub-division, consolidation, reclassification or reconstruction of the share capital of the Company from time to time);
“Share Award Scheme”	the share award scheme of the Company approved and adopted by the Board on 10 December 2018, particulars of which were disclosed in the announcement of the Company dated 10 December 2018;
“Share Buyback Rules”	the relevant rules set out in the Listing Rules to regulate the share repurchase by companies with primary listing on the Stock Exchange;
“Share Issue Mandate”	a general mandate to the Directors to exercise the powers of the Company to allot and issue Shares during the period as set out in Ordinary Resolution no. 5 up to 10% of the total number of Shares in issue as at the date of passing Ordinary Resolution no. 5;
“Share Option Scheme”	the share option scheme adopted by the Company at its annual general meeting on 20 May 2013;
“Shareholder(s)”	holder(s) of Share(s);
“share schemes”	has the meaning ascribed to it under Chapter 17 of the Listing Rules;
“Stock Exchange” or “SEHK”	The Stock Exchange of Hong Kong Limited;
“Subscription Price”	the price per Share at which a Grantee may subscribe for Shares on the exercise of an Option pursuant to the terms of the 2023 Share Option Scheme;
“Subsidiary”	a company which is for the time being and from time to time a subsidiary (within the meaning ascribed to such term under the Listing Rules) of the Company, whether incorporated in Hong Kong or elsewhere;
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules;
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs;
“Trust”	the trust constituted by the Trust Deed;

DEFINITIONS

“Trust Deed”	a trust deed entered into between the Company and the Trustee on 10 December 2018 in respect of the Share Award Scheme (as restated, supplemented and amended from time to time);
“Trust Fund”	<p>the funds and properties held under the Trust and managed by the Trustee for the benefit of the Employees (other than the Excluded Employees), including without limitation:</p> <ul style="list-style-type: none">(a) all Shares acquired by the Trustee for the purpose of the Trust out of the Residual Cash and such other scrip income (including but not limited to bonus Shares and scrip dividends declared by the Company) derived from the Shares held upon the Trust;(b) any Residual Cash;(c) any Awarded Shares or other property to be vested or not vested with the Selected Employee under the terms of the 2023 Share Award Scheme; and(d) all other properties from time to time representing (a), (b) and (c) above;
“Trustee”	Bank of Communications Trustee Limited, and any additional or replacement trustees, being the trustee or trustees for the time being of the trusts declared in the Trust Deed;
“Vesting Date”	in respect of a Selected Employee, the date on which his entitlement to the Awarded Shares is vested in such Selected Employee in accordance with the 2023 Share Award Scheme;
“2023 Share Award Scheme”	the new share award scheme proposed to be adopted by the Company at the AGM;
“2023 Share Option Scheme”	the new share option scheme proposed to be adopted by the Company at the AGM;
“%”	per cent.

LETTER FROM THE BOARD



中软国际

CHINASOFT INTERNATIONAL LIMITED

中軟國際有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 354)

Executive Directors:

Dr. Chen Yuhong

(Chairman and Chief Executive Officer)

Dr. He Ning (Vice Chairman)

Dr. Tang Zhenming

Non-executive Directors:

Dr. Zhang Yaqin

Mr. Gao Liangyu

Independent Non-executive Directors:

Mr. Zeng Zhijie

Dr. Lai Guanrong

Professor Mo Lai Lan

Registered Office:

Century Yard, Cricket Square,

Hutchins Drive, P.O. Box 2681,

George Town, Grand Cayman KY1-1111,

Cayman Islands,

British West Indies

Principal place of business in Hong Kong:

Unit 4607-8, 46th Floor,

COSCO Tower,

No.183 Queen's Road Central,

Hong Kong

28 April 2023

To the Shareholders

Dear Sir or Madam,

**NOTICE OF ANNUAL GENERAL MEETING
GENERAL MANDATES TO ISSUE NEW SHARES AND REPURCHASE SHARES
RE-ELECTION OF RETIRING DIRECTORS
DECLARATION OF DIVIDEND
ADOPTION OF 2023 SHARE OPTION SCHEME
AND
ADOPTION OF 2023 SHARE AWARD SCHEME AND
TERMINATION OF SHARE AWARD SCHEME
AND
ADOPTION OF NEW AMENDED AND RESTATED MEMORANDUM AND
ARTICLES OF ASSOCIATION**

1. INTRODUCTION

At the AGM to be held on Monday, 22 May 2023, the Ordinary Resolutions will be proposed, among other things, to grant to the Directors the Share Issue Mandate and the Repurchase Mandate, to

* For identification purpose only

LETTER FROM THE BOARD

approve the Re-election of Retiring Directors, the payment of a final dividend from the share premium account of the Company in respect of the year ended 31 December 2022, the adoption of the 2023 Share Option Scheme, the adoption of the 2023 Share Award Scheme and termination of the Share Award Scheme; and a special resolution will be proposed to approve the adoption of the New Amended and Restated Memorandum and Articles of Association.

The purpose of this circular is to give you the AGM Notice, to provide you with information regarding, the Share Issue Mandate and the Repurchase Mandate, and information on the retiring Directors to be re-elected, the payment of a final dividend, the adoption of the 2023 Share Option Scheme, the adoption of the 2023 Share Award Scheme and termination of the Share Award Scheme and the adoption of the New Amended and Restated Memorandum and Articles of Association, as well as to seek your approval of the ordinary resolutions and the special resolution relating to these matters at the AGM.

2. GENERAL MANDATES

At the AGM, separate ordinary resolutions will be proposed to refresh the general mandates given to the Directors (i) to allot, issue and otherwise deal with Shares not exceeding 10% of the total number of Shares in issue as at the date of passing of the resolution; and (ii) to exercise all powers of the Company to repurchase issued and fully paid Shares up to a maximum of 10% of the total number of Shares in issue at the date of passing of the resolution. The Share Issue Mandate and the Repurchase Mandate will be valid from the date of passing of the relevant resolutions approving the same up to the earliest of (a) the date of the next annual general meeting of the Company; (b) the date by which the next annual general meeting of the Company is required to be held by law or by its Memorandum and Articles of Association; or (c) the date upon which such authority is revoked or varied by an ordinary resolution of the shareholders in a general meeting of the Company. The existing general mandates to issue and repurchase Shares granted to the Directors pursuant to the ordinary resolutions passed by the Shareholders at the annual general meeting held on 18 May 2022 will expire at the AGM.

As at the Latest Practicable Date, the issued share capital of the Company comprised 3,027,011,358 Shares. Assuming no issue of new Shares or repurchase of Shares by the Company from the Latest Practicable Date up to and including the date of the AGM, the Share Issue Mandate will authorize the Directors to issue and allot up to 302,701,135 new Shares.

An explanatory statement containing all relevant information relating to the proposed Repurchase Mandate is set out in Appendix I to this circular. The information in the explanatory statement provides you with information reasonably necessary to enable you to make an informed decision on whether to vote for or against the resolution to grant to the Directors the Repurchase Mandate.

LETTER FROM THE BOARD

3. RE-ELECTION OF RETIRING DIRECTORS

The Board currently consists of eight Directors comprising three executive Directors, two non-executive Directors and three independent non-executive Directors.

Pursuant to the Memorandum and Articles of Association, at each annual general meeting one-third of the Directors for the time being, or the number nearest to but not less than one-third shall retire from office by rotation and shall be eligible for re-election. The Directors to retire shall include any Director who wishes to retire and not to offer himself for re-election. Any further Director 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. In addition, any Director so appointed by the Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

Dr. Chen Yuhong, Mr. Zeng Zhijie and Professor Mo Lai Lan, being those among the other Directors who have been longest in office since their last re-election, shall retire by rotation at the AGM and, being eligible, will offer themselves for re-election.

As at the Latest Practicable Date, Mr. Zeng Zhijie has served as an independent non-executive Director for more than nine years since his appointment in 2003. Pursuant to code provision B.2.3 of the Corporate Governance Code set out in Appendix 14 of the Listing Rules, if an independent non-executive director has served more than nine years, such director's appointment should be subject to a separate resolution to be approved by shareholders.

The nomination committee of the Company (the "Nomination Committee") had assessed and reviewed the annual written confirmation of independence of each of the independent non-executive Directors for the year ended 31 December 2022 based on the independence criteria as set out in Rule 3.13 of the Listing Rules and confirmed that all of them, including Mr. Zeng Zhijie and Professor Mo Lai Lan, remain independent. In addition, Mr. Zeng has not engaged in any executive management of the Group. Taking into consideration of his independent scope of work in the past years, the Nomination Committee and the Directors consider Mr. Zeng to be independent under the Listing Rules despite the fact that he has served the Company for more than nine years. Accordingly, Mr. Zeng shall be subject to retirement by rotation and re-election by way of a separate resolution to be approved by the Shareholders at the AGM.

The Nomination Committee had considered and nominated the above retiring Directors to the Board for it to propose to the Shareholders for re-election at the AGM. Accordingly, with the recommendation of the Nomination Committee, the Board has proposed that all the above retiring Directors, namely Dr. Chen Yuhong, Mr. Zeng Zhijie and Professor Mo Lai Lan stand for re-election as Directors at the AGM. As a good corporate governance practice, each of the above retiring Directors abstained from voting at the relevant Board meeting on the respective propositions of their recommendations for re-election by the Shareholders at the AGM.

Brief biographical details of the above retiring Directors proposed to be re-elected at the AGM are set out in Appendix II to this circular.

LETTER FROM THE BOARD

4. DECLARATION OF DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS

As mentioned in the announcement of the Company dated 29 March 2023, the Board has resolved to recommend a dividend out of the share premium account of the Company of HK\$0.0567 per Share in respect of the year ended 31 December 2022, (the “Dividend”) which is subject to approval of the Shareholders at the AGM and compliance with the Companies Act (as amended from time to time) of the Cayman Islands (the “Companies Act”) and will be payable on Monday, 26 June 2023.

Under Section 34(2) of the Companies Act, the share premium account may be applied by the company paying dividends to members provided that no dividend may be paid to members out of the share premium account unless, immediately following the date on which the dividend proposed to be paid, the company shall be able to pay its debts as they fall due in the ordinary course of business. The Board confirms that with respect to the Dividend, the Company meets the solvency test as laid down under the Companies Act and shall be able to pay its debts as they fall due in the ordinary course of business immediately following the date on which the Dividend is proposed to be paid.

The register of members of Shares will be closed from Tuesday, 6 June 2023 to Friday, 9 June 2023, both days inclusive. In order to qualify for the Dividend, all completed transfer forms accompanied by the relevant Share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Monday, 5 June 2023.

5. ADOPTION OF 2023 SHARE OPTION SCHEME

The Share Option Scheme was adopted on 20 May 2013 and will expire on 20 May 2023. In view of the expiry of the Share Option Scheme, the Company proposes to adopt the 2023 Share Option Scheme. At the AGM, Ordinary Resolution No.8 will be proposed for the Shareholders to consider, and if thought fit, to approve the adoption of the 2023 Share Option Scheme. A summary of the principal terms of the rules of the 2023 Share Option Scheme is set out in Appendix III hereto. So far as the Directors are aware, as at the Latest Practicable Date, none of the Shareholders is required to abstain from voting on the said resolution.

The provisions of the Share Option Scheme will remain in full force and effect to the extent necessary to give effect to the exercise of options granted prior to its expiry or otherwise as may be required in accordance with the rules of the Share Option Scheme. Therefore, the below outstanding options granted under the Share Option Scheme shall continue to be valid and exercisable in accordance with the provisions of the Share Option Scheme and their terms of issue.

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As at the Latest Practicable Date, there were 62,990,000 options granted but not yet exercised under the Existing Share Option Scheme, representing approximately 2.08% of the total number of issued Shares. The principal terms of such options granted but not yet exercised under the Share Option Scheme are as follows:

	Type of grantee	Number of options granted but not yet exercised	Date of grant	Exercise Price	Vesting period	Exercise period
1.	Suppliers:	12,500,000	27 August 2020	HK\$5.65	27 August 2020 to 26 August 2021	27 August 2021 to 26 August 2023
		12,500,000	27 August 2020	HK\$5.65	27 August 2020 to 26 August 2022	27 August 2022 to 26 August 2023
2.	Zhang Yaqin (Non-executive director):	400,000	27 August 2020	HK\$5.65	27 August 2020 to 26 August 2021	27 August 2021 to 26 August 2024
		300,000	27 August 2020	HK\$5.65	27 August 2020 to 26 August 2022	27 August 2022 to 26 August 2024
		300,000	27 August 2020	HK\$5.65	27 August 2020 to 26 August 2023	27 August 2023 to 26 August 2024
3.	Gao Liangyu (Non-executive director):	400,000	27 August 2020	HK\$5.65	27 August 2020 to 26 August 2021	27 August 2021 to 26 August 2024
		300,000	27 August 2020	HK\$5.65	27 August 2020 to 26 August 2022	27 August 2022 to 26 August 2024
		300,000	27 August 2020	HK\$5.65	27 August 2020 to 26 August 2023	27 August 2023 to 26 August 2024
4.	Gavriella Schuster (Part-time advisor to the Company):	400,000	27 August 2020	HK\$5.65	27 August 2020 to 26 August 2021	27 August 2021 to 26 August 2024
		300,000	27 August 2020	HK\$5.65	27 August 2020 to 26 August 2022	27 August 2022 to 26 August 2024
		300,000	27 August 2020	HK\$5.65	27 August 2020 to 26 August 2023	27 August 2023 to 26 August 2024

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	Type of grantee	Number of options granted but not yet exercised	Date of grant	Exercise Price	Vesting period	Exercise period
5.	Zeng Zhijie (Independent non-executive director):	320,000	27 August 2020	HK\$5.65	27 August 2020 to 26 August 2021	27 August 2021 to 26 August 2024
		240,000	27 August 2020	HK\$5.65	27 August 2020 to 26 August 2022	27 August 2022 to 26 August 2024
		240,000	27 August 2020	HK\$5.65	27 August 2020 to 26 August 2023	27 August 2023 to 26 August 2024
6.	Lai Guanrong (Independent non-executive director):	320,000	27 August 2020	HK\$5.65	27 August 2020 to 26 August 2021	27 August 2021 to 26 August 2024
		240,000	27 August 2020	HK\$5.65	27 August 2020 to 26 August 2022	27 August 2022 to 26 August 2024
		240,000	27 August 2020	HK\$5.65	27 August 2020 to 26 August 2023	27 August 2023 to 26 August 2024
7.	Mo Lai Lan (Independent non-executive director):	320,000	27 August 2020	HK\$5.65	27 August 2020 to 26 August 2021	27 August 2021 to 26 August 2024
		240,000	27 August 2020	HK\$5.65	27 August 2020 to 26 August 2022	27 August 2022 to 26 August 2024
		240,000	27 August 2020	HK\$5.65	27 August 2020 to 26 August 2023	27 August 2023 to 26 August 2024
8.	Employees:	11,830,000	27 August 2020	HK\$5.65	27 August 2020 to 26 August 2021	27 August 2021 to 26 August 2024
		10,380,000	27 August 2020	HK\$5.65	27 August 2020 to 26 August 2022	27 August 2022 to 26 August 2024
		10,380,000	27 August 2020	HK\$5.65	27 August 2020 to 26 August 2023	27 August 2023 to 26 August 2024

LETTER FROM THE BOARD

Conditions precedent of the 2023 Share Option Scheme

The 2023 Share Option Scheme will take effect upon satisfaction of the following conditions:

- (i) passing of an Ordinary Resolution by the Shareholders in general meeting approving the adoption of the 2023 Share Option Scheme and authorising the Board to grant Options to subscribe for Shares thereunder and to allot and issue Shares pursuant to the exercise of any Options granted under the 2023 Share Option Scheme; and
- (ii) the Listing Committee of the Stock Exchange granting approval of the listing of, and permission to deal in, any Shares to be issued pursuant to the exercise of Options granted under the 2023 Share Option Scheme.

An application will be made to 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.

The 2023 Share Option Scheme will become effective upon the fulfilment of all the conditions for adoption of the 2023 Share Option Scheme as referred to the above.

Explanation of the terms of the 2023 Share Option Scheme

A summary of the principal terms of the rules of the 2023 Share Option Scheme is set out in Appendix III hereto. The purpose of the 2023 Share Option Scheme is for the Company to provide the people and the parties working for the interest of the Group with an opportunity to obtain equity interest in the Company, thus linking their interest with the interest of the Group and thereby providing them with an incentive to work better for the interest of the Group.

In determining the basis of eligibility of each Employee Participant, the Board would take into account such factors as the Board may at its discretion consider appropriate, including (but not limited to) the contribution or potential contribution to the Group, the general working performance, time commitment, length of their service within the Group, work experience and/or responsibilities.

In determining the basis of eligibility of each Related Entity Participant, the Board would take into account such factors as the Board may at its discretion consider appropriate, including (but not limited to) the contribution or potential contribution to the Group and the need to strengthen the long-term relationship that such Related Entity Participant may have with the Group.

LETTER FROM THE BOARD

Service Providers who are eligible under the 2023 Share Option Scheme shall include person(s) who provide services to the Group on a continuing and recurring basis in its ordinary and usual course of business which are in the interest of the long-term growth of the Group, including any person providing, among others, advisory services, consultancy services, sales and marketing services, technology services, product engineering services, management services and/or research services to the Group, as consultants, independent contractors or agents, but for the avoidance of doubt exclude placing agents or financial advisers providing advisory services for fundraising, mergers or acquisition and professional service providers such as auditors or valuers who provide assurance or are required to perform their services with impartiality and objectivity, and provided that the Board shall have absolute discretion to determine whether or not one falls within such category.

In determining the basis of eligibility of each category of the Service Providers, the Board will assess factors including:

- (i) the contribution or potential contribution to the long-term growth of the Group by the Service Provider;
- (ii) whether the nature of services provided by the Service Provider is in line with the Group's business need and the industry norm and help maintain or enhance the competitiveness of the Group;
- (iii) the individual performance of relevant Service Providers, the length of business relationship with the Group and track record in the quality of services provided to the Group; and
- (iv) the scale of business dealings with the Group with regard to factors such as the actual or expected change in the Group's revenue or profits which is or may be attributable to the Service Providers.

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 shall take into consideration the length and type of services provided and the recurrences and regularity of such services provided to the Group by the Service Provider.

The Group maintains close collaborative relationships with the Related Entity Participants such as senior management of the associated companies of the Group. Given that the Company may have significant interests in these associated companies, the Board (including the independent non-executive Directors) consider it important for the Company to be able (if thought fit) to deploy benefits in the form of Options to attract, retain and/or incentivise appropriate directors and/or employees of such entities (being Related Entity Participants) in the same way as Employee Participants, so that the Related Entity Participants may also align their interest with the growth and performance of such entities as well as the Group.

LETTER FROM THE BOARD

Amongst the Service Providers, suppliers, distributors, and contractors directly contribute to the long-term growth of the Group's business by providing services that are of a continuing and recurring nature in the ordinary and usual course of the Group's business. These Service Providers are closely connected to and crucial to the Group's day-to-day operations which spans across procurement, sales, human resource, marketing and research and development, and their contributions directly impact the results of operations of the Group. Service Providers also include advisors and consultants with relevant expertise in fields related to the industry such as cloud intelligent services and solutions, former senior management of prominent industry players who have unique knowledge of market trends and product roadmap during the short to long term, technical consultants which may advise on and assist the Group in its product development and improve its production management capabilities. These Service Providers contribute to the long-term growth of the Group by advising or consulting on a set of specialised skills and knowledge in the business activities of the Group. As these Service Providers possess industry-specific knowledge or expertise and often have extensive experience and understanding of the market, they are able to provide insight on areas such as market development, technological trends and innovations, technical specifications and licensing requirements for products, service quality management, as well as marketing. The Group benefits from the strategic advice and guidance provided by these Service Providers in its normal and usual course of business, which is not only conducive to business growth and market breakthroughs, but will also more effectively plan the future business strategic direction of the Group to achieve long-term growth.

The Board (including independent non-executive Directors) consider, after taking into account that the Company has a history of making grants to both proposed categories of the Related Entity Participants and the Service Providers, that such proposed categories of the Related Entity Participants and the Service Providers are in line with the Company's past practices of granting options under the Existing Share Option Scheme and/or previous share option scheme(s) of the Company and business needs and the industry norm, desirable and necessary from a commercial perspective and will help to maintain or enhance the competitiveness of the Company. Through the grant of Options to the Related Entity Participants and the Service Providers, these participants and the Company will have a common goal in the growth and development of the Company's business, and they would be able to participate in the future prospects of the Company and share the additional reward through their sustainable contribution.

Accordingly, the grant of Options to Participants who are Related Entity Participants and Service Providers would align with the purpose of the 2023 Share Option Scheme of linking the interests of people who work for the interests of the Group with the interests of the Group and thereby providing them with an incentive to work better for the interest of the Group.

As at the Latest Practicable Date, there were 3,027,011,358 Shares in issue. Assuming that no further Shares will be allotted, issued, repurchased or cancelled prior to the AGM and after the resolution regarding the proposed adoptions of the 2023 Share Option Scheme and 2023 Share Award Scheme are passed at the AGM, (i) the total number of Shares which may be issued in respect of all options and awards under the 2023 Share Option Scheme and the 2023 Share Award Scheme and other share schemes of the Company would be no more than 302,701,135 Shares, representing no more than approximately 10% of the total number of Shares in issue as at the Adoption Date; and (ii) the total number of Shares that may be issued under the 2023 Share Option Scheme and other share schemes of the Company to the Service Providers would be no more than 60,540,227 Shares, representing no more than approximately 2% of the total number of Shares in issue as at the Adoption Date.

LETTER FROM THE BOARD

The basis for determining the Service Provider Sublimit (namely, 2% of the total number of issued Shares as at the Adoption Date or the relevant date of approval of the refreshment of the Service Provider Sublimit) includes (i) the potential dilution effect arising from grants to the Service Providers, and the importance of striking a balance between achieving the purpose of the 2023 Share Option Scheme and protecting Shareholders from the dilution effect from granting a substantial amount of Options to the Service Providers; and (ii) the fact that the Company expects that a majority of Options will be granted to Employee Participants and as such there is a need to reserve a larger portion of the Scheme Mandate Limit for grants to the Employee Participants.

Considering the above, the Board is of the view that the Service Provider Sublimit is appropriate and reasonable. The Service Provider Sublimit is subject to separate approval by the Shareholders at the AGM.

The vesting period for Options under the 2023 Share Option Scheme shall not be less than 12 months.

The offer letter to be given to the Participant at the time of the offer of the Option (the “**Offer Letter**”) may specify the performance target(s), if any, that must be fulfilled by the Grantee(s) before any of the Options may be vested to such Grantee(s) under such Offer. The Board or a committee of the Board may in respect of each Offer and subject to all applicable laws, rules and regulations determine such performance target(s) for vesting of Options in its sole and absolute discretion, such performance targets shall include, among others, business targets, financial targets and/or management targets which shall be determined based on the (i) individual performance, (ii) performance of the Group, (iii) performance of business groups, business units, business lines, functional departments, projects and/or geographical area managed by the Grantees; (iv) strategic plans formulated by the Grantees; and/or (v) developments or breakthroughs in certain markets of the Group’s business. For the avoidance of doubt, unless otherwise determined by the Board and specified in the Offer Letter at the time of the Offer, there is no performance target that needs to be achieved by the Grantee before an Option can be exercised.

The Subscription Price in respect of each Share issued pursuant to the exercise of Options granted under the 2023 Share Option Scheme shall be a price solely determined by the Board and notified to a Participant and shall be at least the higher of (a) the closing price of the Shares as stated in the Stock Exchange’s daily quotations sheet on the Offer Date, which must be a business day; and (b) the average closing price of the Shares as stated in the Stock Exchange’s daily quotations sheets for the five business days immediately preceding the Offer Date.

The 2023 Share Option Scheme provides that Options granted will automatically lapse under circumstances where the Grantee ceases to be a Participant by reason of termination due to misconduct, breach of material term of employment or service contract, or has been convicted of any criminal offence involving his integrity or honesty. Please refer to the paragraph headed “(11) Lapse of Option” in Appendix III to this circular for circumstances under which Options granted will lapse. Apart from the aforesaid, unless specified in a letter of grant of Options or employment or engagement contract, the Company does not have clawback mechanism to recover or withhold the remuneration (which may include any options or awards granted) to a Participant in the event of serious misconduct, a material misstatement in the Company’s financial statements or other circumstances.

LETTER FROM THE BOARD

The Board believes that it is in the best interests of the Company to retain the flexibility to impose appropriate conditions in light of the particular circumstances of each grant, which would then be a more meaningful reward for the Participants' contribution or potential contribution. Further, by allowing the Company to grant Options under the 2023 Share Option Scheme at a Subscription Price which will be determined on a fair basis according to market value of the Shares and/or require the Participant to achieve such performance targets as may be stipulated in the Offer letter on a case by case basis, the Company may be in a better position to retain such Participants to continue serving the Group whilst at the same time providing these Participants further incentive in achieving the goals of the Group, and therefore aligns with the purpose of the 2023 Share Option Scheme.

None of the Directors is a trustee of the 2023 Share Option Scheme or has any direct or indirect interest in the trustees of the 2023 Share Option Scheme, if any.

6. ADOPTION OF THE 2023 SHARE AWARD SCHEME AND TERMINATION OF THE SHARE AWARD SCHEME

The Share Award Scheme was adopted by the Company on 10 December 2018 and is valid and effective for a period of ten years from its adoption date. As Chapter 17 of the Listing Rules was amended with effect from 1 January 2023, the Company proposes to terminate the Share Award Scheme and adopt the 2023 Share Award Scheme. The provisions of the 2023 Share Award Scheme comply with the requirements of the amended Chapter 17 of the Listing Rules. At the AGM, Ordinary Resolutions No.9 and 10 will be proposed for the Shareholders to consider, and if thought fit, to approve the adoption of the 2023 Share Award Scheme and the termination of the Share Award Scheme.

Save for the Share Award Scheme and the Share Option Scheme, the Company had no other subsisting share schemes as at the Latest Practicable Date.

As at the Latest Practicable Date, the Company had 101,123,000 unvested awarded Shares granted under the Share Award Scheme which shall continue to be valid in accordance with the Share Award Scheme and the Company did not intend to grant further share options or award Shares under the Share Award Scheme prior to the AGM. The principal terms of the unvested awarded Shares granted under the Share Award Scheme are as follows:

		Number of Shares granted but not vested	Date of grant	Fair value at the date of grant of each Share award	Vesting period
1.	Chen Yuhong (Director)	5,500,000	1 June 2020	HK\$3.98	2 to 7 years
2.	Tang Zhenming (Director)	4,320,000	1 June 2020	HK\$3.98	2 to 7 years
3.	Employees	91,303,000	1 June 2020	HK\$3.98	2 to 7 years

LETTER FROM THE BOARD

Conditions precedent of the 2023 Share Award Scheme

The 2023 Share Award Scheme will take effect upon satisfaction of the following conditions:

- (A) the passing of ordinary resolution(s) by the Shareholders at a general meeting of the Company to:
 - (i) (1) approve and adopt the 2023 Share Award Scheme; (2) authorize the Board to grant Awarded Shares under the 2023 Share Award Scheme; and (3) authorize the Board to allot and issue new Shares in respect of any Awards to be granted pursuant to the 2023 Share Award Scheme; and
 - (ii) approve the termination of the Share Award Scheme upon adoption of the 2023 Share Award Scheme; and
- (B) the Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in, any new Shares on the Stock Exchange which may be issued by the Company in respect of all Awarded Shares to be granted in accordance with the terms and conditions of the 2023 Share Award Scheme.

Subject to the satisfaction of the conditions above and any early termination, the 2023 Share Award Scheme shall be valid and effective for a term of 10 years commencing on the Adoption Date.

Explanation of the terms of the 2023 Share Award Scheme

A summary of the principal terms of the rules of the 2023 Share Award Scheme is set out in Appendix IV hereto. The specific objectives of the 2023 Share Award Scheme are for the Company to (i) recognise the contributions by certain Employees and to provide them with incentives in order to retain them for the continual operation and development of the Group; and (ii) attract suitable personnel for further development of the Group.

Eligible participants of the 2023 Share Award Scheme include Employees (excluding any Excluded Employee). In determining the number of Awarded Shares to be granted to any Selected Employee (excluding any Excluded Employee), the Board shall take into consideration matters including, but without limitation to:

- (a) the present contribution and expected contribution of the relevant Selected Employee to the profits of the Group;
- (b) the general financial condition of the Group;
- (c) the Group's overall business objectives and future development plan; and
- (d) any other matter which the Board considers relevant.

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The Board is entitled to impose any conditions (including a period of continued service within the Group after the Award), as it deems appropriate in its absolute discretion with respect to the vesting of the Awarded Shares on the Selected Employee, and shall inform the Trustee and such Selected Employee the relevant conditions of the Award and the Awarded Shares, provided that the vesting period for Awards shall not be less than 12 months.

The grant notice to be given to any Selected Employee at the time of a grant of Awarded Shares (the “**Grant Notice**”) shall set out the vesting criteria and conditions for Awards to be granted, if any, and may include performance target(s) that the Board or the committee of the Board or person(s) to which the Board has delegated its authority may in its sole and absolute discretion determine, if any. Such performance targets shall include, among others, business targets, financial targets and/or management targets which shall be determined based on the (i) individual performance, (ii) performance of the Group, (iii) performance of business groups, business units, business lines, functional departments, projects and/or geographical area managed by the Grantees; (iv) strategic plans formulated by the Grantees; and/or (v) developments or breakthroughs in certain markets of the Group’s business.

The 2023 Share Award Scheme provides that an Award granted to a Selected Employee will automatically lapse under circumstances where that Employee has committed fraud or dishonesty or serious misconduct, or has been convicted of criminal offence. Please refer to the paragraph headed “(9) Disqualification of Selected Employees” in Appendix IV to this circular for circumstances under which Awards granted will lapse. Apart from the aforesaid, unless specified in a letter of grant of Awards or employment contract, the Company does not have clawback mechanism to recover or withhold the remuneration (which may include any options or awards granted) to an Employee in the event of serious misconduct, a material misstatement in the Company’s financial statements or other circumstances.

The Board believes that it is in the best interests of the Company to retain the flexibility to impose appropriate conditions in light of the particular circumstances of each grant, which would then be a more meaningful reward for the Selected Employee’s contribution or potential contribution. Further, by allowing the Company to require the Selected Employee to achieve such performance targets as may be stipulated in the Grant Notice on a case by case basis, the Company may be in a better position to retain such Selected Employees to continue serving the Group whilst at the same time providing these Selected Employees further incentive in achieving the goals of the Group, and therefore aligns with the purpose of the 2023 Share Award Scheme.

None of the Directors is a trustee of the 2023 Share Award Scheme or has any direct or indirect interest in the trustees of the 2023 Share Award Scheme, if any.

To the best knowledge, information and belief of the Directors after making all reasonable enquiries, the Trustee is independent of the Company and its connected persons.

LETTER FROM THE BOARD

7. ADOPTION OF NEW AMENDED AND RESTATED MEMORANDUM AND ARTICLES OF ASSOCIATION

Pursuant to the Consultation Conclusions on Listing Regime for Overseas Issuers published by the Stock Exchange in November 2021, the Listing Rules have been amended with effect from 1 January 2022 which requires, among others, listed issuers to adopt a uniform set of 14 “Core Standards” for shareholder protections for issuers. The Board proposes to amend and restate the Memorandum and Articles of Association for the purposes of (i) providing greater flexibility to the Company in relation to the conduct of general meetings by allowing (but not requiring) general meetings to be held as an electronic meeting and/or as a hybrid meeting where the Shareholders may attend by electronic means in addition to a physical meeting where Shareholders attend in person; (ii) bringing the Memorandum and Articles of Association in line with the amendments made to the Listing Rules (in particular to conform to the core shareholder protection standards as set out in Appendix 3 to the Listing Rules) and applicable laws of the Cayman Islands; (iii) changing the authorized share capital of the Company to reflect the cancellation of all the unissued preferred shares in the authorised share capital of the Company so that the authorised share capital comprises ordinary shares only; and (iv) making certain minor housekeeping amendments to the Memorandum and Articles of Association.

In view of the number of proposed changes involved, the Board proposes to amend the Memorandum and Articles of Association currently in effect by replacing them with the New Amended and Restated Memorandum and Articles of Association. Full terms of the proposed changes brought about by the adoption of the New Amended and Restated Memorandum and Articles of Association when compared with the existing Memorandum and Articles of Association are set out in Appendix V to this circular.

Shareholders are advised that the New Amended and Restated Memorandum and Articles of Association are written in English. The Chinese translation of the New Amended and Restated Memorandum and Articles of Association is for reference only. In case of any inconsistency between the English and Chinese versions, the English version shall prevail.

The legal advisers to the Company have confirmed that the proposed amendments to the Memorandum and Articles of Association conform with the requirements under the Listing Rules and do not violate the laws of the Cayman Islands. The Company confirms that there is nothing unusual about the proposed amendments for a company listed on the Stock Exchange.

8. DOCUMENTS ON DISPLAY

A copy of the rules of the 2023 Share Option Scheme and of the 2023 Share Award Scheme will be published on the websites of the Stock Exchange and the Company for display for a period of not less than 14 days before the date of the AGM, and the 2023 Share Option Scheme and the 2023 Share Award Scheme will be made available for inspection at the AGM.

LETTER FROM THE BOARD

9. ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

Set out on pages AGM-1 to AGM-8 in this circular is the AGM Notice containing the Ordinary Resolutions to be proposed at the AGM to, among other things, grant to the Directors the Repurchase Mandate, the Share Issue Mandate; approve the Re-election of Retiring Directors, the declaration of Dividend, the adoption of the 2023 Share Option Scheme; approve the adoption of the 2023 Share Award Scheme and the termination of the Share Award Scheme; cancel all unissued preferred shares in the authorised share capital of the Company and the Special Resolution to be proposed at the AGM to approve the adoption of New Amended and Restated Memorandum and Articles of Association.

The register of members of Shares will be closed from Wednesday, 17 May 2023 to Monday, 22 May 2023, both days inclusive, during which period no transfer of Shares will be registered. In order to ascertain the right to attend the AGM, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Tuesday, 16 May 2023.

10. ACTION TO BE TAKEN

A proxy form for use at the AGM is dispatched to you with this circular. Whether or not you intend to attend the AGM, you are requested to complete the proxy form and return it to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong or the principal place of business of the Company at Units 4607-8, 46th Floor, COSCO Tower, No. 183 Queen's Road Central, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the AGM. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM.

11. VOTE BY POLL

Pursuant to the Article 66 of the Memorandum and Articles of Association, at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) demanded:–

- (a) by the chairman of such meeting; or
- (b) by at least three Shareholders present in person or in the case of a member of the Company being a corporation by its duly authorised representative or by proxy for the time being entitled to vote at the meeting; or
- (c) by any Shareholder or Shareholders present in person or in the case of a Shareholder 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 the Shareholders having the right to vote at the meeting; or

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- (d) by any Shareholder or Shareholders present in person or in the case of a Shareholder 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 the shares conferring that right.

In accordance with Rule 13.39(4) of the Listing Rules, the chairman of the AGM will demand that voting on all resolutions set out in the AGM Notice, including the Ordinary Resolutions and the Special Resolution, be decided by poll.

A trustee of the share award scheme (adopted by the Board on 10 December 2018) held 236,154,000 Shares, and shall not exercise the voting rights at the AGM in respect of these Shares under the trust.

Save as disclosed above, so far as the Directors are aware, as at the Latest Practicable Date, no Shareholder will be required to abstain from voting under the Listing Rules in respect of any of the resolutions to be proposed at the AGM.

12. TYPHOON AND RAINSTORM ARRANGEMENT

In case Typhoon Signal No. 8 or above is hoisted, or a Black Rainstorm Warning Signal or “extreme conditions caused by a super typhoon” announced by the Government of Hong Kong is/are in force in Hong Kong at or at any time after 12:00 noon on the date of the meeting, the meeting will be adjourned. The Company will post an announcement on the corporate website of the Company (www.chinasofti.com) and the designated website of the Stock Exchange (www.hkexnews.hk) to notify Shareholders of the date, time and place of the adjourned meeting.

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

13. 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.

LETTER FROM THE BOARD

14. RECOMMENDATION

The Directors believe that the Share Issue Mandate, the Repurchase Mandate, Re-election of Retiring Directors, declaration of Dividend, the adoption of the 2023 Share Option Scheme, the adoption of the 2023 Share Award Scheme and the termination of the Share Award Scheme and the adoption of New Amended and Restated Memorandum and Articles of Association and all other resolutions set out in the AGM Notice are all in the best interest of the Company and its Shareholders as a whole. Accordingly, the Directors recommend that you vote in favour of each of the ordinary resolutions and the special resolution set out in the AGM Notice.

Yours faithfully,
By Order of the Board
Chinasoft International Limited
Dr. Chen Yuhong
(Chairman and Chief Executive Officer)

This appendix serves as an explanatory statement, as required under the Share Buyback Rules, to provide information to the Shareholders with regard to the Repurchase Mandate to enable them to make an informed decision as to whether to vote in favour of the Repurchase Mandate.

1. SHARE CAPITAL

As at the Latest Practicable Date, there were in total an aggregate number of 3,027,011,358 Shares in issue. As at the same date, share options to subscribe for 62,990,000 Shares had been granted and were outstanding under the share option scheme of the Company adopted on 20 May 2013.

Subject to the passing of the Ordinary Resolution no. 6 and on the basis that no further Shares are issued or repurchased prior to the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 302,701,135 Shares representing not more than 10% of the issued Shares as at the Latest Practicable Date.

2. REASONS FOR REPURCHASES

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

3. FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its Memorandum and Articles of Association and the applicable laws and regulations of the Cayman Islands. The Companies Act (as amended from time to time) of the Cayman Islands provides that Shares may be purchased out of the proceeds of a fresh issue of Shares made for the purpose (only up to the nominal value of the Shares being purchased) or out of the profits or share premium of the Company. Subject to the Company satisfying a statutory solvency test, a purchase of Shares may also be paid out of capital.

The Directors at present have not decided which proposed source of funding is to be used when the Repurchase Mandate is exercised.

There might be a material adverse effect on the working capital or gearing position of the Company (as compared with the position disclosed in the audited consolidated accounts contained in the annual report for the financial year ended 31 December 2022) in the event that the Repurchase Mandate is exercised in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements or the gearing levels of the Company which in the opinion of the Directors are from time to time appropriate for the Company.

4. UNDERTAKING

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

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their close associates (as defined in the Listing Rules), have any present intention to sell any Shares to the Company under the Repurchase Mandate if such is approved by Shareholders and exercised by the Board.

No core connected person has notified the Company that he or it has a present intention to sell Shares to the Company or its subsidiaries, or has undertaken not to do so, in the event that the Repurchase Mandate is approved by the Shareholders and exercised by the Board.

5. TAKEOVERS CODE

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

As at the Latest Practicable Date, Dr. Chen Yuhong and concert parties (including the interest of 305,492,861 Shares and 24,649,283 Shares held by Dan Capital Kunlun Limited Partnership) held 330,142,144 Shares, representing approximately 10.91% of the total issued Shares and Mr. Deng Yanbo and concert parties held 355,972,144 Shares, representing approximately 11.76% of the total issued Shares. To the best of knowledge and belief of the Company, no other person, together with his/her associates, was beneficially interested in Shares representing 10% or more of the total issued Shares as of the Latest Practicable Date.

In the event that the Directors exercise the Repurchase Mandate in full, then (if the present shareholdings otherwise remained the same) the holdings of Dr. Chen Yuhong and Mr. Deng Yanbo, and their respective concert parties, in the total Shares in issue would be increased respectively from approximately 10.91% and 11.76% to approximately 12.12% and 13.07% of the total Shares in issue. The Directors are not aware of any consequences which may arise under the Takeovers Code as a result of any purchase made under the Repurchase Mandate. In the event that the Repurchase Mandate is exercised in full, the number of Shares held by the public would not fall below 25%, the relevant prescribed minimum percentage of the Shares in issue required by the Stock Exchange to be held by the public.

6. SHARE PRICES

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

Month	Highest trade price (HK\$)	Lowest trade price (HK\$)
2022		
April	6.77	5.58
May	7.22	5.58
June	8.44	6.84
July	8.22	6.64
August	7.68	5.94
September	6.17	4.80
October	5.75	4.72
November	7.18	5.21
December	7.20	6.44
2023		
January	7.78	6.59
February	7.15	5.54
March	6.23	4.94
April (from 1 April up to the Latest Practicable Date)	5.48	4.99

7. SHARE REPURCHASE MADE BY THE COMPANY

In the six months preceding the Latest Practicable Date, the Company had repurchased an aggregate of 1,990,000 Shares on the Stock Exchange, with details as follows:

Repurchase Date	Number of Shares repurchased	Purchase price per Share	
		Highest (HK\$)	Lowest (HK\$)
24 October 2022	1,990,000	5.09	4.96

The Shares repurchased were cancelled. Save as disclosed above, the Company has not repurchased any of its Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

The followings are the particulars of the retiring Directors proposed to be re-elected at the AGM:

Dr. Chen Yuhong (executive Director)

Dr. Chen Yuhong (陳宇紅), aged 60, is the Chairman and the Chief Executive Officer of the Company and is responsible for the overall business development of the Group. He has over 20 years of practicing experience in software information industry. Dr. Chen holds a doctorate degree in optics from Beijing Institute of Technology (北京理工大學) in 1991. Prior to joining the Company on 25 April 2000, Dr. Chen worked at China National Computer Software & Technology Service Corporation (“CS&S”) from October 1996 to April 2000, subsequently was appointed as vice president in June 1999 and as senior vice president of CNTC (中軟網絡信息技術有限公司) in December 2003. He has also been appointed a director of Chinasoft Resources Information Technology Services Limited. He was also a director of CS&S Cyber Resources Software Technology (Tianjin) Co., Ltd., an associate company of CS&S from 1999 to March 2002. From June 1991 to October 1996, he was the deputy general manager of China Great Wall Computer Software Co., Ltd. (中國長城計算機軟體公司).

Dr. Chen is a member of remuneration committee and nomination committee of the Company.

Save as disclosed herein, as at the Latest Practicable Date, Dr. Chen Yuhong did not hold any directorship in public companies listed on any securities market in Hong Kong or overseas in the last three years nor hold any position in any members of the Group.

Save as disclosed herein, Dr. Chen is not related to any director, senior management, substantial shareholder or controlling shareholder of the Company or other members of the Group. As at the Latest Practicable Date, Dr. Chen was interested or deemed to be interested in 330,142,144 Shares (including 24,649,283 Shares held by Dan Capital Kunlun Limited Partnership and 5,500,000 unvested award Shares under the share award scheme adopted by the Board on 10 December 2018) within the meaning of Part XV of the SFO.

Dr. Chen entered into a service contract with the Company for a term of two years from 20 June 2003 which has continued thereafter until terminated by either party giving not less than three months’ prior written notice. Dr. Chen is subject to retirement by rotation and re-election in accordance with the Memorandum and Articles of Association. For the year ended 31 December 2022, Dr. Chen received an annual remuneration of RMB1,029,000 from the Company for his position as an executive Director. The monthly salary for Dr. Chen is to be reviewed annually by the remuneration committee of the Company. For the period from the expiry of the first year of appointment, the salary of Dr. Chen shall be determined by the remuneration committee of the Company but shall not be more than 120 percent of the annual salary for the preceding year. Dr. Chen is entitled to management bonus by reference to the consolidated net profits of the Group after taxation and minority interests but before extraordinary items as shown in the Group’s audited consolidated accounts for the relevant financial year (the “Net Profits”) as the Board may approve, provided that the aggregate amount of management bonuses payable to Dr. Chen in respect of any financial year of the Group shall not exceed 5 percent of the Net Profits; and he shall abstain from voting and shall not be counted in the quorum in respect of the resolution regarding the amount of management bonus payable to himself. Dr. Chen’s remuneration is determined by the remuneration committee of the Company with reference to his duties and responsibilities in the Company, the Company’s performance and the prevailing market situation and current arrangement adopted by the Company.

Save as disclosed above, Dr. Chen confirmed that there are no matter that needs to be brought to the attention of the Shareholders and there are no information that should be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

Mr. Zeng Zhijie (Independent Non-executive Director)

Mr. Zeng Zhijie (曾之杰), aged 55, is currently the Managing Partner of Oriza-Rivertown Capital (元禾厚望成長基金). He has been active in the venture capital industry for twenty years. Mr. Zeng obtained a bachelor's degree in economics from the University of Nagasaki, Japan, and a master of science degree in management from Stanford University

Mr. Zeng is the member of audit committee, remuneration committee and nomination committee of the Company.

Save as disclosed above, as at the Latest Practicable Date, Mr. Zeng did not hold any other directorship in public companies listed on any securities market in Hong Kong or overseas in the last three years nor hold any position in any members of the Group.

Mr. Zeng is not related to any director, senior management, substantial shareholder or controlling shareholder of the Company or other members of the Group. As at the Latest Practicable Date, Mr. Zeng had interested in share options to subscribed for 800,000 Shares within the meaning of Part XV of the SFO.

Mr. Zeng was appointed as an independent non-executive Director on 21 April 2003. Mr. Zeng had entered into a letter of appointment with the Company for a term of two years from 21 April 2003 and his appointment has continued since expiry of such term. Mr. Zeng is subject to retirement by rotation and re-election in accordance with the Memorandum and Articles of Association. Mr. Zeng is entitled to a monthly remuneration of HK\$10,000 for his position as an independent non-executive Director. The fee was determined by the Board after taking into account the recommendation by the remuneration committee of the Company with reference to the prevailing market benchmark as well as his roles and duties in the Company.

In considering Mr. Zhen's re-election, the Board, with assistance and recommendation from the nomination committee of the Company, has reviewed the structure, size, composition and diversity of the Board from a number of aspects, including but not limited to age, gender, nationality, length of service, and the professional experience, skills and expertise, that Mr. Zeng can bring. The Board is not aware of any circumstance that might influence Mr. Zeng in exercising independent judgment, and is satisfied that he has the required character, integrity, independence and experience to fulfill the role of an independent non-executive Director and he will be able to maintain an independent view of the Group's affairs. The Board considers him to be independent.

The Board is also of the view that Mr. Zeng is beneficial to the Board with diversity of his comprehensive experience and knowledge in Mr. Zeng that contributes to invaluable expertise, continuity and stability to the Board. The Board believes that he will continue to contribute effectively to the Board.

Save as disclosed above, Mr. Zeng confirmed that there are no matter that needs to be brought to the attention of the Shareholders and there are no information that should be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

Professor Mo Lai Lan (Independent Non-executive Director)

Professor Mo Lai Lan (巫麗蘭), aged 64, obtained her bachelor and Ph. D degrees in Accountancy from the Chinese University of Hong Kong and M.B.A. degree from Birmingham University in U.K.. She is a fellow member of the Association of Chartered Certified Accountants (ACCA) and a member of the Hong Kong Institute of Certified Public Accountants (HKICPA). Professor Mo joined City University of Hong Kong in 2011 as Professor of Accountancy and served as the Ph.D Program Coordinator for the Department of Accountancy during 2013-2015, and as Internship Coordinator from 2015 to 2017. She is now the Associate Director of the Research Centre for Sustainable Hong Kong (CSHK), a strategic applied research center established at City University of Hong Kong which aims at conducting impactful research in response to real-life sustainability challenges in Hong Kong and the Region. Previously, Professor Mo served as Professor and Head of the Department of Accountancy at Lingnan University from 2006 to 2011. She also had teaching and research experiences with other prominent research universities. Prior to joining the academia, Professor Mo worked at an international leading CPA firm as a professional auditor and a listed company as an internal auditor. Professor Mo was a member of the Auditing & Assurance Standards Committee of the Hong Kong Institute of Certified Public Accountants (HKICPA) from 2012 to 2017, and a member of Board of Review (Inland Revenue Ordinance, Hong Kong) from 2015 to 2020. Currently, she is a member of the Financial Report Review Panel, Accounting and Financial Reporting Council and a Specialist of Hong Kong Council for Accreditation of Academic & Vocational Qualifications (HKCAAVQ). Professor Mo's research focuses on audit quality, tax compliance and corporate governance. Many of her papers represent pioneer works on Accounting research published in leading international research journals. She also co-authored a book entitled "A Dream of the Red Chambers and Corporate Governance of Family Businesses" (紅樓夢與家族企業管治) and co-edited a book entitled "Transcending the Bottleneck – The Hong Kong Accountancy Profession" (突破瓶頸 – 香港會計業). Professor Mo is currently an Associate Editor of the Accounting and Business Research (founded by the Institute of Chartered Accountants in England and Wales), Asia-Pacific Journal of Accounting and Economics (founded by City University of Hong Kong). She is also a member of the Editorial Board of AUDITING: A Journal of Practice & Theory and Journal of International Accounting Research which are leading research journals in Auditing and International Accounting respectively (published by American Accounting Association). At present, Professor Mo also serves as independent non-executive director of Acme International Holdings Limited, a company listed in Hong Kong.

Professor Mo is the chairman of audit committee and a member of remuneration committee and nomination committee of the Company.

Save as disclosed above, at the Latest Practicable Date, Professor Mo did not hold any directorship in public companies listed on any securities market in Hong Kong or overseas in the last three years nor hold any position in any members of the Group.

Professor Mo is not related to any director, senior management, substantial shareholder or controlling shareholder of the Company or other members of the Group. As at the Latest Practicable Date, Professor Mo had interested in share options to subscribe for 800,000 Shares within the meaning of Part XV of the SFO.

Professor Mo was appointed as an independent non-executive Director on 15 August 2018. Professor Mo had entered into a letter of appointment for a term of two years since 15 August 2018 with the Company which had been renewed for a further term of two years since expiry. Professor Mo is subject to retirement by rotation and re-election in accordance with the Memorandum and Articles of Association. Professor Mo is entitled to a monthly remuneration of HK\$25,000 for her position as an independent non-executive Director. The fee was determined by the Board after taking into account the recommendation by the remuneration committee of the Company with reference to the prevailing market benchmark as well as her roles and duties in the Company.

In considering Professor Mo's re-election, the Board, with assistance and recommendation from the nomination committee of the Company, has reviewed the structure, size, composition and diversity of the Board from a number of aspects, including but not limited to age, gender, nationality, length of service, and the professional experience, skills and expertise, that Professor Mo can bring. The Board is not aware of any circumstance that might influence Professor Mo in exercising independent judgment, and is satisfied that she has the required character, integrity, independence and experience to fulfill the role of an independent non-executive Director and she will be able to maintain an independent view of the Group's affairs. The Board considers her to be independent.

The Board is also of the view that Professor Mo is beneficial to the Board with diversity of her comprehensive experience and knowledge that contributes to invaluable expertise, continuity and stability to the Board. The Board believes that she will continue to contribute effectively to the Board.

Save as disclosed above, Professor Mo confirmed that there are no matter that needs to be brought to the attention of the Shareholders and there are no information that should be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

The following is a summary of the principal terms of the rules of the 2023 Share Option Scheme. It does not form part of, nor is it intended to be part of the rules of the 2023 Share Option Scheme and it should not be taken as affecting the interpretation of the rules of the 2023 Share Option Scheme. The Directors reserve the right at any time prior to the AGM to make such amendments to the 2023 Share Option Scheme as they may consider necessary or appropriate provided that such amendments do not conflict with any material aspects with the summary in this Appendix:

(1) PURPOSE OF THE 2023 SHARE OPTION SCHEME

The purpose of the 2023 Share Option Scheme is for the Company to provide the people and the parties working for the interest of the Group with an opportunity to obtain equity interest in the Company, thus linking their interest with the interest of the Group and thereby providing them with an incentive to work better for the interest of the Group.

(2) PARTICIPANTS OF THE 2023 SHARE OPTION SCHEME AND THE BASIS OF DETERMINING ELIGIBILITY OF PARTICIPANTS

In determining the basis of eligibility of each Employee Participant, the Board would take into account such factors as the Board may at its discretion consider appropriate, including (but not limited to) the contribution or potential contribution to the Group, the general working performance, time commitment, length of their service within the Group, working experience and/or responsibilities.

In determining the basis of eligibility of each Related Entity Participant, the Board would take into account such factors as the Board may at its discretion consider appropriate, including (but not limited to) the contribution or potential contribution to the Group and the need to strengthen the long-term relationship that such Related Entity Participant may have with the Group.

In determining the basis of eligibility of each category of the Service Providers, assessing factors include:

- (i) the contribution or potential contribution to the long-term growth of the Group by the Service Provider;
- (ii) whether the nature of services provided by the Service Provider is in line with the Group's business need and the industry norm and help maintain or enhance the competitiveness of the Group;
- (iii) the individual performance of relevant Service Providers, the length of business relationship with the Group and track record in the quality of services provided to the Group; and
- (iv) the scale of business dealings with the Group with regard to factors such as the actual or expected change in the Group's revenue or profits which is or may be attributable to the Service Providers.

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 shall take into consideration the length and type of services provided and the recurrences and regularity of such services provided to the Group by the Service Provider.

(3) MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION

Subject to the Listing Rules:

- (a) The total number of Shares which may be issued in respect of all Options to be granted under the 2023 Share Option Scheme shall not (when aggregated with any Shares subject to any other share option scheme(s) and share award scheme(s) of the Company that involve(s) the issuance of new Shares) in aggregate exceed 302,701,135, representing 10% of the total number of Shares in issue as at the date of approval of the 2023 Share Option Scheme by the Shareholders (“**Scheme Mandate Limit**”), unless the Company obtains an approval from its Shareholders pursuant to paragraphs 3(c) to 3(f) below. Options or awards lapsed in accordance with the terms of the 2023 Share Option Scheme or any other share option scheme(s) and share award scheme(s) of the Company shall not be counted for the purposes of calculating whether the Scheme Mandate Limit and the Service Provider Sublimit (as defined below) have been exceeded. If the Company conducts a share consolidation or subdivision after the Scheme Mandate Limit has been approved in general meeting, the maximum number of Shares that may be issued in respect of all Options to be granted under the 2023 Share Option Scheme and options and awards to be granted under all other share option scheme(s) and share award scheme(s) of the Company under the Scheme Mandate Limit or the Service Provider Sublimit as a percentage of the number of total issued Shares at the date immediately before and after such consolidation or subdivision shall be the same, rounded to the nearest whole Share.
- (b) Subject to sub-paragraph 3(a) above, within the Scheme Mandate Limit, the total number of Shares which may be issued upon exercise of all options to be granted to the Service Providers shall not exceed 60,540,227 Shares, representing 2% of the number of the total issued Shares on the Adoption Date (the “**Service Provider Sublimit**”).
- (c) The Company may seek approval of its Shareholders in general meeting for refreshing the Scheme Mandate Limit and the Service Provider Sublimit set out in sub-paragraphs 3(a) and 3(b) above after three years from the date of Shareholders’ approval for the adoption of the 2023 Share Option Scheme or the last refreshment.

- (d) Any refreshment within any three-year period referred to in sub-paragraph 3(c) above must be approved by Shareholders subject to that:
 - (i) any controlling shareholders and their associates (or if there is no controlling shareholder, directors (excluding independent non-executive directors) and the chief executive of the Company and their respective associates) must abstain from voting in favour of the relevant resolution at the general meeting; and
 - (ii) the Company must comply with the requirements under Rules 13.39(6), 13.39(7), 13.40, 13.41 and 13.42 of the Listing Rules.

The requirements under paragraphs 3(d)(i) and 3(d)(ii) above do not apply if the refreshment is made immediately after an issue of Shares by the Company to the Shareholders on a pro rata basis as set out in Rule 13.36(2)(a) of the Listing Rules such that the unused part of the Scheme Mandate Limit (as a percentage of the total number of Shares in issue) upon refreshment is the same as the unused part of the Scheme Mandate Limit immediately before the issue of Shares, rounded to the nearest whole Share.

- (e) The total number of Shares which may be issued in respect of all Options to be granted under the 2023 Share Option Scheme (in aggregate with any other options and awards to be granted under any other share option scheme(s) and share award scheme(s) of the Company that involve(s) the issuance of new Shares) under the Scheme Mandate Limit as refreshed shall not exceed 10% of the total number of Shares in issue as at the date of approval of the refreshed Scheme Mandate Limit. The Company shall send to its Shareholders a circular containing all such information as may be required under the Listing Rules.
- (f) The Company may seek separate approval by its Shareholders in general meeting for granting Options beyond the Scheme Mandate Limit provided the Options in excess of the Scheme Mandate Limit are granted only to Participants specifically identified by the Company before such approval is sought. In such a case, the Company shall send to its Shareholders a circular containing the name of each specified Participant who may be granted such Options, the number and terms of the Options to be granted to each Participant, and the purpose of granting Options to the specified Participants with an explanation as to how the terms of the Options serve such purpose and all such information as may be required under the Listing Rules.

(4) MAXIMUM ENTITLEMENT OF SHARES OF EACH PARTICIPANT

- (a) The maximum number of Shares in respect of which Options may be granted to a single Participant under the 2023 Share Option Scheme in any 12-month period up to and including the date of such grant shall not (when aggregated with any Shares subject to any other share option scheme(s) and share award scheme(s) that involve(s) the issuance of new Shares but excluding those which have lapsed in accordance with terms of the relevant scheme(s)) exceed 1% of the Shares in issue (the “**Individual Limit**”), unless the Company obtains an approval from its Shareholders pursuant to paragraph 4(b) below.
- (b) The Company may seek separate approval by its Shareholders in general meeting for granting Options to a single Participant beyond the Individual Limit referred to in paragraph 4(a) provided that:
- (i) such Participant and his/her/its close associates (or associates if the Participant is a connected person of the Company) abstains from voting on the relevant resolution;
 - (ii) the Company sends to its Shareholders a circular containing the identity of such Participant, the number and terms of the Options to be granted (and options and awards of new Shares previously granted to such Participant in the 12-month period) and all such other information as may be required under the Listing Rules; and
 - (iii) the number and terms of the Options to be granted to such Participant must be fixed before Shareholders’ approval.

In respect of any such Options to be granted, the date of the meeting or resolution of the Board for proposing and approving such further grant should be taken as the date of grant for the purpose of calculating the Subscription Price.

- (c) Any grant of Options to a Participant who is a director, chief executive or substantial shareholder of the Company or their respective associates must be approved by the independent non-executive directors of the Company.
- (d) Where any grant of Options to a substantial shareholder of the Company (or any of his associates) would result in Shares issued and to be issued in respect of all Options and awards granted (excluding any Options and awards lapsed) in accordance with the terms of the 2023 Share Option Scheme and other share scheme(s) adopted by the Company to such person in the 12 month period (or such other time period as may be specified by the Stock Exchange from time to time) up to and including the date of such grant representing in aggregate over 0.1% (or such other percentage as may be specified by the Stock Exchange from time to time) of Shares in issue as at the date of such grant, such further grant of Options must be approved by the Shareholders in general meeting in the manner required, and subject to the requirements set out in the Listing Rules.

In the circumstances described above, the Company must send a circular to the Shareholders. The Grantee, his/her associates and all core connected persons of the Company must abstain from voting in favour at such general meeting. The Company must comply with the requirements under Rules 13.40, 13.41 and 13.42 of the Listing Rules.

- (e) Any change in the terms of Options granted to a Participant who is a director, chief executive or substantial shareholder of the Company, or any of their respective associates, must be approved by Shareholders in the manner as required under the Listing Rules if the initial grant of the Options requires such approval (except where the changes take effect automatically under the existing terms of the 2023 Share Option Scheme).
- (f) In the event of any alteration in the capital structure of the Company whether by way of capitalisation issue, rights issue, consolidation or subdivision of Shares, reduction of the share capital of the Company or otherwise howsoever (other than as a result of an issue of Shares as consideration in a transaction), the maximum number of Shares referred to in paragraphs 3 and 4(a) above will be adjusted in such manner which must give a Grantee the same proportion of the issued share capital of the Company, rounded to the nearest whole Share, as that to which the Grantee was previously entitled, provided that no such adjustments shall be made the effect of which would be to enable a Share to be issued at less than its nominal value. In respect of any such adjustments, other than any made on a capitalisation issue, an independent financial adviser or the auditor of the Company (acting as experts and not as arbitrators) shall confirm to the Directors in writing that the adjustments satisfy the requirements mentioned above in this paragraph 4(e) and those set out in the note to Rule 17.03(13) of the Listing Rules.

(5) PERIOD WITHIN WHICH THE OPTION MAY BE EXERCISED

An Option may be exercised in accordance with the terms of the 2023 Share Option Scheme at any time during the Option Period after the Option has been granted by the Board. The Option Period is a period to be determined by the Board at its absolute discretion and notified by the Board to each Grantee as being the period during which an Option may be exercised, such period shall not be longer than 10 years after the date of the grant of the Option.

(6) VESTING PERIOD OF OPTION AND PERFORMANCE TARGETS

- (a) Subject to provisions on early exercise of Options under paragraphs (9)(a)(iii), (iv) and (v) below, the vesting period for Options shall not be less than 12 months.
- (b) The offer letter to be given to the Participant at the time of the offer of the Option may specify the performance target(s), if any, that must be fulfilled by the Grantee(s) before any of the Options may be vested to such Grantee(s) under such Offer. The Board or a committee of the Board may in respect of each Offer and subject to all applicable laws, rules and regulations determine such performance target(s) for vesting of Options in its sole and absolute discretion, such performance targets shall include, among others, business targets, financial targets and/or management targets which shall be determined based on the (i) individual performance, (ii) performance of the Group, (iii) performance of business groups, business units, business lines, functional departments, projects and/or geographical area managed by the Grantees; (iv) strategic plans formulated by the Grantees; and/or (v) developments or breakthroughs in certain markets of the Group's business. For the avoidance of doubt, unless otherwise determined by the Board and specified in the offer letter to be given to the Participant at the time of the offer of the Option, there is no performance target that needs to be achieved by the Grantee before an Option can be exercised.

(7) ACCEPTANCE OF OPTION

An Offer shall be deemed to have been accepted by the Grantee and the Option to which the Offer relates shall be deemed to have been granted and to have taken effect on the Offer Date when the duplicate of the letter of Offer comprising acceptance of the Offer duly signed by the Grantee is received by the Company within 28 days from the date of the offer, provided that no such Offer shall be open for acceptance as on and after the 10th anniversary from the Adoption Date or as on and after the date when the 2023 Share Option Scheme has been terminated in accordance with the provisions thereof, whichever is the earlier. No fees shall be payable by a Grantee on the acceptance of the Offer. The Subscription Price shall be calculated in accordance with paragraph 8 below.

(8) SUBSCRIPTION PRICE

Subject to any adjustments made pursuant to paragraph 12 below, the Subscription Price in respect of each Share issued pursuant to the exercise of Options granted under the 2023 Share Option Scheme shall be a price solely determined by the Board and notified to a Participant and shall be at least the higher of:

- (a) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the Offer Date, which must be a business day; and
- (b) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the Offer Date.

(9) RIGHTS ATTACHING TO THE SHARES UPON EXERCISE OF OPTIONS

- (a) Subject to as hereinafter provided, the vesting period as provided in paragraph (6)(a) above and subject to the terms and conditions upon which such Option was granted, the Option may be exercised by the Grantee at any time during the business hours of the Company (i.e. Monday to Friday, 9:00 a.m. to 4:00 p.m., Hong Kong time) on a business day within the Option Period provided that:
- (i) In the event the Grantee ceases to be a Participant for any reason other than on the Grantee's death or the termination of the Grantee's employment, directorship, office or appointment on one or more of the grounds specified in paragraph 11(d) below, the Grantee may exercise the Option up to the Grantee's entitlement at the date of cessation (to the extent he is entitled to exercise at the date of cessation but not already exercised) within the period of three months (or such longer period as the Board may determine) following the date of such cessation, which date shall be the last actual working day with the relevant company whether salary is paid in lieu of notice or not, or the last date of office or appointment as director, chief executive or employee of the relevant company, as the case may be, in the event of which, the date of cessation as determined by a resolution of the Board or governing body of the relevant company shall be conclusive;
 - (ii) in the event the Grantee dies before exercising the Option in full and none of the events which would be a ground for termination of the Grantee's employment, directorship, office or appointment under paragraph 11(d) below arises, the personal representative(s) of the deceased Grantee shall be entitled, within a period of 12 months or such longer period as the Board may determine from the date of death, to exercise the Option up to the entitlement of such Grantee at the date of death (to the extent which has become exercisable and not already exercised) or, if appropriate, make an election pursuant to paragraph 9(a)(iii), (iv) or (v) below;
 - (iii) if a general or partial offer, whether by way of takeover offer, share re-purchase offer, or scheme of arrangement or otherwise in like manner is made to all the Shareholders, or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror, the Company shall use all reasonable endeavours to procure that such offer is extended to all the Grantees on the same terms, mutatis mutandis, and assuming that they will become, by the exercise in full of the Options granted to them, the Shareholders. If such offer becomes or is declared unconditional or such scheme of arrangement is formally proposed to the Shareholders, the Grantee shall, notwithstanding any other terms on which his/her Options were granted, be entitled to exercise the Option (to the extent not already exercised) to its full extent or to the extent specified in the Grantee's notice to the Company at any time thereafter and up to the close of such offer (or any revised offer) or the record date for entitlements under scheme of arrangement, as the case may be;

- (iv) if a compromise or arrangement between the Company and its Shareholders or creditors is proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies (other than any event contemplated in paragraph 9(a)(iii) above), the Company shall give notice thereof to the Grantee on the same date as it dispatches the notice which is sent to each Shareholder or creditor of the Company summoning the meeting to consider such a compromise or arrangement, and thereupon the Grantee (or the personal representative(s) of the deceased Grantee) may forthwith and until the expiry of the period commencing with such date and ending with the earlier of two months thereafter and the date on which such compromise or arrangement is sanctioned by the Court, exercise any of his Options (to the extent which has become exercisable and not already been exercised) whether in full or in part, but the exercise of an Option as aforesaid shall be conditional upon such compromise or arrangement being sanctioned by the Court and becoming effective. Upon such compromise or arrangement becoming effective, all Options shall lapse except insofar as previously exercised under the 2023 Share Option Scheme. The Company may require the Grantee (or the personal representative(s) of the deceased Grantee) to transfer or otherwise deal with the Shares issued as a result of the exercise of Options in these circumstances so as to place the Grantee in the same position as nearly as would have been the case had such Shares been subject to such compromise or arrangement; and
- (v) in the event a notice is given by the Company to its Shareholders to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, other than for the purposes of a reconstruction, amalgamation or scheme of arrangement, the Company shall on the same date as or soon after it dispatches such notice to convene the general meeting, give notice thereof to all Grantees. Each original Grantee (or the personal representative(s) of the deceased Grantee) may by notice in writing to the Company (such notice to be received by the Company no later than two business days prior to the proposed general meeting (excluding any period(s) of closure of the Company's share registers)) exercise the Option (to the extent which has become exercisable and not already exercised) either to its full extent or to the extent specified in such notice, such notice to be accompanied by a payment for the full amount of the aggregate Subscription Price for the Shares in respect of which the notice is given, whereupon 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 the relevant Shares to the Grantee credited as fully paid.

- (b) 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 of allotment and issue, and accordingly will entitle the holders to participate in all dividends or other distributions paid or made on or after the date of allotment and issue 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 date of allotment and issue, provided always that when the date of exercise of the Option falls on a date upon which the register of Shareholders is closed, then the exercise of the Option shall become effective on the first business day in Hong Kong on which the register of Shareholders is re-opened. A Grantee shall not be entitled to vote in any general meeting of the Company in respect of any of those outstanding Options yet to be exercised by him unless he has exercised his Option(s) in accordance with the provisions of the 2023 Share Option Scheme. Once a Grantee has exercised his Option(s) in accordance with the provisions of the 2023 Share Option Scheme, he shall be entitled to vote in respect of those fully paid Shares allotted to him upon the exercise of his Option(s) in accordance with the memorandum and articles of association of the Company for the time being in force.

(10) DURATION OF THE 2023 SHARE OPTION SCHEME

Subject to paragraphs 14 and 18 below, the 2023 Share Option Scheme shall be valid and effective for a period of 10 years commencing on the Adoption Date, after which period no further Options will be issued but in all other respects, subject to the compliance with the provisions under the Listing Rules, the provisions of the 2023 Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any Options granted prior thereto or otherwise as may be required in accordance with the provisions of the 2023 Share Option Scheme, and Options which are granted during the life of the 2023 Share Option Scheme may continue to be exercisable in accordance with their terms of issue.

(11) LAPSE OF OPTION

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

- (a) the expiry of the Option Period (subject to the provisions of paragraphs 9 above and paragraph 14 below);
- (b) the expiry of the periods referred to in paragraphs 9(a)(i) to 9(a)(iii) above;
- (c) subject to the scheme of arrangement or compromise becoming effective, the expiry of the period referred to in paragraph 9(a)(iv) above;

- (d) the date on which the Grantee ceases to be a Participant by reason of the termination of his employment, directorship, office or appointment on the grounds that:
 - (i) the Grantee has been guilty of misconduct, or has been in breach of any material term of the relevant employment contract, service contract or engagement contract (as the case may be), or
 - (ii) the Grantee appears either to be unable to pay or have no reasonable prospect to be able to pay debts, or has become bankrupt or insolvent, or has been served a petition for bankruptcy or winding-up, or has made any arrangements or composition with his creditors generally, or
 - (iii) the Grantee has been convicted of any criminal offence involving his integrity or honesty or (if so determined by the Board or the board of the relevant company, as the case may be) on any other ground on which an employer would be entitled to terminate his employment, directorship, office or appointment at common law or pursuant to any applicable laws or under the relevant employment contract, service contract or engagement contract (as the case may be) with the relevant company (as the case may be), in the event of which a resolution of the board of directors or governing body (as the case may be) of the relevant company to the effect that the employment, directorship, office or appointment of a Grantee has or has not been terminated on one or more of the grounds specified in this paragraph 11(d) shall be conclusive;
- (e) the close of the two business days prior to the general meeting of the Company held for the purpose of approving the voluntary winding-up of the Company as referred to in paragraph 9(a)(v) above or the date of the commencement of the winding-up of the Company; or
- (f) the date on which a Grantee commits a breach of paragraph 15 below.

The Company shall owe no liability to any Grantee for the lapse of any Option under this paragraph 11. Apart from the aforesaid, unless specified in a letter of offer of Options or employment or engagement contract, the Company does not have clawback mechanism to recover or withhold the remuneration (which may include any options granted) to a Participant in the event of serious misconduct, a material misstatement in the Company's financial statements or other circumstances.

(12) EFFECTS OF REORGANISATION OF CAPITAL STRUCTURE

- (a) In the event of any alteration in the capital structure of the Company whether by way of capitalisation issue, rights issue, consolidation or subdivision of Shares, reduction of the share capital of the Company or otherwise howsoever (other than as a result of an issue of Shares as consideration in a transaction), the maximum number of Shares referred to in paragraphs 3(a) and (b) and 4(a) above will be adjusted in such manner which must give a Grantee the same proportion of the issued share capital of the Company, rounded to the nearest whole Share, as that to which the Grantee was previously entitled, provided that no such adjustments shall be made the effect of which would be to enable a Share to be issued at less than its nominal value. In respect of any such adjustments, other than any made on a capitalisation issue, an independent financial adviser or the Auditor (acting as experts and not as arbitrators) shall confirm to the Directors in writing that the adjustments satisfy the requirements mentioned above in this paragraph 12(a) and those set out in the note to Rule 17.03(13) of the Listing Rules.
- (b) In the event of any alteration in the capital structure of the Company whilst any Option remains exercisable, whether by way of capitalisation issue, rights issue, subdivision or consolidation of Shares, or reduction of the share capital of the Company or otherwise howsoever in accordance with legal requirements and requirements of the Stock Exchange, excluding any alteration in the capital structure of the Company as a result of an issue of Shares as consideration in respect of a transaction to which the Company is a party, such corresponding alterations (if any) shall be made to:
- (i) the number or nominal amount of Shares subject to the Option so far as unexercised; and/or
 - (ii) the Subscription Price,

as an independent financial adviser or the Auditor shall at the request of the Board certify in writing to the Directors (other than any such adjustments made on a capitalisation issue), either generally or as regards any particular Grantee, to be in their opinion fair and reasonable and that any such alterations shall satisfy the requirements set out in the note to Rule 17.03(13) of the Listing Rules and shall give a Grantee the same proportion of the issued share capital of the Company, rounded to the nearest whole share, as that to which the Grantee was previously entitled prior to the adjustment, provided that no such alterations shall be made the effect of which would be to enable a Share to be issued at less than its nominal value. Any such adjustments shall be in compliance with the Listing Rules and such applicable codes, guidance notes and interpretation of the Listing Rules from time to time promulgated. The capacity of the independent financial adviser or the Auditor in this paragraph is that of experts and not of arbitrators and their certification shall, in the absence of manifest error, be final and binding on the Company and the Grantees. The costs of the independent financial adviser or the Auditor shall be borne by the Company.

(13) CANCELLATION OF OPTIONS GRANTED

The Board may, with the consent of the relevant Grantee, at any time at its absolute discretion cancel any Option granted. Where the Company cancels Options and makes an Offer of the grant of new Options to the same Participant, the Offer of the grant of such new Options may only be made under the 2023 Share Option Scheme with available Scheme Mandate Limit and Service Provider Sublimit approved by the Shareholders as mentioned in paragraph 3 above. The Options cancelled will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit and Service Provider Sublimit.

(14) TERMINATION OF THE 2023 SHARE OPTION SCHEME

The Company by resolution in general meeting or the Board 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 full force and effect to the extent necessary to (i) give effect to the exercise of any Options granted prior thereto; or (ii) issue the Shares which are not yet issued to the Participants in accordance with the provisions of the 2023 Share Option Scheme. Any outstanding Options granted under the 2023 Share Option Scheme prior to such termination shall continue to be valid and exercisable in accordance with the provisions of the 2023 Share Option Scheme and their terms of issue. Details of the Options granted (including Options exercised or outstanding) and (if applicable) Options that become void or unexercisable as a result of such termination are required under the Listing Rules to be disclosed in the circular to the Shareholders seeking approval of the first new share option scheme or share award scheme that involve(s) the issuance of new Shares to be established or refreshment of scheme mandate limit under any existing share option scheme or share award scheme that involve(s) the issuance of new Shares after such termination.

(15) TRANSFERABILITY OF OPTIONS

An Option shall be personal to the Grantee and shall not be assignable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interests in favour of any third party over or in relation to any Option, unless a waiver is granted by the Stock Exchange. Where the Grantee is a company, any change of its controlling shareholder or any substantial change in its management (which is to be determined by the Board at its absolute discretion) will be deemed to be a sale or transfer of interest aforesaid. Any breach of the foregoing by a Grantee shall entitle the Company to cancel any outstanding Options or part thereof of such Grantee in accordance with paragraph 11(f) above without incurring any liability on the part of the Company.

(16) ALTERATION OF THE 2023 SHARE OPTION SCHEME

- (a) The provisions of the 2023 Share Option Scheme may be altered in any respect by resolution of the Board at its absolute discretion except that any alterations to the provisions of the 2023 Share Option Scheme as to the definitions of “Grantee”, “Option Period” and “Participant” in sub-paragraph 1.1 of the 2023 Share Option Scheme, the provisions of paragraphs and sub-paragraphs 4.1, 5, 6, 7, 8, 9, 10, 11 and 14 of the 2023 Share Option Scheme, the terms and conditions of the 2023 Share Option Scheme which are of a material nature and all such other matters set out in Rule 17.03 of the Listing Rules to the advantage of the Participants must be approved by the Shareholders in general meeting, provided that no such alteration shall operate to affect adversely the terms of issue of any Option granted or agreed to be granted prior to such alteration except with the consent or sanction of such majority of the affected Grantees as would be required of the Shareholders under the articles of association for the time being of the Company for a variation of the rights attached to the Shares.
- (b) Any change to the terms of the Options granted to a Participant must be approved by the Board, the remuneration committee of the Company, the independent non-executive directors of the Company and/or Shareholders (as the case may be) if the initial grant of the Options was approved by the Board, the remuneration committee of the Company, the independent non-executive directors of the Company and/or the Shareholders (as the case may be). This requirement does not apply where the alterations take effect automatically under the existing terms of the 2023 Share Option Scheme.
- (c) The amended terms of the 2023 Share Option Scheme or the Options must still comply with the relevant requirements of Chapter 17 of the Listing Rules.
- (d) Any change to the authority of the Directors or scheme administrators to alter the terms of the 2023 Share Option Scheme must be approved by the Shareholders in general meeting.

(17) RESTRICTIONS UNDER THE RULES OF THE 2023 SHARE OPTION SCHEME

The Board may not grant any Options under the 2023 Share Option Scheme, and a Director must not be granted any Option where dealings in the Shares are prohibited under any code or requirement of the Listing Rules and all applicable laws from time to time. Without limiting the generality of the foregoing, no such grant is to be made:

- (a) after inside information has come to the Company's knowledge until (and including) the trading day after it has announced the information;
- (b) during the period commencing one month immediately before the earlier of (i) the date of the board meeting (as such date is first notified to the Stock Exchange under the Listing Rules) for approving the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and (ii) the deadline for the Company to announce its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules), and ending on the date of the results announcement;
- (c) to any Director during the period of 60 days immediately preceding the publication date of the annual results for any financial period of the Company or, if shorter, the period from the end of the relevant financial period up to the publication date of the results; and
- (d) to any Director during the period of 30 days immediately preceding the publication date of the interim results for any financial period of the Company or, if shorter, the period from the end of the relevant half-year period of the financial period up to the publication date of the results.

(18) CONDITIONS OF THE 2023 SHARE OPTION SCHEME

The 2023 Share Option Scheme shall take effect upon the fulfillment of the following conditions:-

- (a) the passing of an ordinary resolution by the Shareholders in general meeting approving the adoption of the 2023 Share Option Scheme and authorising the Board to grant Options to subscribe for Shares thereunder and to allot and issue Shares pursuant to the exercise of any Options granted under the 2023 Share Option Scheme; and
- (b) the Listing Committee of the Stock Exchange granting approval of the listing of, and permission to deal in, any Shares to be issued pursuant to the exercise of Options under the 2023 Share Option Scheme.

Set out below is a summary of the principal terms and conditions of the 2023 Share Award Scheme to provide sufficient information to Shareholders for their consideration of the 2023 Share Award Scheme proposed to be adopted at the AGM.

(1) PURPOSES AND OBJECTIVES OF THE 2023 SHARE AWARD SCHEME

The purposes of the 2023 Share Award Scheme are (i) to recognize the contributions by certain Employees and to provide them with incentives in order to retain them for continual operation and development of the Group, and (ii) to attract suitable personnel for further development of the Group.

(2) DURATION OF THE 2023 SHARE AWARD SCHEME

Subject to any early termination as may be determined by the Board pursuant to the rules of the 2023 Share Award Scheme, the 2023 Share Award Scheme shall be valid and effective for a term of ten (10) years commencing on the Adoption Date.

(3) ADMINISTRATION OF THE 2023 SHARE AWARD SCHEME

The 2023 Share Award Scheme shall be subject to the administration of the Board and the Trustee in accordance with the rules of the 2023 Share Award Scheme and the Trust Deed. The decision of the Board with respect to any matter arising under the 2023 Share Award Scheme (including the interpretation of any provision) shall be final and binding.

The Trustee shall hold the Trust Fund in accordance with the terms of the Trust Deed.

(4) SCHEME LIMIT

- (A) The Board shall not make any further award of Awarded Shares which will result in the nominal value of the Shares awarded by the Board under the 2023 Share Award Scheme exceeding ten per cent. of the issued share capital of the Company as at the Adoption Date.
- (B) The total number of new Shares which may be issued in respect of all options and awards to be granted under the 2023 Share Award Scheme and other share schemes of the Company (“**Scheme Mandate Limit**”) must not in aggregate exceed 10% (or such other percentage which may be specified by the Stock Exchange from time to time) of the total number of Shares in issue as at the Adoption Date or the relevant date of approval of the refreshment of the Scheme Mandate Limit.
- (C) For the purposes of calculating the Scheme Mandate Limit, Shares which are the subject matter of any options or awards that have already lapsed in accordance with the terms of the relevant share scheme(s) of the Company will not be regarded as utilized.

- (D) The Scheme Mandate Limit may be refreshed by ordinary resolution of the Shareholders in general meeting every three years from the date of the Shareholders' approval for the last refreshment (or the Adoption Date), provided that:
- (a) the Scheme Mandate Limit so refreshed shall not exceed 10% (or such other percentage as may be specified by the Stock Exchange from time to time) of the total number of issued Shares as at the date of such Shareholders' approval of the refreshment of the Scheme Mandate Limit; and
 - (b) a circular regarding the proposed refreshment of the Scheme Mandate Limit has to be dispatched to the Shareholders in a manner complying with, and containing the matters specified in, Chapter 17 of the Listing Rules.
- (E) Further to the requirements set out under Paragraph 4(D) above, any refreshment of the Scheme Mandate Limit within three years from the date of the Shareholders' approval for the last refreshment (or the Adoption Date) must be approved by the Shareholders in general meeting subject to the following provisions:
- (a) any controlling shareholder and their associates (or if there is no controlling shareholder, Directors (excluding independent non-executive Directors) and chief executive of the Company and their respective associates) must abstain from voting in favour of the relevant resolution at the general meeting;
 - (b) the Company must comply with the requirements under Rules 13.39(6) and (7), 13.40, 13.41 and 13.42 of the Listing Rules; and
 - (c) the requirements under Paragraph 4(E) (a) and (b) above do not apply if the refreshment is made immediately after an issue of Shares by the Company to its Shareholders on a pro rata basis as set out in Rule 13.36(2)(a) of the Listing Rules such that the unused part of the Scheme Mandate Limit (as a percentage of the Shares in issue) upon refreshment is the same as the unused part of the Scheme Mandate Limit immediately before the issue of the Shares, rounded to the nearest whole Share.
- (F) The Company may seek separate approval from the Shareholders in general meeting for granting awards which will result in the Scheme Mandate Limit being exceeded, provided that:
- (a) the grant is only to Selected Employees specifically identified by the Company before the approval is sought; and
 - (b) a circular regarding the grant has been dispatched to the Shareholders in a manner complying with, and containing the matters specified in, the relevant provisions of Chapter 17 of the Listing Rules and any other applicable laws and rules.

- (G) If the Company conducts any share consolidation or subdivision after the Scheme Mandate Limit has been approved in the general meeting, the maximum number of Shares that may be issued by the Company pursuant to the 2023 Share Award Scheme and all other share schemes of the Company under the utilized Scheme Mandate Limit as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall be the same, rounded to the nearest whole Share.

(5) OPERATION OF THE 2023 SHARE AWARD SCHEME

The Board may from time to time cause to be paid a Contributed Amount to the Trust by way of settlement or otherwise contributed by the Company or any Subsidiary as directed by the Board which shall constitute part of the Trust Fund, for the purchase or subscription (as the case may be) of Shares and other purposes set out in the rules of the 2023 Share Award Scheme and the Trust Deed, and such Shares will be held on trust by the Trustee for the benefit of the relevant Selected Employees, on and subject to the terms and conditions of the rules of the 2023 Share Award Scheme and the Trust Deed.

Pursuant to the Trust Deed, Contributed Amounts paid to the Trust and Shares acquired prior to the Adoption Date and held under the Trust for the Share Award Scheme may on or after the Adoption Date be applied for the purchase or subscription (as the case may be) of Shares and grant of Awards under the 2023 Share Award Scheme. Therefore, Shares to be awarded to relevant Selected Employees under the 2023 Share Award Scheme will consist of both Shares to be purchased or subscribed under the 2023 Share Award Scheme and Shares acquired prior to the Adoption Date and held under the Trust under the Share Award Scheme.

(6) THE AWARD OF AWARDED SHARES TO SELECTED EMPLOYEES

Subject to the provisions of the 2023 Share Award Scheme, the Board may, from time to time, at its absolute discretion select any Employee (other than any Excluded Employee) for participation in the 2023 Share Award Scheme as a Selected Employee, and grant such number of Awarded Shares to any Selected Employee at no consideration and in such number and on and subject to such terms and conditions as it may in its absolute discretion determine. In determining the number of Awarded Shares to be granted to any Selected Employee (excluding any Excluded Employee), the Board shall take into consideration matters including, but without limitation to:

- (a) the present contribution and expected contribution of the relevant Selected Employee to the profits of the Group;
- (b) the general financial condition of the Group;
- (c) the Group's overall business objectives and future development plan; and
- (d) any other matter which the Board considers relevant.

The Board is entitled to impose any conditions (including a period of continued service within the Group after the grant of the Award), as it deems appropriate in its absolute discretion with respect to the vesting of the Awarded Shares on the Selected Employee and shall inform the Trustee and such Selected Employee the relevant conditions of the Award and the Awarded Shares. Notwithstanding any other provisions of the 2023 Share Award Scheme, subject to applicable laws and regulations, the Board shall be at liberty to waive any vesting conditions referred to in the 2023 Share Award Scheme.

(7) MAXIMUM ENTITLEMENT OF EACH PERSON AND THE AWARD OF AWARDED SHARES TO CONNECTED PERSONS

- (A) Subject to Paragraph 7(B) below, no Awarded Shares shall be granted to any Selected Employee if such grant of Awarded Shares to such person would result in the Shares in respect of all award shares and options granted (excluding any award shares and share options lapsed) in accordance with the terms of the 2023 Share Award Scheme and other share scheme(s) adopted by the Company to such person in the 12 month period (or such other time period as may be specified by the Stock Exchange from time to time) up to and including the date of such grant representing in aggregate over 1% (or such other percentage as may be specified by the Stock Exchange from time to time) of Shares in issue, unless:
- (a) such grant has been duly approved, in the manner prescribed by the relevant provisions of Chapter 17 of the Listing Rules, by resolution of the Shareholders in general meeting, at which such person and his/her close associates (as defined under the Listing Rules) (or his/her associates if such person is a connected person) shall abstain from voting;
 - (b) a circular regarding the grant has been dispatched to the Shareholders in a manner complying with, and containing the information specified in, the relevant provisions of Chapter 17 of the Listing Rules; and
 - (c) the number and terms of such Awarded Share are fixed before the general meeting of the Company at which the same are to be approved.
- (B) Each grant of an Award to any Director, chief executive or substantial shareholder of the Company, or any of their respective associates, shall be subject to the prior approval of the independent non-executive Directors (excluding any independent non-executive Director who is a proposed recipient of the grant of an Award). In addition:
- (a) where any grant of Awarded Shares to any Director (other than an independent non-executive Director) or chief executive of the Company, or any of their respective associates, would result in the Shares issued and to be issued in respect of all Awarded Shares granted (excluding any award shares lapsed) in accordance with the terms of the 2023 Share Award Scheme and other share award scheme(s) of the Company (if any) to such person in the 12-month period (or such other time period as may be specified by the Hong Kong Stock Exchange from time to time) up to and

including the date of such grant representing in aggregate over 0.1% (or such other percentage as may be specified by the Stock Exchange from time to time) of the Shares in issue as at the date of such grant, such further grant of Awarded Shares must be approved by Shareholders in general meeting in the manner required, and subject to the requirements set out, in the Listing Rules; or

- (b) where any grant of Awarded Shares to an independent non-executive Director or substantial shareholder of the Company (or any of their respective associates) would result in Shares issued and to be issued in respect of all award shares and options granted (excluding any award shares and options lapsed) in accordance with the terms of the 2023 Share Award Scheme and other share scheme(s) adopted by the Company to such person in the 12 month period (or such other time period as may be specified by the Stock Exchange from time to time) up to and including the date of such grant representing in aggregate over 0.1% (or such other percentage as may be specified by the Stock Exchange from time to time) of Shares in issue as at the date of such grant, such further grant of Awarded Shares must be approved by the Shareholders in general meeting in the manner required, and subject to the requirements set out, in the Listing Rules.

In the circumstances described in Paragraphs 7(B)(a) and (b) above, the Company must send a circular to the Shareholders. The Selected Employee(s), his/her associates and all core connected persons of the Company must abstain from voting in favour at such general meeting. The Company must comply with the requirements under Rules 13.40, 13.41 and 13.42 of the Listing Rules.

- (C) Notwithstanding the provisions in Paragraph 7(A), no grant of any Award to any Selected Employee may be made:
 - (a) in any circumstances where the requisite approval from any applicable regulatory authorities has not been granted;
 - (b) in any circumstances that any member of the Group will be required under applicable securities laws, rules or regulations to issue a prospectus or other offer documents in respect of such Award or the 2023 Share Award Scheme, unless the Board determines otherwise;
 - (c) where such Award would result in a breach by any member of the Group or its directors of any applicable securities laws, rules or regulations in any jurisdiction;
 - (d) where such grant of Award would result in a breach of the Scheme Mandate Limit or would otherwise cause the Company to issue Shares in excess of the permitted amount in the mandate approved by the Shareholders, and any such grant so made shall be null and void to the extent (and only to the extent) that it falls within the circumstances above.

- (D) Where any grant of Awarded Shares is proposed to be made to any person who is a connected person of the Company within the meaning of the Listing Rules, the Company shall comply with such provisions of the Listing Rules as may be applicable, including any reporting, announcement and/or shareholders' approval requirements, unless otherwise exempted under the Listing Rules.
- (E) The Board may at its discretion, with or without further conditions, grant additional Shares or cash award out of the Trust Fund representing all or part of the income or distributions (including but not limited to cash income or dividends, cash income or net proceeds of sale of non-cash and non-scrip distribution, bonus Shares and scrip dividends) declared by the Company or derived from such Awarded Shares during the period from the date of Award to the Vesting Date to a Selected Employee upon the vesting of any Awarded Shares.

(8) VESTING OF THE AWARDED SHARES

The main features of the vesting provisions under the rules of the 2023 Share Award Scheme are summarised as follows:

(a) Awards made under the rules of the 2023 Share Award Scheme are personal

Prior to the Vesting Date, any Award made under the rules of the 2023 Share Award Scheme shall be personal to the Selected Employee to whom it is made and shall not be assignable and no Selected Employee shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any other person over or in relation to the Awarded Shares referable to him pursuant to such Award.

(b) Forfeiture of Awarded Shares due to failure to deliver transfer documents

In the event that the Board does not receive the requisite transfer documents from a Selected Employee at least ten (10) business days prior to the Vesting Date, the Awarded Shares which would have otherwise vested in such Selected Employee shall be automatically forfeited and remain as part of the Trust Fund.

(c) Death or retirement by agreement of a Selected Employee on the Vesting Date

In respect of a Selected Employee who died or retired by agreement with a member of the Group at any time on the Vesting Date, all the Awarded Shares of the relevant Selected Employee shall be deemed to be vested on the day immediately prior to his death or the day immediately prior to his retirement with the relevant member of the Group.

(d) Change in control of the Company

If there occurs an event of change in control of the Company, whether by way of offer, merger, scheme of arrangement or otherwise prior to the Vesting Date, the Board shall determine at its discretion whether such Awarded Shares shall vest in the Selected Employee and the time at which such Awarded Shares shall vest.

(e) Vesting of Awarded Shares to take place in accordance with the rules of the 2023 Share Award Scheme

Subject to the terms and condition of the 2023 Share Award Scheme and the fulfilment of all vesting conditions to the vesting of the Awarded Shares on such Selected Employee as specified in the 2023 Share Award Scheme and the Grant Notice, the respective Awarded Shares held by the Trustee on behalf of the Selected Employee shall vest in such Selected Employee in accordance with the vesting schedule (if any) as set out in the Grant Notice, and the Trustee shall cause the Awarded Shares to be transferred to such Selected Employee on the Vesting Date. The Vesting Date in respect of any Award shall be not less than 12 months from the date of the Grant Notice.

The Board or the committee of the Board or person(s) to which the Board has delegated its authority may while the 2023 Share Award Scheme is in force and subject to all applicable laws, determine such vesting criteria and conditions or periods for the Award to be vested under the 2023 Share Award Scheme to be set out in the Grant Notice. The vesting criteria and conditions for Awards to be granted, if any, may include performance target(s) that the Board or the committee of the Board or person(s) to which the Board has delegated its authority may in its sole and absolute discretion determine, including, among others, business targets, financial targets and/or management targets which shall be determined based on the (i) individual performance, (ii) performance of the Group, (iii) performance of business groups, business units, business lines, functional departments, projects and/or geographical area managed by the Selected Employee; (iv) strategic plans formulated by the Selected Employee; and/or (v) developments or breakthroughs in certain markets of the Group's business.

(9) DISQUALIFICATION OF SELECTED EMPLOYEES

(A) Subject to and save as provided under Paragraph 8(c) above, if prior to or on the Vesting Date, a Selected Employee ceases to be an Employee pursuant to the rules of the 2023 Share Award Scheme or is found to be an Excluded Employee, the Award to such Selected Employee shall automatically lapse and the relevant Awarded Shares shall not vest on the relevant Vesting Date but shall remain part of the Trust Fund. Such Employee shall have no right or claim against the Company, any other member of the Group, the Board, the Trust or the Trustee or with respect to those or any other Shares or any right thereto or interest therein in any way.

- (B) Unless the Board determines otherwise, the circumstances under which a person shall be treated as having ceased to be an Employee shall include, without limitation, the following:
- (a) where such person has committed any act of fraud or dishonesty or serious misconduct, whether or not in connection with his employment or engagement by any member of the Group and whether or not it has resulted in his employment or engagement being terminated by the relevant member of the Group;
 - (b) where such person has been declared or adjudged to be bankrupt by a competent court or governmental body or has failed to pay his debts as they fall due (after the expiry of any applicable grace period) or has entered into any arrangement or composition with his creditors generally or an administrator has taken possession of any of his assets;
 - (c) where such person has been convicted of any criminal offence; or
 - (d) where such person has been convicted of or is being held liable for any offence under or any breach of the SFO or other securities laws or regulations in Hong Kong or any other applicable laws or regulations in force from time to time.

Apart from the aforesaid, unless specified in a letter of grant of Awards or employment contract, the Company does not have clawback mechanism to recover or withhold the remuneration (which may include any awards granted) to an Employee in the event of serious misconduct, a material misstatement in the Company's financial statements or other circumstances.

(10) RESTRICTIONS UNDER THE RULES OF THE 2023 SHARE AWARD SCHEME

The Board shall not grant any Award or give any instructions to the Trustee to acquire or subscribe for any Shares under the 2023 Share Award Scheme, and a Director must not be granted any Award where dealings in the Shares are prohibited under any code or requirement of the Listing Rules and all applicable laws from time to time. Without limiting the generality of the foregoing, no such instruction is to be given and no such grant is to be made:

- (a) after inside information has come to the Company's or the Director's knowledge until (and including) the trading day after it has announced the information;
- (b) during the period commencing one month immediately before the earlier of (i) the date of the board meeting (as such date is first notified to the Stock Exchange under the Listing Rules) for approving the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and (ii) the deadline for the Company to announce its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules), and ending on the date of the results announcement;

- (c) to any Director during the period of 60 days immediately preceding the publication date of the annual results for any financial period of the Company or, if shorter, the period from the end of the relevant financial period up to the publication date of the results; and
- (d) to any Director during the period of 30 days immediately preceding the publication date of the interim results for any financial period of the Company or, if shorter, the period from the end of the relevant half-year period of the financial period up to the publication date of the results.

(11) ADJUSTMENTS TO AWARDS GRANTED

In the event of a capitalization issue, rights issue, sub-division or consolidation of shares or reduction of capital carried out by the Company, adjustments shall be made to the number of Awarded Shares subject to outstanding Awards granted which adjustments must give a Selected Employee the same proportion of the equity capital of the Company, rounded to the nearest whole Share, as that to which that person was previously entitled prior to the carrying out of the aforesaid corporate event, but no such adjustments may be made to the extent that a Share would be issued at less than its nominal value (if any). The issue of securities as consideration in a transaction may not be regarded as a circumstance requiring adjustment. In respect of any such adjustments, other than any made on a capitalization issue, an independent financial adviser or the auditors of the Company must confirm to the Directors in writing that the adjustments satisfy the requirements set out in the note to Rule 17.03(13) of the Listing Rules.

(12) CANCELLATION OF AWARDS GRANTED

- (A) The Board in its sole discretion may cancel an Award granted but remained unvested with the approval of the Selected Employee of such Award Share in certain circumstances, including where it is necessary to comply with the laws in the jurisdictions in which the Eligible Employee and the Company are subject to, or in order to comply with the requirements of any securities exchange.
- (B) Awarded Shares may be granted to an Eligible Employee in place of his/her cancelled Award Shares provided that there is available Scheme Mandate Limit approved by the Shareholders as referred to in Rule 17.03B or Rule 17.03C of the Listing Rules. The Awarded Shares cancelled will be regarded as utilized for the purpose of calculating the Scheme Mandate Limit.

(13) ALTERATION OF THE 2023 SHARE AWARD SCHEME

- (A) The Directors may from time to time in their discretion alter the definition of “Selected Employee(s)” and the provisions in Paragraphs 2, 3, 4, 5, 6, 7, 8, 10 and 11 of the 2023 Share Award Scheme which are of a material nature or provisions relating to the matters set out in Rule 17.03 of the Listing Rules to the advantage of Selected Employee(s) or prospective Selected Employee(s) provided that approval from the Shareholders in general meeting (with the Selected Employee(s) and their associates abstaining from voting) has been obtained. Save for the above, the Board or its delegate(s) may alter the terms of the 2023 Share Award Scheme without the approval of the Shareholders in a general meeting. No such alteration shall operate to affect adversely the terms of Award or issue of any Awarded Shares granted or agreed to be granted prior to such alteration except with the consent or sanction in writing of such majority of the Selected Employee(s) as would be required of the Shareholders under the constitutional documents for the time being of the Company for a variation of the rights attached to the Shares.
- (B) Any change to the authority of the Board to alter the terms of the 2023 Share Award Scheme shall not be valid unless approved by the Shareholders in general meeting.
- (C) Any change to the terms of Awarded Shares granted to a Selected Employee must be approved by the Board, the remuneration committee of the Company, the independent non-executive Directors and/or the Shareholders in general meeting (as the case may be) if the initial grant of the Award Shares requires such approval (except where the alterations take effect automatically under the existing provisions of the 2023 Share Award Scheme).
- (D) The amended terms of the 2023 Share Award Scheme or the Awarded Shares must comply with Chapter 17 of the Listing Rules.

(14) RIGHTS ATTACHING TO THE SHARES AND VOTING RIGHTS

- (A) Except as provided for under Paragraph 7(E) above, a Selected Employee shall not have any interest or rights (including the right to receive dividends) in the Awarded Shares prior to the Vesting Date.
- (B) The Shares to be allotted upon the exercise of an Award 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 of allotment and issue, and accordingly will entitle the holders to participate in all dividends or other distributions paid or made on or after the date of allotment and issue 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 date of allotment and issue, provided always that when the date of exercise of the Award falls on a date upon which the register of Shareholders is closed, then the exercise of the Award shall become effective on the first business day in Hong Kong on which the register of Shareholders is re-opened. A Selected Employee shall not be entitled to vote in any general meeting of the Company in respect of

any of those outstanding Awards yet to be exercised by him unless he has exercised his Award(s) in accordance with the provisions of the 2023 Share Award Scheme. Once a Selected Employee has exercised his Award(s) in accordance with the provisions of the 2023 Share Award Scheme, he shall be entitled to vote in respect of those fully paid Shares allotted to him upon the exercise of his Award(s) in accordance with the memorandum and articles of association of the Company for the time being in force.

- (C) No voting instructions shall be given by a Selected Employee to the Trustee in respect of the Awarded Shares that have not been vested on such Selected Employee.
- (D) Neither the Selected Employee nor the Trustee shall exercise the voting rights in respect of any Shares held by it under the Trust.

(15) TERMINATION OF THE 2023 SHARE AWARD SCHEME

- (A) The 2023 Share Award Scheme shall terminate on the earlier of (i) the tenth (10) anniversary date of the Adoption Date; and (ii) such date of early termination as determined by the Board by a resolution of the Board, provided that such termination shall not affect any subsisting rights of any Selected Employee under the 2023 Share Award Scheme.
- (B) Upon termination of the 2023 Share Award Scheme,
 - (i) no further grant of Awarded Shares may be made under the 2023 Share Award Scheme;
 - (ii) all the Awarded Shares of the Selected Employees granted under the 2023 Share Award Scheme shall continue to be held by the Trustee and become vested in the Selected Employees according to the conditions of the Awards, subject to the receipt by the Trustee of the transfer documents prescribed by the Trustee and duly executed by the Selected Employee;
 - (iii) upon the expiration of the Trust period, all Shares (except for any Awarded Shares subject to vesting on the Selected Employees) remaining in the Trust Fund shall be sold by the Trustee and all net proceeds of sale and such other funds and properties remaining in the Trust Fund managed by the Trustee (after making appropriate deductions in respect of all disposal costs, liabilities and expenses) shall be remitted to the Company forthwith. The Trustee may not transfer any Shares to the Company nor may the Company otherwise hold any Shares whatsoever (other than its interest in the proceeds of sale of such Shares as mentioned above).

(16) CONDITIONS

The 2023 Share Award Scheme is conditional on:

- (A) the passing of ordinary resolution(s) by the Shareholders at a general meeting of the Company to:
 - (i) (1) approve and adopt the 2023 Share Award Scheme; (2) authorize the Board to grant Awarded Shares under the 2023 Share Award Scheme; and (3) authorize the Board to allot and issue new Shares in respect of any Awards to be granted pursuant to the 2023 Share Award Scheme; and
 - (ii) approve the termination of the Share Award Scheme upon adoption of the 2023 Share Award Scheme; and
- (B) the Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in, any new Shares on the Stock Exchange which may be issued by the Company in respect of all Awarded Shares to be granted in accordance with the terms and conditions of the New Share Award Scheme.

Set out below is the full text of the Re-stated Memorandum and Articles to be adopted by the Company.

**THE COMPANIES ~~LAW~~ (ACT (AS REVISED))
~~OF THE CAYMAN ISLANDS~~**

EXEMPTED COMPANY LIMITED BY SHARES

**SECOND AMENDED AND RESTATED
MEMORANDUM OF ASSOCIATION**

OF

CHINASOFT INTERNATIONAL LIMITED

**(adopted pursuant to a resolution passed by way of special resolution passed at the annual
general meeting
of all the shareholders held on ~~8 December, 2005~~ 22 May 2023)**

-
1. The name of the Company is Chinasoft International Limited.
 2. The Registered Office of the Company shall be at the offices of ~~Century Yard~~ Conyers Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, P.O. PO Box ~~2681~~ GT, ~~George Town~~ 2681, Grand Cayman, ~~British West Indies~~ KY1-1111, Cayman Islands.
 3. Subject to the following provisions of this Memorandum, the objects for which the Company is established are unrestricted.
 4. Subject to the following provisions of this Memorandum, the Company shall have and be capable of exercising all the functions of a natural person of full capacity irrespective of any question of corporate benefit, as provided by Section 27(2) of The Companies ~~Law~~ (Act (As Revised)).
 5. Nothing in this Memorandum shall permit the Company to carry on a business for which a license is required under the laws of the Cayman Islands unless duly licensed.

6. If the Company is exempted, it shall not trade in the Cayman Islands with any person, firm or corporation except in furtherance of the business of the Company carried on outside the Cayman Islands; provided that nothing in this clause shall be construed as to prevent the Company effecting and concluding contracts in the Cayman Islands, and exercising in the Cayman Islands all of its powers necessary for the carrying on its business outside the Cayman Islands.
7. The liability of each member is limited to the amount from time to time unpaid on such member's shares.
8. The share capital of the Company is ~~HK\$231,250~~200,000,000 divided into ~~four billion (4,000,000,000) ordinary shares of a nominal or par value of HK\$0.05 each, and six hundred twenty five million (625,000,000) redeemable convertible preferred shares of HK\$0.05 each, divided into three series, namely two hundred twenty five million (225,000,000) Series A-1 Preferred Shares of a nominal or par value of HK\$0.05 each, two hundred million (200,000,000) Series A-2 Preferred Shares of a nominal or par value of HK\$0.05 each, and two hundred million (200,000,000) Series A-3 Preferred Shares of a nominal or par value of HK\$0.05 each,~~ with power for the Company insofar as is permitted by law, to redeem or purchase any of its shares and to increase or reduce the said capital subject to the provisions of the Companies Law ~~(Act (As Revised))~~ and the Articles of Association and to issue any ~~part~~part of its capital, whether original, redeemed or increased with or without any preference, priority or special privilege or subject to any postponement of rights or to any conditions or restrictions and so that unless the conditions of issue shall otherwise expressly declare every issue of shares whether declared to be preference or otherwise shall be subject to the powers hereinbefore contained.

**The Companies Law (Act (As Revised))
Exempted Company Limited by Shares**

SECOND AMENDED AND RESTATED

ARTICLES OF ASSOCIATION

OF

CHINASOFT INTERNATIONAL LIMITED

**(Adopted pursuant to a resolution passed by way of special resolution passed at the annual
general meeting
of the shareholders held on 28 December, 2005 22 May 2023)**

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THE COMPANIES ACT (AS REVISED) EXEMPTED COMPANY LIMITED BY SHARES

SECOND AMENDED AND RESTATED ARTICLES OF ASSOCIATION

OF

CHINASOFT INTERNATIONAL LIMITED

(Adopted by way of special resolution passed at the annual general meeting held on 22 May 2023)

TABLE A

- 1. The regulations in Table A in the Schedule to the Companies Law (Revised Act (as defined in Article 2) do not apply to the Company.

INTERPRETATION

- 2. (1) In these Articles, 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.

Table with 2 columns: Word, Meaning. Row 1: 'Additional Ordinary Shares' vs 'all Ordinary Shares (including reissued shares) issued (or, pursuant to Article 3A(3)(f), deemed to be issued as a result of the issue of Options or Convertible Securities) by the Company after the Series A-1 Issue Date, other than: (i) Ordinary Shares issued or issuable upon conversion of Series A Shares authorized herein; (ii) Series A-2 Shares and Series A-3 Shares issued pursuant to the Subscription Agreement;'. Row 2: 'Act' vs 'the Companies Act, Cap. 22 of the Cayman Islands and any amendments thereto or re-enactments thereof for the time being in force and includes every other law incorporated therewith or substituted therefor.'

<u>“announcement”</u>	<p><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></p> <p>(iii) Ordinary Shares issued pursuant to the options granted or to be granted under the Share Option Scheme;</p> <p>(iv) Up to 69,750,000 Ordinary Shares to be issued pursuant to the general mandate granted to the Directors at the annual general meeting of the shareholders of the Company in April 2005 or up to 10% of the total issued share capital of the Company to be issued pursuant to such general mandate that may be granted to the Directors from time to time pursuant to the requirements under the GEM Listing Rules;</p> <p>(v) Ordinary Shares issued pursuant to any share split, share dividend, recapitalization or similar transaction for which proportional adjustments are made;</p> <p>(vi) Ordinary Shares issued in an underwritten public offering.</p>
“Affiliate”	<p>in relation to a Person, any other Person that directly or indirectly controls, or is controlled by, or is under common control with, such person, where control shall mean the direct or indirect ownership of more than twenty-five percent (25%) of the outstanding shares or the power to direct or cause the direction of the management and policies of such Person or the equivalent.</p>
“Articles”	<p>these Articles in their present form or as supplemented or amended or substituted from time to time.</p>
“Auditor”	<p>the auditor of the Company for the time being and may include any individual or partnership.</p>
“associate”	<p>the meaning attributed to it in the rules of the Designated Stock Exchange.</p>

“Baseline Amount of Milestone A”	shall mean the Baseline amount of Direct Revenue (as such term is defined in the Commercial Agreement) and Justifiable Indirect Revenue (as such term is defined in the Commercial Agreement) listed opposite year 1 in the table contained in Section 3.3.2(d) of the Commercial Agreement.
“Baseline Amount of Milestone B”	shall mean the Baseline amount of Direct Revenue (as such term is defined in the Commercial Agreement) and Justifiable Indirect Revenue (as such term is defined in the Commercial Agreement) listed opposite year 2 in the table contained in Section 3.3.2(d) of the Commercial Agreement.
“Baseline Amount of Milestone C”	shall mean the Baseline amount of Direct Revenue (as such term is defined in the Commercial Agreement) and Justifiable Indirect Revenue (as such term is defined in the Commercial Agreement) listed opposite year 3 in the table contained in Section 3.3.2(d) of the Commercial Agreement.
“Beijing Chinasoft”	Beijing Chinasoft International Information Technology Limited (北京中軟國際信息技術有限公司), a wholly-foreign owned enterprise established under the laws of the PRC.
“Board” or “Directors”	the board of directors of the Company or the directors present at a meeting of directors of the Company at which a quorum is present.
“Business Day”	any day (excluding Saturdays, Sundays and public holidays in Hong Kong, New York and Washington D.C.) on which banks generally are open for business in Hong Kong.
“capital”	the share capital of the Company from time to time of the Company.
“Chinasoft Resources”	Chinasoft Resources Information Technology Services Limited (北京中軟資源信息科技服務有限公司), a wholly-foreign owned enterprise established under the laws of the PRC.
“clear days”	in relation to the period of a notice that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect.
“clearing house”	a clearing house recognised by the laws of the jurisdiction in which the shares of the Company are listed or quoted on a stock exchange in such jurisdiction.

“Commercial Agreement”	an agreement to be entered into between Microsoft and the Company in relation to the sale and marketing of certain products of Microsoft in the People’s Republic of China, a form of which is attached as Exhibit D to the Subscription Agreement.
<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 Article 103 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”	Chinasoft International Limited.
“competent regulatory authority”	a competent regulatory authority in the territory where the shares of the Company are listed or quoted on a stock exchange in such territory.
“Conversion Price”	with respect to the Series A-1 Shares, the Series A-1 Conversion Price, with respect to the Series A-2 Shares, the Series A-2 Conversion Price, and with respect to the Series A-3 Shares, the Series A-3 Conversion Price.
“Convertible Securities”	any evidences of indebtedness, shares (other than Series A Shares and Ordinary Shares) or other securities directly or indirectly convertible into or exchangeable for Ordinary Shares.
“debenture” and “debenture holder”	include debenture stock and debenture stockholder respectively.
“Designated Stock Exchange”	a stock exchange in respect of which the <u>Ordinary Shares</u> of the Company are listed or quoted and where such stock exchange deems such listing or quotation to be the primary listing or quotation of the <u>Ordinary Shares</u> of the Company.
“GEM Listing Rules”	The Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited.
“Group”	the Company and all its Subsidiaries, collectively.

<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>
“head office”	such office of the Company as the Directors may from time to time determine to be the principal off-ice <u>office</u> of the Company.
“HK\$”	Hong Kong Dollars, the legal currency of Hong Kong.
<u>“hybrid meeting”</u>	<u>a general meeting convened for the (i) physical attendance by Members and/or proxies at the Principal Meeting Place and where applicable, one or more Meeting Locations and (ii) virtual attendance and participation by Members and/or proxies by means of electronic facilities.</u>
<u>“Listing Rules”</u>	<u>the rules and regulations of the Designated Stock Exchange.</u>
““holding company”	the meaning attributed to it in section 2 of the Companies Ordinance (Chapter 32, Laws of Hong Kong) (as amended from time to time).
“HKFRS”	Hong Kong financial reporting standards in effect from time to time, and applied on a consistent basis.
“IFC”	International Finance Corporation, an international organization established by articles of agreement among its member countries with its headquarters situated at 2121 Pennsylvania Avenue, Washington D.C. 20433.
“Investors”	Microsoft and IFC, each so long as they hold Series A Share or Ordinary Shares.
“Issue Date”	with respect to the Series A-1 Shares, the Series A-1 Issue Date, with respect to the Series A-2 Shares, the Series A-2 Issue Date, and with respect to the Series A-3 Shares, the Series A-3 Issue Date.

- ~~“Issue Price”~~ with respect to the Series A-1 Shares, the Series A-1 Issue Price, with respect to the Series A-2 Shares, the Series A-2 Issue Price, and with respect to the Series A-3 Shares, the Series A-3 Issue Price.
- ~~“Key Subsidiary”~~ any Subsidiary of the Company which, in the opinion of the Auditor of the Company, having considered the prevailing circumstances, represents a significant business operation of the Group. For the avoidance of doubt, the Auditor shall consider a Subsidiary of the Company to be a Key Subsidiary if and only if the Auditor issues a qualified audit opinion as a result of such Subsidiary ceasing its operations or disposing of all or substantially all of its assets to third parties. Notwithstanding the foregoing, “Key Subsidiaries” shall at all times include Beijing Chinasoft and Chinasoft Resources.
- ~~“Law”~~ The Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands.
- ~~“Liquidation Event”~~ the following events which shall apply to the Company and each of its Subsidiaries:
- ~~(a) — any merger, consolidation or sale of all or substantially all of the assets of the Company or any Key Subsidiary or any sale of any shares of the Company which result in the control of the Company at its general meetings being transferred to a third party or parties. For the purpose of this paragraph, “control” shall be defined as the direct or indirect ownership of more than fifty (50%) of the outstanding shares of the relevant Person;~~
 - ~~(b) — any sale, merger, spin-off, transfer, sale of all or substantially all of the assets of, or other disposition of a Major Business of the Company or any sale, transfer or other disposition of all or substantially all of the assets of the Company, whether in a single transaction or a series or related transactions. For the purpose of this definition, “Major Business” shall be defined as a business entity or unit where the assets of such business entity or unit account for greater than two-thirds of the previous twelve (12) months consolidated assets, net profit or gross revenue of the Company, determined in accordance with HKFRS. Regardless of the aforementioned, each of Beijing Chinasoft and Chinasoft Resources will be regarded as a Major Business;~~

- ~~(c) — without limiting (a), the directors (the “Directors”) of the Company as at the Series A-1 Issue Date or any replacements thereof cease to constitute a majority in numbers and cease to exercise a majority of the voting rights of the Board at the relevant time;~~
- ~~(d) — delisting of the Ordinary Shares from GEM or such other exchange on which the Ordinary Shares are traded, except if the delisting is solely in connection with or a condition precedent to a Qualified Public Offering or other public offering where the Ordinary Shares will be listed on an internationally recognized stock exchange that is acceptable to the Investors and in compliance with the applicable laws and regulations;~~
- ~~(e) — any liquidation, dissolution or winding-up of the affairs of the Company or any Key Subsidiary;~~
- ~~(f) — any voluntary or involuntary bankruptcy event exists in respect of the Company or a Key Subsidiary, which, in the case of an involuntary event only, remains undismissed or unstayed for more than 60 days, provided that during such period the Company has diligently contested the event, and no other Material Adverse Event has occurred;~~
- ~~(g) — the Auditors of the Company issue a qualified opinion in the audited consolidated accounts of the Company in respect of “going concern” of the Company; or~~
- ~~(h) — any registration statement pertaining to the Ordinary Shares received by the Investors, upon conversion of the Series A Shares, becomes ineffective or otherwise may not be relied upon by the Investors.~~

~~“Material Adverse Effect”~~

~~any change, event or effect (“Effect”) that is, in the reasonable opinion of the Investors, using reasonable efforts to consult with the Board taking into account the circumstances, materially adverse to the business, operations, assets or results of operations of the Company and its Subsidiaries as a whole, PROVIDED THAT in no event shall any of the following be deemed, either alone or in combination, to constitute, nor shall any of the following be taken into account in determining whether there has been, a Material Adverse Effect.~~

<u>“Meeting Location”</u>	<u>has the meaning given to it in Article 64A.</u> (i) any Effect that results from changes in general economic conditions; or (ii) any issue or condition that has been disclosed in the Disclosure Schedule.
“Member”	a duly registered holder from time to time of the shares in the capital of the Company, including, without limitation, the Ordinary Shares and the Series A Shares.
“Microsoft”	Microsoft Corporation, a corporation incorporated in the State of Washington, USA.
“month”	a calendar month.
“Notice”	written notice unless otherwise specifically stated and as further defined in these Articles.
“Office”	the registered office of the Company for the time being.
“Options”	rights, options or warrants to subscribe for, purchase or otherwise acquire either Ordinary Shares or Convertible Securities.
“ordinary resolution”	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 <u>in accordance with Article 59.</u>
“Ordinary Shares”	the Company’s ordinary shares of a par value of HK\$0.05 each.
“paid up”	paid up or credited as paid up.
“Person”	any natural person, corporation, company, partnership, firm, voluntary association, joint venture, trust, unincorporated organization, authority or any other entity whether acting in an individual, fiduciary or other capacity.

“Qualified Public Offering”	a firm commitment underwritten public offering by the Company of its Ordinary Shares on an international recognized stock exchange (other than GEM) at a price per share implying a market capitalization exceeding US\$300 million.
<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 Article 59(2).</u>
“Register”	the principal register and where applicable, any branch register of Members of the Company to be maintained at such place within or outside the Cayman Islands as the Board shall deter <u>mine</u> determine from time to time.
“Registration Office”	in respect of any class of share capital such place as the Board may from time to time determine to keep a branch register of Members in respect of that class of share capital and where (except in cases where the Board otherwise directs) the transfers or other documents of title for such class of share capital are to be lodged for registration and are to be registered.
“Seal”	common seal or any one or more duplicate seals of the Company (including a securities seal) for use in the Cayman Islands or in any place outside the Cayman Islands.
“Secretary”	any person firm or corporation appointed by the Board to perform any of the duties of secretary of the Company and includes any assistant, deputy, temporary or acting secretary.
“Series A-1 Conversion Price”	shall initially equal the Series A-1 Issue Price (resulting in an initial conversion rate of 1:1), and shall be subject to adjustment from time to time pursuant to these Articles.
“Series A-2 Conversion Price”	shall initially equal the Series A-2 Issue Price (resulting in an initial conversion rate of 1:1), and shall be subject to adjustment from time to time pursuant to these Articles.
“Series A-3 Conversion Price”	shall initially equal the Series A-3 Issue Price (resulting in an initial conversion rate of 1:1), and shall be subject to adjustment from time to time pursuant to these Articles.

“Series A-1 Holder”	a holder of Series A-1 Shares.
“Series A-2 Holder”	a holder of Series A-2 Shares.
“Series A-3 Holder”	a holder of Series A-3 Shares.
“Series A-1 Issue Price”	shall be the lesser of: (i) HK\$0.80, and (ii) 90% of the closing price of the Ordinary Shares on the Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on the trading day immediately prior to the Series A-1 Issue Date but in no case shall the Series A-1 Issue Price exceed HK\$0.80 or be less than HK\$0.70.
“Series A-2 Issue Price”	shall be the lesser of (i) 90% of the 45 trading day trailing average closing price of the Ordinary Shares on GEM, or the then current stock exchange on which the Ordinary Shares are listed, prior to the Series A-2 Issue Date, and (ii) 90% of the closing price of the Ordinary Shares on GEM, or the then current stock exchange on which the Ordinary Shares are listed, on the trading day immediately prior to the applicable Series A-2 Issue Date.
“Series A-3 Issue Price”	shall be the lesser of (i) 90% of the 45 trading day trailing average closing price of the Ordinary Shares on GEM, or the then current stock exchange on which the Ordinary Shares are listed, prior to the Series A-3 Issue Date, and (ii) 90% of the closing price of the Ordinary Shares on GEM, or the then current stock exchange on which the Ordinary Shares are listed, on the trading day immediately prior to the applicable Series A-3 Issue Date.
“Series A-1 Issue Date”	the date on which the first Series A-1 Share was issued.
“Series A-2 Issue Date”	the date on which the first Series A-2 Share was issued.
“Series A-3 Issue Date”	the date on which the first Series A-3 Share was issued.
“Series A-1 Shares”	the Company’s Series A-1 Preferred Shares of a par value of HK\$0.05 each.
“Series A-2 Shares”	the Company’s Series A-2 Preferred Shares of a par value of HK\$0.05 each.

“Series A-3 Shares”	the Company’s Series A-3 Preferred Shares of a par value of HK\$0.05 each.
“Series A Holder”	a holder of Series A-1 Shares, Series A-2 Shares, or Series A-3 Shares.
“Series A Shares”	the Series A-1 Shares, Series A-2 Shares and Series A-3 Shares.
“Share Option Scheme”	the Company’s share option scheme adopted by the Company on June 2, 2003, and in effect immediately before after the Series A-1 Issue Date providing for the allocation and grant of options to the Company’s employees, officers and directors.
“special resolution”	subject to the paragraph below, 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 entitled so to do, or with respect to the matters referred to in Article 3A(6) (a) and (j), when it has been passed by a majority of not less than three-fourths of votes cast by such holders of Ordinary Shares and 70% of vote cast of such holders of Series A Shares, in each case voting 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 Articles to amend the same) the intention to propose the resolution as a special resolution, 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 par 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. <u>Notice has been duly given in accordance with Article 59.</u>

a special resolution shall be effective for any purpose for which an ordinary resolution is expressed to be required under any provision of these Articles or the Statutes.

- “Statutes” the ~~Law~~Act and every other law of the Legislature of the Cayman Islands for the time being in force applying to or affecting the Company, its Memorandum of Association and/or these Articles.
- “~~Subscription Agreement~~” the ~~Subscription Agreement dated as of September 26, 2005 entered into between the Company, the Series A Holders, Beijing Chinasoft and Chinasoft Resources, in relation to the subscription of the Series A Shares.~~
- “~~Subsidiary~~” the ~~subsidiaries of the Company, with the same meaning as defined under Section 2 of the Companies Ordinance. For the avoidance of doubt, as of the Series A-1 Issue Date, the Subsidiaries of the Company are:~~
- (a) ~~Chinasoft International Holdings Limited;~~
- (b) ~~Chinasoft (HK);~~
- “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.
- (c) ~~Beijing Chinasoft;~~
- (d) ~~Chinasoft Resources;~~
- (e) ~~Chinasoft International (Guangzhou) Information Technology Limited (中軟國際(廣州)信息技術有限公司);~~
- (f) ~~Chinasoft International (Hangzhou) Information Technology Limited (中軟國際(杭州)信息技術有限公司);~~
- (g) ~~Chinasoft International (Kunming) Information Technology Limited (中軟國際(昆明)信息技術有限公司);~~
- (h) ~~Shanghai Chinasoft Resources Information Technology Services Limited (上海中軟資源技術服務有限公司);~~

- (i) ~~Shenzhen Chinasoft Resources Information Technology Services Limited (深圳市中軟資源技術服務有限公司);~~
- (j) ~~CS&S Computer Tech. Training Centre (中軟總公司計算機培訓中心);~~

“year” a calendar year.

“US\$” United States Dollars.

- (2) In these Articles, unless there be something within the subject or context inconsistent with such construction:
 - (a) words importing the singular include the plural and vice versa;
 - (b) words importing a gender include both gender and the neuter;
 - (c) words importing persons include companies, associations and bodies of persons whether corporate or not;
 - (d) the words:
 - (i) “may” shall be construed as permissive;
 - (ii) “shall” or “will” shall be construed as imperative;
 - (e) expressions ~~refer ring~~referring to writing shall, unless the contrary intention appears, be construed as including printing, lithography, photography and other modes of representing ~~words or figures in a or reproducing words or figures in a 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~~Notice and the Member’s election comply with all applicable Statutes, rules and regulations;
 - (f) references to any law, ordinance, statute or statutory provision shall be interpreted as relating to any statutory modification or re-enactment thereof for the time being in force;
 - (g) save as aforesaid words and expressions defined in the Statutes shall bear the same meanings in these Articles if not inconsistent with the subject in the context;

- (h) 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/Notice or document include a notice/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.;
- (i) Section 8 and Section 19 of the Electronic Transactions Act of the Cayman Islands, as amended from time to time, shall not apply to these Articles to the extent it imposes obligations or requirements in addition to those set out in these Articles;
- (j) 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;
- (k) a reference to a meeting: (a) shall mean a meeting convened and held in any manner permitted by these Articles and any Member or Director attending and participating at a meeting by means of electronic facilities shall be deemed to be present at that meeting for all purposes of the Statutes and these Articles, 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 Article 64E;
- (l) 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 Articles to be made available at the meeting, and participate and participating in the business of a general meeting shall be construed accordingly;
- (m) references to electronic facilities include, without limitation, website addresses, webinars, webcast, video or any form of conference call systems (telephone, video, web or otherwise); and
- (n) where a Member is a corporation, any reference in these Articles to a Member shall, where the context requires, refer to a duly authorised representative of such Member.

SHARE CAPITAL

3. (1) ~~Unless otherwise determined by the Members in accordance with these Articles, the authorized~~The authorised share capital of the Company at the date on which these Articles come into effect shall be HK\$231,250,200,000 divided into two classes:
- (a) ~~six hundred twenty five million (625,000,000) redeemable convertible preferred shares of HK\$0.05 each, divided into three series:~~
- (i) ~~two hundred twenty five million (225,000,000) Series A-1 Shares;~~
- (ii) ~~(ii) two hundred million (200,000,000) Series A-2 Shares; and~~
- (iii) ~~two hundred million (200,000,000) Series A-3 Shares; and~~
- (b) ~~four billion 4,000,000,000 ordinary shares of a nominal or par value of HK\$0.05 each.~~
- (2) ~~Subject to the Law~~Act, the Company's Memorandum of Association and these Articles ~~and~~, where applicable, the Listing Rules and/or the rules and regulations of any Designated Stock Exchange and/or any competent regulator~~regulatory~~ authority, ~~any power of the Company shall have the power to purchase or otherwise acquire its own shares and such power shall be exercisable by the Board in such manner, upon such terms and subject to such conditions as it thinks fit in its absolute discretion~~ thinks fit and any determination by the Board of the manner of purchase shall be deemed authorised by these Articles for purposes of the Act. The Company is hereby authorised to make payments in respect of the purchase of its shares out of capital or out of any other account or fund which can be authorised for this purpose in accordance with the Act.
- (3) ~~Except as allowed by the Law and subject further~~(3) Subject to compliance with the Listing Rules and the rules and regulations of the Designated Stock Exchange and any other relevant~~competent~~ regulatory authority, the Company ~~shall not~~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.
- (4) The Board may accept the surrender for no consideration of any fully paid share.
- (5) No share shall be issued to bearer.

RIGHTS OF SHARES

3A. ~~Notwithstanding anything else to the contrary in these Articles, the Series A Shares shall have the following special rights and restrictions and, as between themselves, shall carry equal rights and rank pari passu with one another:~~

(1) Dividends

- (a) ~~No dividends shall accrue or be paid with respect to any Series A Shares until six months after the Series A-1 Issue Date (the “Grace Period”). Commencing on the later of the end of the Grace Period and the Issue Date of a particular series of Series A Shares, the holders of such Series A Shares shall be entitled to receive out of any funds legally available therefore, dividends at the rate of 5.5% per annum on the relevant Issue Price plus any accrued but unpaid dividends. To the extent permissible under the Law, the Directors shall declare and pay such dividends quarterly in priority to any other dividends on equity securities of the Company. Dividends on the Series A Shares shall be accumulated if and to the extent not paid hereunder. For the avoidance of doubt, the first payment date of the dividends on the Series A Shares shall be the last day of the first calendar quarter immediately after the Grace Period and if the Grace Period expires after a calendar quarter end date (i.e., March 31, June 30, September 30 and December 31) of a year, the first payment of dividends shall be prorated from the period commencing on the day after the Grace Period ends to the first dividend payment date.~~
- (b) ~~Notwithstanding any other provision of this Article 3A(1), subject to the approval of the Board, the Company may at any time, out of funds legally available therefor, repurchase Ordinary Shares of the Company issued to or held by employees, officers or directors of the Company upon termination of their employment or services, in such manner as provided under the Share Option Scheme, whether or not dividends on Series A Shares shall have been declared, and such repurchase shall not be considered a dividend payment.~~

(2) — Liquidation Preference

- (a) — ~~In the event of any liquidation, dissolution or winding up of the Company, either voluntary or involuntary, or any Liquidation Event upon the election of any Series A Holder, the Series A Holders shall be entitled on a pari passu basis to receive, prior to any distribution to the holders of the Ordinary Shares or any other class of shares, an amount per share equal to (i) with respect to each Series A-1 Share, 100% of the Series A-1 Issue Price, plus all accrued or declared but unpaid dividends thereon, (ii) with respect to each Series A-2 Share, 100% of the Series A-2 Issue Price, plus all accrued or declared but unpaid dividends thereon, and (iii) with respect to each Series A-3 Share, 100% of the Series A-3 Issue Price, plus all accrued or declared but unpaid dividends thereon (the foregoing (i), (ii) and (iii) together, the “**Preference Amount**”), in each case, as adjusted for share dividends, share splits, combinations, recapitalizations, reclassifications and similar transactions. After the full Preference Amount on all outstanding Series A Shares has been paid, any remaining funds or assets of the Company legally available for distribution to Members shall be distributed pro rata among holders of the Ordinary Shares. If the Company has insufficient assets to permit payment of the Preference Amount in full to all Series A Holders, the Company shall distribute ratably its assets to all Series A Holders in proportion to the Preference Amount each such holder would otherwise be entitled to receive.~~
- (b) — ~~Upon a Liquidation Event, the Series A Holders may elect to be paid in cash or in securities received from the acquiring company or companies (if applicable), or in a combination thereof, at the closing of any such transaction, prior and in preference to any other payment or distribution of consideration to other Members of the Company, an amount equal to the Preference Amount with respect to such Series A Shares then held which would be payable to the holders of the Series A Shares pursuant to this Article 3A(2) if all consideration received by the Company and its Members in connection with such event were being distributed in a liquidation of the Company. In the event the requirements of this Article 3A(2) are not complied with, the Company shall forthwith either (i) cause such closing to be postponed until such time as the requirements of this Article 3A(2) have been complied with, or (ii) cause such transaction to be cancelled.~~

- ~~(c) In the event that the Company proposes to distribute assets other than cash in connection with any liquidation, dissolution or winding up of the Company (not including a Liquidation Event), the value of the assets to be distributed to the Series A Holders and holders of Ordinary Shares shall be determined in good faith by the liquidator (or, in the case of any proposed distribution in connection with a transaction which is a Liquidation Event hereunder, by the Board). Any securities not subject to investment letter or similar restrictions on free marketability shall be valued as follows:~~
- ~~(i) If traded on a securities exchange, the value shall be deemed to be the average of the security's closing prices on such exchange over the thirty (30) day period ending one (1) day prior to the distribution;~~
 - ~~(ii) If actively traded over-the-counter, the value shall be deemed to be the average of the closing bid prices over the thirty (30) day period ending three (3) days prior to the distribution; and~~
 - ~~(iii) If there is no active public market, the value shall be the fair market value thereof as determined in good faith by the liquidator (or, in the case of any proposed distribution in connection with a transaction that is a Liquidation Event hereunder, by the Board).~~

~~The method of valuation of securities subject to restrictions on free marketability shall be adjusted to make an appropriate discount from the market value determined as above in sub-paragraphs (i), (ii) or (iii) of this Article 3A(2)(c) to reflect the fair market value thereof as determined in good faith by the liquidator (or, in the case of any proposed distribution in connection with a transaction which is a Liquidation Event hereunder, by the Board). The holders of any of the outstanding Series A Shares shall have the right to challenge any determination by the liquidator or the Board, as the case may be, of fair market value pursuant to this Article 3A(2)(c), in which case the determination of fair market value shall be made by an independent appraiser selected jointly by the liquidator or the Board, as the case may be, and the challenging Series A Holders, the cost of such appraisal to be borne by the Company.~~

~~(3) — Conversion Rights~~

~~Each Series A Share shall be convertible into such number of fully paid and nonassessable Ordinary Shares as is determined by dividing the Issue Price for such series of Series A Shares by the then-effective Conversion Price for such series. The Conversion Price for each series of Series A Shares is subject to adjustment as provided herein.~~

~~(a) — *Voluntary Conversion.* Unless converted earlier pursuant to Article 3A(3)(b) below, each Series A Holder shall have the right, at such holder's sole discretion, to convert all or any portion of his, her or its Series A Shares into Ordinary Shares at any time.~~

~~(b) — *Automatic Conversion.* Subject to the applicable laws and regulations and without any further act of the Company or the Series A Holders, unless otherwise agreed in writing by the Series A Holders, each Series A Share will automatically be converted into Ordinary Shares, based on the then applicable Conversion Price for such series, immediately upon the closing of a Qualified Public Offering.~~

~~(c) — *Mechanics of Conversion.*~~

~~(i) — *No Fractional Shares.* No fractional Ordinary Share shall be issued upon conversion of Series A Shares. In lieu of any fractional shares to which the holder would otherwise be entitled, the Company shall pay such holder cash equal to such fraction multiplied by the then effective Conversion Price of such series. Before any Series A Holder shall be entitled to convert the same into full Ordinary Shares and to receive certificates therefor, he shall surrender the certificate or certificates therefor, duly endorsed, at the office of the Company or of any transfer agent for the Series A Shares and shall give written notice to the Company at such office that he elects to convert the same. The Company shall, as soon as practicable thereafter, issue and deliver to such Series A Holder a certificate or certificates for the number of Ordinary Shares to which he shall be entitled as aforesaid and a cheque payable to the holder in the amount of any cash amounts payable as the result of a conversion into fractional Ordinary Shares, and shall reflect such conversion in the Company's Register. Such conversion shall be deemed to have been made immediately prior to the close of business on the date of such surrender of the Series A Shares to be converted, and the Person or Persons entitled to receive the Ordinary Shares issuable upon such conversion shall be treated for all purposes as the record holder or holders of such Ordinary Shares on such date.~~

- (ii) ~~Reservation of Shares Issuable Upon Conversion.~~ The Company shall at all times reserve and keep available out of its authorized but unissued Ordinary Shares solely for the purpose of effecting the conversion of the Series A Shares, such number of its Ordinary Shares as shall from time to time be sufficient to effect the conversion of all the outstanding Series A Shares, and if at any time the number of authorized but unissued Ordinary Shares shall not be sufficient to effect the conversion of all the Series A Shares then outstanding, in addition to such other remedies as shall be available to the Series A Holder, the Company and the holders of Ordinary Shares will take such corporate action as may be necessary to increase its authorized but unissued Ordinary Shares to such number of shares as shall be sufficient for such purposes.

- (d) ~~Adjustment of Conversion Price Upon New Issuance of Additional Ordinary Shares below the Conversion Price.~~ If the Company issues Additional Ordinary Shares for a consideration per share less than the Conversion Price for a particular series of Series A Shares in effect immediately prior to such issue, then and in such event, the Conversion Price for such series shall be reduced, concurrently with such issue, to a price (calculated to the nearest cent) as set forth herein.
 - (i) ~~Adjustment Formula.~~ In the event of the issuance of Additional Ordinary Shares at a at a subscription price per Ordinary Share (on an as-converted basis) that is less than the Series A Conversion Price for any Series A Share (as adjusted from time to time) in effect on the date of and immediately prior to such issuance, the Series A Conversion Price for such Series A Share shall be reduced, concurrently with such issuance, to a price (calculated to the nearest cent) determined as set forth below. The mathematical formula for determining the adjusted Series A Conversion Price is as follows and is subject to the more detailed textual description set forth thereafter:

$$AP = OP * (OS + (NP/OP)) / (OS + NS)$$

WHERE:

AP = adjusted Series A Conversion Price.

OP = Series A Conversion Price in effect immediately before such issuance of Additional Ordinary Shares.

OS = the number of outstanding Ordinary Shares immediately before the Additional Ordinary Shares are issued or sold.

NP = the total consideration received for the issuance or sale of Additional Ordinary Shares.

NS = the number of Additional Ordinary Shares issued or sold.

~~provided that for the purposes of this Article 3A(3)(d)(i), all Ordinary Shares issuable upon conversion of outstanding Series A Shares shall be deemed to be outstanding, but no other Ordinary Shares issuable upon exercise of Convertible Securities shall be deemed to be outstanding.~~

- ~~(e) — *No Adjustment to Conversion Price.* No adjustment in the Conversion Price for any series of Series A Shares shall be made in respect of the issuance of Additional Ordinary Shares unless the consideration per share for an Additional Ordinary Share issued or deemed to be issued by the Company is less than the Conversion Price for such series in effect on the date of and immediately prior to such issuance.~~
- ~~(f) — *Deemed Issuance of Additional Ordinary Shares.* In the event that the Company at any time or from time to time after the Issue Date for any series of Series A Shares shall issue any Options or Convertible Securities or shall fix a record date for the determination of holders of any class of securities entitled to receive any such Options or Convertible Securities, then the maximum number (as set forth in the instrument relating thereto without regard to any provisions contained therein for a subsequent adjustment of such number that would result in an adjustment pursuant to sub-paragraph (ii) below) of Ordinary Shares issuable upon the exercise of such Options or, in the case of Convertible Securities and Options for Convertible Securities, the conversion or exchange of such Convertible Securities, shall be deemed to be Additional Ordinary Shares issued as of the time of such issuance or, in case such a record date shall have been fixed, as of the close of business on such record date, provided that Additional Ordinary Shares shall not be deemed to have been issued with respect to any series of Series A Shares unless the consideration per share (determined pursuant to Article 3A(3)(g) hereof) of such Additional Ordinary Shares would be less than the conversion price for such series of Series A Shares in effect on the date of and immediately prior to such issuance, or such record date, as the case may be, and provided further that in any such case in which Additional Ordinary Shares are deemed to be issued:~~
- ~~(i) — no further adjustment to the Conversion Price shall be made upon the subsequent issuance of Convertible Securities or Ordinary Shares upon the exercise of such options or conversion or exchange of such Convertible Securities;~~
- ~~(ii) — if such Options or Convertible Securities by their terms provide, with the passage of time or otherwise, for any increase or decrease in the consideration payable to the Company, or increase or decrease in the number of Ordinary Shares issuable, upon the exercise, conversion or exchange thereof, the Conversion Price computed upon the original issuance thereof (or upon the occurrence of a record date with respect thereto), and any subsequent adjustments based thereon, shall, upon any such increase or decrease becoming effective be recomputed to reflect such increase or decrease insofar as it affects such Options or the rights of conversion or exchange under such Convertible Securities;~~

- ~~(iii) upon the expiration of any such Options or any rights of conversion or exchange under such Convertible Securities which have not been exercised, the Conversion Price computed upon the original issuance thereof (or upon the occurrence of a record date with respect thereto), and any subsequent adjustments based thereon, shall, upon such expiration, be recomputed as if:~~
- ~~(A) in the case of Convertible Securities or Options for Ordinary Shares, the only Additional Ordinary Shares issued were Ordinary Shares, if any, actually issued upon the exercise of such Options or the conversion or exchange of such Convertible Securities, and the consideration received therefor was the consideration actually received by the Company for the issuance of all such Options or Convertible Securities, whether or not exercised or converted, plus the consideration actually received by the Company upon such exercise, conversion or exchange, or for the issuance of all such Convertible Securities which were actually converted or exchanged, plus the additional consideration, if any, actually received by the Company upon such conversion or exchange, and~~
- ~~(B) in the case of Options for Convertible Securities, only the Convertible Securities, if any, actually issued upon the exercise thereof were issued at the time of issuance of such Options, and the consideration received by the Company for the Additional Ordinary Shares deemed to have been then issued was the consideration actually received by the Company for the issuance of all such Options, whether or not exercised, plus the consideration deemed to have been received by the Company upon the issuance of the Convertible Securities with respect to which such Options were actually exercised;~~

Provided that:

- ~~(I) no readjustment pursuant to sub-paragraph (ii) or (iii) above shall have the effect of increasing the Conversion Price to an amount which exceeds the lower of (x) the Conversion Price on the original adjustment date, or (y) the applicable Conversion Price that would have resulted from any issuance of Additional Ordinary Shares between the original adjustment date and such readjustment date; and~~
- ~~(II) in the case of any Options which expire by their terms not more than thirty (30) days after the date of issuance thereof, no adjustment of the Conversion Price shall be made until the expiration or exercise of all such Options, whereupon such adjustment shall be made in the manner provided in sub-paragraph (iii) above.~~

- ~~(g) — *Determination of Consideration.* For purposes of this Article 3A(3), the consideration received by the Company for the issuance of any Additional Ordinary Shares shall be computed as follows:~~
- ~~(i) — *Cash and Property.* Except as provided in sub-paragraph (ii) below, such consideration shall:~~
- ~~(A) — insofar as it consists of cash, be computed at the aggregate amount of cash received by the Company excluding amounts paid or payable for accrued interest for accrued dividends;~~
- ~~(B) — insofar as it consists of property other than cash, be computed at the fair value thereof at the time of such issuance, as determined in good faith by the Board; provided, however, that no value shall be attributed to any services performed by any employee, officer or director of the Company; and~~
- ~~(C) — in the event Additional Ordinary Shares are issued together with other shares or securities or other assets of the Company for consideration which covers both, be the proportion of such consideration so received with respect to such Additional Ordinary Shares, computed as provided in sub-paragraph (i) above, as determined in good faith by the Board.~~
- ~~(ii) — *Options and Convertible Securities.* The consideration per share received by the Company for Additional Ordinary Shares deemed to have been issued pursuant to Article 3A(3)(f), relating to Options and Convertible Securities, shall be determined by dividing:~~
- ~~(A) — the total amount, if any, received or receivable by the Company as consideration for the issuance of such Options or Convertible Securities, plus the minimum aggregate amount of additional consideration (as set forth in the instruments relating thereto, without regard to any provision contained therein for a subsequent adjustment of such consideration) payable to the Company upon the exercise of such Options or the conversion or exchange of such Convertible Securities, or in the case of Options for Convertible Securities, the exercise of such Options for Convertible Securities and the conversion or exchange of such Convertible Securities, by~~
- ~~(B) — the maximum number of Ordinary Shares (as set forth in the instruments relating thereto, without regard to any provision contained therein for a subsequent adjustment of such number) issuable upon the exercise of such Options or the conversion or exchange of such Convertible Securities.~~

- (h) ~~Adjustments for Share Dividends, Subdivisions, Combinations or Consolidations of Ordinary Shares.~~ In the event that the outstanding Ordinary Shares shall be subdivided (by share dividend, share split, or (otherwise), into a greater number of Ordinary Shares, the Conversion Price for each series of Series A Shares then in effect shall, concurrently with the effectiveness of such subdivision, be proportionately decreased. In the event the outstanding Ordinary Shares shall be combined or consolidated, by reclassification or otherwise, into a lesser number of Ordinary Shares, the Conversion Price for each series of Series A Shares then in effect shall, concurrently with the effectiveness of such combination or consolidation, be proportionately increased.
- (i) ~~Adjustments for Other Distributions.~~ In the event that the Company at any time or from time to time makes, or files a record date for the determination of holders of Ordinary Shares entitled to receive any distribution payable in securities or assets of the Company other than Ordinary Shares, then and in each such event provision shall be made so that the Series A Holders shall receive upon conversion thereof, in addition to the number of Ordinary Shares receivable thereupon, the amount of securities or assets of the Company which they would have received had their shares been converted into Ordinary Shares on the date of such event and had they thereafter, during the period from the date of such event to and including the date of conversion, retained such securities or assets receivable by them as aforesaid during such period, subject to all other adjustment called for during such period under this Article 3A(3) with respect to the rights of the Series A Holders.
- (j) ~~Adjustments for Reclassification, Exchange and Substitution.~~ If the Ordinary Shares issuable upon conversion of Series A Shares shall be changed into the same or a different number of shares of any other class or classes of shares, whether by capital reorganization, reclassification or otherwise (other than a subdivision or combination of shares provided for above), then and in each such event the Series A Holder shall have the right thereafter to convert such share into the kind and amount of shares and other securities and property receivable upon such reorganization or reclassification or other change by holders of the number of Ordinary Shares that would have been subject to receipt by the holders upon conversion of Series A Shares immediately before that change, all subject to further adjustment as provided herein.

- (k) ~~*No Impairment.* The Members of the Company will not, by the amendment of the Company's Memorandum of Association or these Articles or through any reorganization, transfer of assets, consolidation, merger, dissolution, issuance or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder but will at all times in good faith assist in the carrying out of all the provisions of this Article 3A(3) and in the taking of all such action as may be necessary or appropriate in order to protect the conversion rights of the Series A Holders against impairment.~~
- (l) ~~*Certificate as to Adjustments.* Upon the occurrence of each adjustment or readjustment of the Conversion Price of the Series A Shares pursuant to this Article 3A(3), the Company at its expense shall promptly compute such adjustment or readjustment in accordance with the terms hereof and furnish to each holder of the affected series of Series A Shares a certificate setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based. The Company shall, upon the written request at any time of any Series A Holder, furnish or cause to be furnished to such holder a like certificate setting forth (i) such adjustments and readjustments, (ii) the Conversion Price for such series at the time in effect, and (iii) the number of Ordinary Shares and the amount, if any, of other property which at the time would be received upon the conversion of Series A Shares.~~
- (m) ~~*Miscellaneous:*~~
- (i) ~~All calculations under this Article 3A(3) shall be made to the nearest one hundredth (1/100) of a cent or to the nearest one hundredth (1/100) of a share, as the case may be.~~
- (ii) ~~The holders of any of the outstanding Series A Shares shall have the right to challenge any determination by the Board of fair value pursuant to this Article 3A(3), in which case such determination of fair value shall be made by an independent appraiser selected jointly by the Board and the challenging Series A Holders, the cost of such appraisal to be borne by the Company.~~
- (iii) ~~No adjustment in the Conversion Price for any series need be made if such adjustment would result in a change in such conversion price of less than HK\$0.01. Any adjustment of less than HK\$0.01 which is not made shall be carried forward and shall be made at the time of and together with any subsequent adjustment which, on a cumulative basis, amounts to an adjustment of HK\$0.01 or more in such conversion price.~~

- (iv) ~~The Conversion Price for the Series A Shares shall not in any circumstances fall below the par value of the Ordinary Shares.~~
- (v) ~~The conversion shall be effected in any manner available under applicable law including redeeming or repurchasing the relevant Series A Shares and immediately applying the proceeds thereof towards payment for the new Ordinary Shares. For purposes of the repurchase or redemption, the Board may use any funds legally available under the Law, including the share capital of the Company.~~

(4) — Redemption

- (a) ~~*Microsoft Redemption.* So long as Microsoft is a Series A Holder at such time and subject to the Law, the Company shall redeem the Series A Shares requested to be redeemed by Microsoft in accordance with this Article 3A(4)(a) at the relevant Issue Price of such Series A Shares plus any accrued and unpaid dividends thereon on or after the occurrence of the following:~~
 - (i) ~~if the Company fails to complete the Baseline Amount of Milestone A as set forth in the Commercial Agreement prior to the first anniversary of the Series A-1 Issue Date, the Company shall, upon receipt of a Microsoft Redemption Notice (as defined below), redeem such Series A Shares designated by Microsoft, with an aggregate Issue Price of up to US\$5 million;~~
 - (ii) ~~if the Company fails to complete the Baseline Amount of Milestone B as set forth in the Commercial Agreement prior to the second anniversary of the Series A-1 Issue Date, the Company shall, upon receipt of a Microsoft Redemption Notice, redeem such Series A Shares designated by Microsoft, with an aggregate Issue Price of up to US\$5 million; or~~
 - (iii) ~~if the Company fails to complete the Baseline Amount of Milestone C as set forth in the Commercial Agreement prior to the third anniversary of the Series A-1 Issue Date, the Company shall, upon receipt of a Microsoft Redemption Notice, redeem such Series A Shares designated by Microsoft, with an aggregate Issue Price of up to US\$5 million.~~

~~The redemption amount shall be paid from any funds legally available for such purpose, and shall be paid by wire transfer of immediately available United States Dollars, to an account designated by Microsoft, within 30 days (the “**Redemption Date**”) of written notice delivered by Microsoft to the Company (the “Microsoft Redemption Notice”) requesting redemption in accordance with this Article 3A(4)(a).~~

- (b) ~~IFC Redemption.~~ If, pursuant to a Microsoft Redemption Notice issued under Article 3A(4)(a), all the Series A Shares held by Microsoft at the date of the relevant Microsoft Redemption Notice will be redeemed by the Company, then the Company shall promptly notify IFC, and IFC shall have ten (10) Business Days to request in writing that the Company redeems, on the Redemption Date on which all of the Series A Shares held by Microsoft will be redeemed by the Company such Series A Shares as designated by IFC and the Company shall subject to the Law redeem such Series A Shares on the Redemption Date, provided that the Series A Shares requested by IFC to be redeemed shall have an aggregate Issue Price of no more US\$5 million. The redemption amount shall be the aggregate Issue Price of the designated Series A Shares, plus any accrued but unpaid dividends thereon, and shall be paid from any funds legally available for such purpose by wire transfer of immediately available United States Dollars, to an account designated in writing by IFC to the Company.
- (c) ~~Optional Redemption.~~ Upon the written request of any of the Series A Holders, the Company shall subject to the Law redeem any or all of the Series A Shares then held by such Series A Holders, at the relevant Issue Price plus any accrued and unpaid dividends thereon, from any funds legally available for such purpose, by wire transfer of immediately available United States Dollars, to an account designated by such requesting Series A Holder, at any time on or after the occurrence of any of the following events:
- (i) ~~The Company fails to become listed on an internationally recognized stock exchange, other than GEM, acceptable to the Series A Holders (it being agreed that the Main Board of The Stock Exchange of Hong Kong Limited (the “**Hong Kong Main Board**”) is acceptable to the Series A Holders for the purpose of this provision), prior to the third anniversary of the Series A-1 Issue Date;~~
 - (ii) ~~the fifth anniversary of the Series A-1 Issue Date;~~
 - (iii) ~~The Company fails to implement the corporate governance plan attached as Exhibit E to the Subscription Agreement (the “Corporate Governance Plan”) to the satisfaction of the Series A Holders within 4 months from the Series A-1 Issue Date (save for paragraph 3 of the Corporate Governance Plan where the Company shall have 18 months to implement the recruitment plan) or fails to meet the ongoing requirements as stipulated under the Corporate Governance Plan to the reasonable satisfaction of the Series A Holders;~~
 - (iv) ~~The Company is in violation of IFC’s environment, social, anti-corruption, anti-money laundering or insurance requirements, contained in Sections 4.7, 4.8, 4.23, 6.8, 6.9, 6.10, Exhibit F or Exhibit G to the Subscription Agreement;~~
~~or~~
 - (v) ~~Microsoft and the Company agree to terminate the Commercial Agreement.~~

- (d) ~~*Mandatory Redemption.* The Company shall subject to the Law redeem all of the Series A Shares then owned by the Series A Holders, at the relevant Issue Prices plus any accrued and unpaid dividends thereon, from any funds legally available for such purpose, by wire transfer of immediately available United States Dollars, to an account designated by the requesting Series A Holder, upon the sixth anniversary of the Series A-1 Issue Date, unless earlier redeemed or converted into the Ordinary Shares pursuant to the terms and conditions in these Articles.~~
- (e) ~~*Allocation of Redemption Amounts.* In the event that the number of Series A Shares that may be legally redeemed by the Company is less than the aggregate of: (a) the number of Series A Shares held by Microsoft which are to be redeemed on the relevant redemption date (the “**Microsoft Redemption Shares**”), and (b) the number of Series A Shares held by IFC which are to be redeemed on the relevant redemption date (the “**IFC Redemption Shares**”), then those funds that are legally available will be used to redeem the Series A Shares pro rata amongst the relevant Series A Holders, based upon their then holdings of the Microsoft Redemption Shares and the IFC Redemption Shares. The Series A Shares not redeemed shall remain outstanding and entitled to all the rights and preferences provided herein, including the rights of conversion set forth herein. The outstanding amount shall be owed by the Company to the relevant Series A Holders as a senior debt ranking *pari passu* with the unsecured creditors of the Company, and the Company shall execute such documents and perform such acts to give effect to this, including issuing an interest-bearing promissory note to the relevant Series A Holder(s) for such appropriate outstanding amount, which note shall remain outstanding until such time as all Shares requested to be redeemed have been redeemed in full. In addition, the Company shall in good faith use all reasonable efforts as expeditiously as possible to increase the amount of funds that are legally available for redemption, including without limitation, causing its Subsidiaries to distribute any and all available funds to the Company for such purpose. If any time thereafter additional funds become legally available for the redemption, such funds will immediately be used to redeem the balance of the shares which the Company has become obliged to redeem on any Redemption Date but which it has not redeemed.~~
- (f) ~~*Redemption Funds.* The Board shall have the power to redeem the Series A Shares out of funds legally available under the Law, including the share capital of the Company.~~

(5) — Voting Rights

~~Except as expressly provided herein, Series A Holders shall enjoy the same voting power as holders of Ordinary Shares and shall be entitled to vote on all matters required to be submitted for votes by all Members of the Company. Each Series A Holder shall be entitled to the number of votes equal to the number of votes attaching to the number of Ordinary Shares into which such Series A Shares could be converted based on the applicable Conversion Price. Series A Holders shall vote together with holders of Ordinary Shares and not as a separate class except as provided in Article 3A(6).~~

(6) — Protective Provisions

~~Notwithstanding any provision to the contrary in these Articles, and subject to any additional approval required by the Law, so long as each Investor owns at least 50 per cent. (50%) of the number of Series A Shares subscribed to upon the Series A-1 Issue Date or the Series A Holders collectively own more than 97,250,000 Series A Shares (as adjusted for share splits, combinations, recapitalizations, reclassifications and similar transactions), the Shareholders shall exercise their voting powers in relation to the Company to procure that the Company shall not and shall procure that none of its Subsidiaries shall, either directly or by amendment, merger, consolidation or otherwise, without prior written consent of holders of at least seventy per cent. (70%) of all outstanding Series A Shares save that in the case of sub-paragraphs (a) and (j) below, such consent shall be deemed to have been given if a special resolution is passed in accordance with the Company's articles of association.~~

- ~~(a) — Liquidate, dissolve or wind-up the affairs of the Company or any of its Subsidiaries;~~
- ~~(b) — Enter into any merger, consolidation or sale to the extent that any of such transactions involves all or substantially all of the assets of the Company or any Key Subsidiary or any sale of any shares of the Company which result in the control of the Company at its general meetings being transferred to a third party or third parties;~~
- ~~(c) — Create, authorize or issue any class or series of equity, equity-linked or debt security senior to or *pari passu* with the Series A Shares or allow any Subsidiary to create, authorize or issue any such security;~~
- ~~(d) — Authorize or pay a dividend on any share (i) in preference to, or *pari passu* with, the dividends payable on the Series A Shares, or (ii) of any Subsidiary, unless (in the case of this clause (ii)) such dividend is payable solely to the Company;~~
- ~~(e) — Redeem or repurchase any share of (i) the Company, except for bona fide open market purchases from time to time as part of the Company's share repurchase activities approved by the Board, or (ii) any Subsidiary;~~

- ~~(f) — Make any loan or advance to or issue any guarantee or indemnity for any other company (other than for a wholly-owned Subsidiary of the Company) or Person (including but not limited to, any employee, director or shareholder), outside the ordinary course of its business, which shall be determined with reference to the prevailing business activities and arrangements of the Company and its Subsidiaries at that time;~~
 - ~~(g) — Issue any other guarantee outside of the ordinary course of business, which shall be determined with reference to the prevailing business activities and arrangements of the Company and its Subsidiaries at that time;~~
 - ~~(h) — Incur indebtedness in excess of US\$5,000,000, on a consolidated basis;~~
 - ~~(i) — Enter into or be a party to any transaction with any officer, employee, director or shareholder or Affiliate of the Company or any Subsidiary or any associate thereof, or any other related party (including with limitation, China National Software & Service Co. Limited(中國軟件與技術服務股份有限公司), a joint stock limited company established under the laws of the PRC and its Affiliates), except transactions in the ordinary course of its business concluded on arm's-length terms;~~
 - ~~(j) — Amend, alter or repeal the Company's Memorandum and Articles of Association or Revised Articles or Corporate Governance Plan in any manner which would adversely effect the rights, privileges and preferences of the holders of the Series A Shares or the rights which the holders of the Series A Shares may have upon the conversion of the Series A Shares to Ordinary Shares; or~~
 - ~~(k) — Undertake any other transaction, which would impair or reduce the rights, preferences or privileges of the holders of the Series A Shares or the rights which the holders of the Series A Shares may have upon the conversion of the Series A Shares to Ordinary Shares.~~
- ~~(7) — **No Withholdings**~~

~~All payments to the Series A Holders will be made without deduction or withholding for any taxes; provided, however, that if any taxes are required to be deducted or withheld, the Company will pay an additional amount so that the total received by the relevant Series A Holder shall be equal to the amount that would have been received in the absence of such deduction or withholding. The Company shall pay the full amount of any required deductions or withholdings to the relevant taxation authority. The Company shall also provide a tax indemnity in favor of the Series A Holder for any payments required to be made by the Series A Holder on account of such taxes. It is acknowledged that IFC is immune from all forms of taxation (including withholding) under its Articles of Agreement.~~

3B. ~~The holders of Ordinary Shares shall, subject to the provision of these Articles:~~

- ~~(a) be entitled to one vote per share;~~
- ~~(b) be entitled to such dividends as the Board may from time to time declare;~~
- ~~(c) in the event of a winding-up or dissolution of the Company, whether voluntary or involuntary or for the purpose of a reorganization or otherwise or upon any distribution of capital, be entitled to the surplus assets of the Company; and~~
- ~~(d) generally be entitled to enjoy all of the rights attaching to shares.~~

ALTERATION OF CAPITAL

4. The Company may from time to time by ordinary resolution in accordance with the ~~Law~~Act alter the conditions of its Memorandum of Association to:

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

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

SHARE RIGHTS

8. (1) Subject to the provisions of the ~~Law~~Act and the Company's Memorandum of Association and these Articles and to any special rights conferred on the holders of any shares or class of shares, any share in the Company (whether forming part of the present capital or not) may be issued with or have attached thereto such rights or restrictions whether in regard to dividend, voting, return of capital or otherwise as the ~~Company may by ordinary resolution determine or, if there has not been any such determination or so far as the same shall not make specific provision, as the Board may determine.~~Board may determine.
9. (2) Subject to the provisions of the ~~Law~~Act, the ~~rules of any Designated Stock Exchange~~Listing Rules and the Company's Memorandum of Association and these Articles ~~of the Company,~~ and to any special rights conferred on the holders of any shares or attaching to any class of shares, shares may be issued on the terms that they may be, or at the option of the Company or the holder are, liable to be redeemed on such terms and in such manner, including out of capital, as the Board may deem fit.

9. ~~Subject to the Law and the Memorandum of Association and these Articles, 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, are liable to be redeemed on such terms and in such manner as the Company before the issue or conversion may by ordinary resolution of the Members determine. Where the Company purchases for redemption a redeemable share, purchases not made through the market or by tender shall be limited to a maximum price as may from time to time be determined by the Company in general meeting, either generally or with regard to specific purchases. If purchases are by tender, tenders shall be available to all Members alike.~~

VARIATION OF RIGHTS

10. Subject to the ~~Law~~Act and without prejudice to Article 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 ~~par~~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 Articles 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 ~~authorized~~authorised representative) holding or representing by proxy not less than one-third in ~~par~~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 authorized 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 or authorised representative may demand a poll.
11. The special rights conferred upon the holders of any shares or class of shares shall not, unless otherwise expressly provided in the rights attaching to or the terms of issue of such shares, be deemed to be varied, modified or abrogated by the creation or issue of further shares ranking *pari passu* therewith.

SHARES

12. (1) Subject to the LawAct, these Articles, 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 for any purpose whatsoever.
- (2) The Board may issue warrants or ~~Convertible Securities~~ convertible securities or securities of similar nature conferring the right upon the holders thereof to subscribe for any class of shares or securities in the capital of the Company on such terms as it may from time to time determine.
13. The Company may in connection with the issue of any shares exercise all powers of paying commission and brokerage conferred or permitted by the LawAct. Subject to the LawAct, the commission may be satisfied by the payment of cash or by the allotment of fully or partly paid shares or partly in one and partly in the other.
14. Except as required by law, no person shall be recognised by the Company as holding any share upon any trust and the Company shall not be bound by or required in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any fractional part of a share or (except only as otherwise provided by these Articles or by law) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.
15. Subject to the LawAct and these Articles, the Board may at any time after the allotment of shares but before any person has been entered in the Register as the holder, recognise a renunciation thereof by the allottee in favour of some other person and may accord to any allottee of a share a right to effect such renunciation upon and subject to such terms and conditions as the Board considers fit to impose.

SHARE CERTIFICATES

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

21. If a share certificate shall be damaged or defaced or alleged to have been lost, stolen or destroyed a new certificate representing the same shares may be issued to the relevant Member upon request and on payment of such fee as the Designated Stock Exchange may determine to be the maximum fee payable or such lesser sum as the Board may determine and, subject to compliance with such terms (if any) as to evidence and indemnity and to payment of the costs and reasonable out-of-pocket expenses of the Company in investigating such evidence and preparing such indemnity as the Board may think fit and, in case of damage or defacement, on delivery of the old certificate to the Company provided always that where share warrants have been issued, no new share warrant shall be issued to replace one that has been lost unless the Directors are satisfied beyond reasonable doubt that the original has been destroyed.

LIEN

22. The Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys (whether presently payable or not) called or payable at a fixed time in respect of that share. The Company shall also have a first and paramount lien on every share (not being a fully paid share) registered in the name of a Member (whether or not jointly with other Members) for all amounts of money presently payable by such Member or his estate to the Company whether the same shall have been incurred before or after notice to the Company of any equitable or other interest of any person other than such Member, 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 of the Company 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 Article.
23. Subject to these Articles, 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~~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~~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.
24. The net proceeds of the sale shall be received by the Company and applied in or towards payment or discharge of the debt or liability in respect of which the lien exists, so far as the same is presently payable, and any residue shall (subject to a like lien for debts or liabilities not presently payable as existed upon the share prior to the sale) be paid to the person entitled to the share at the time of the sale. To give effect to any such sale the Board may authorise some person to transfer the shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the shares so transferred and he shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale.

CALLS ON SHARES

25. Subject to these Articles and to the terms of allotment, the Board may from time to time make calls upon the Members in respect of any moneys unpaid on their shares (whether on account of the par value of the shares or by way of premium), and each Member shall (subject to being given at least fourteen (14) clear days' Notice specifying the time and place of payment) pay to the Company as required by such ~~notice~~ Notice the amount called on his shares. A call may be extended, postponed or revoked in whole or in part as the Board determines but no Member shall be entitled to any such extension, postponement or revocation except as a matter of grace and favour.
26. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be made payable either in one lump sum or by instalments.
27. A person upon whom a call is made shall remain liable for calls made upon him notwithstanding the subsequent transfer of the shares in respect of which the call was made. The joint holders of a share shall be jointly and severally liable to pay all calls and instalments due in respect thereof or other moneys due in respect thereof.
28. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the amount unpaid from the day appointed for payment thereof to the time of actual payment at such rate (not exceeding twenty per cent. (20%) per annum) as the Board may determine, but the Board may in its absolute discretion waive payment of such interest wholly or in part.
29. No Member shall be entitled to receive any dividend or bonus or to be present and vote (save as proxy for another Member) at any general meeting either personally or by proxy, or be reckoned in a quorum, or exercise any other privilege as a Member until all calls or instalments due by him to the Company, whether alone or jointly with any other person, together with interest and expenses (if any) shall have been paid.
30. On the trial or hearing of any action or other proceedings for the recovery of any money due for any call, it shall be sufficient to prove that the name of the Member sued is entered in the Register as the holder, or one of the holders, of the shares in respect of which such debt accrued, that the resolution making the call is duly recorded in the minute book, and that notice of such call was duly given to the Member sued, in pursuance of these Articles; and it shall not be necessary to prove the appointment of the Directors who made such call, nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.
31. Any amount payable in respect of a share upon allotment or at any fixed date, whether in respect of nominal value or premium or as an instalment of a call, shall be deemed to be a call duly made and payable on the date fixed for payment and if it is not paid the provisions of these Articles shall apply as if that amount had become due and payable by virtue of a call duly made and notified.

32. On the issue of shares the Board may differentiate between the allottees or holders as to the amount of calls to be paid and the times of payment.
33. The Board may, if it thinks fit, receive from any Member willing to advance the same, and either in money or money's worth, all or any part of the moneys uncalled and unpaid or instalments payable upon any shares held by him and upon all or any of the moneys so advanced (until the same would, but for such advance, become presently payable) pay interest at such rate (if any) as the Board may decide. The Board may at any time repay the amount so advanced upon giving to such Member not less than one (1) month's Notice of its intention in that behalf, unless before the expiration of such notice the amount so advanced shall have been called up on the shares in respect of which it was advanced. Such payment in advance shall not entitle the holder of such share or shares to participate in respect thereof in a dividend subsequently declared.

FORFEITURE OF SHARES

34. (1) If a call remains unpaid after it has become due and payable the Board may give to the person from whom it is due not less than fourteen (14) clear days' Notice:
- (a) requiring payment of the amount unpaid together with any interest which may have accrued and which may still accrue up to the date of actual payment; and
 - (b) stating that if the Notice is not complied with the shares on which the call was made will be liable to be forfeited.
- (2) If the requirements of any such Notice are not complied with, any share in respect of which such Notice has been given may at any time thereafter, before payment of all calls and interest due in respect thereof has been made, be forfeited by a resolution of the Board to that effect, and such forfeiture shall include all dividends and bonuses declared in respect of the forfeited share but not actually paid before the forfeiture.
35. When any share has been forfeited, ~~notice~~Notice of the forfeiture shall be served upon the person who was before forfeiture the holder of the share. No forfeiture shall be invalidated by any omission or neglect to give such Notice.
36. The Board may accept the surrender of any share liable to be forfeited hereunder and, in such case, references in these Articles to forfeiture will include surrender.
37. Any share so forfeited shall be deemed the property of the Company and may be sold, re-allotted or otherwise disposed of to such person, upon such terms and in such manner as the Board determines, and at any time before a sale, re-allotment or disposition the forfeiture may be annulled by the Board on such terms as the Board determines.

38. A person whose shares have been forfeited shall cease to be a Member in respect of the forfeited shares but nevertheless shall remain liable to pay the Company all moneys which at the date of forfeiture were presently payable by him to the Company in respect of the shares, with (if the Directors shall in their discretion so require) interest thereon from the date of forfeiture until payment at such rate (not exceeding twenty per cent. (20%) per annum) as the Board determines. The Board may enforce payment thereof if it thinks fit, and without any deduction or allowance for the value of the forfeited shares, at the date of forfeiture, but his liability shall cease if and when the Company shall have received payment in full of all such moneys in respect of the shares. For the purposes of this Article any sum which, by the terms of issue of a share, is payable thereon at a fixed time which is subsequent to the date of forfeiture, whether on account of the par value of the share or by way of premium, shall notwithstanding that time has not yet arrived be deemed to be payable at the date of forfeiture, and the same shall become due and payable immediately upon the forfeiture, but interest thereon shall only be payable in respect of any period between the said fixed time and the date of actual payment.
39. A declaration by a Director or the Secretary that a share has been forfeited on a specified date shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share, and such declaration shall (subject to the execution of an instrument of transfer by the Company if necessary) constitute a good title to the share, and the person to whom the share is disposed of shall be registered as the holder of the share and shall not be bound to see to the application of the consideration (if any), nor shall his title to the share be affected by any irregularity in or invalidity of the proceedings in reference to the forfeiture, sale or disposal of the share. When any share shall have been forfeited, notice of the declaration shall be given to the Member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the register, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or make any such entry.
40. Notwithstanding any such forfeiture as aforesaid the Board may at any time, before any shares so forfeited shall have been sold, re-allotted or otherwise disposed of, permit the shares forfeited to be bought back upon the terms of payment of all calls and interest due upon and expenses incurred in respect of the share, and upon such further terms (if any) as it thinks fit.
41. The forfeiture of a share shall not prejudice the right of the Company to any call already made or instalment payable thereon.
42. The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the par value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

REGISTER OF MEMBERS

43. (1) The Company shall keep in one or more books a Register of its Members and shall enter therein the following particulars, that is to say:
- (a) the name and address of each Member, the number and class of shares held by him and, ~~in respect of any shares that are not fully paid,~~ the amount paid or agreed to be considered as paid on such shares;
 - (b) the date on which each person was entered in the Register; and
 - (c) the date on which any person ceased to be a Member.
- (2) The Company may keep an overseas or local or other branch register of Members resident in any place, and the Board may make and vary such regulations as it determines in respect of the keeping of any such register and maintaining a Registration Office in connection therewith.
44. The Register and branch register of Members maintained in Hong Kong, as the case may be, shall be open to inspection for at least two (2) hours ~~on every~~ during business ~~day~~ hours by Members without charge or by any other person, upon a maximum payment of HK\$2.50 or such lesser sum specified by the Board, at the Office or such other place at which the Register is kept in accordance with the Law Act or, if appropriate, upon a maximum payment of HK\$1.00 or such lesser sum specified by the Board 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 or any other~~ any newspapers in accordance with the requirements of any Designated Stock Exchange or by any electronic means in such manner as may be accepted by the Designated Stock Exchange to that effect, be closed at such times or for such periods not exceeding in the whole thirty (30) days in each year as the Board may determine and either generally or in respect of any class of shares. The period of thirty (30) days may be extended for a further period or periods not exceeding thirty (30) days in respect of any year if approved by the Members by ordinary resolution.

RECORD DATES

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

TRANSFER OF SHARES

46. (1) Subject to these Articles, any Member may transfer all or any of his shares 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.
- (2) Notwithstanding the provisions of subparagraph (1) above, for so long as any shares are listed on the Designated Stock Exchange, titles to such listed shares may be evidenced and transferred in accordance with the laws applicable to and the Listing Rules that are or shall be applicable to such listed shares. The register of members of the Company in respect of its listed shares (whether the Register or a branch register) may be kept by recording the particulars required by Section 40 of the Act in a form otherwise than legible if such recording otherwise complies with the laws applicable to and the Listing Rules that are or shall be applicable to such listed shares.
47. The instrument of transfer shall be executed by or on behalf of the transferor and the transferee provided that the Board may dispense with the execution of the instrument of transfer by the transferee in any case which it thinks fit in its discretion to do so. Without prejudice to the last preceding Article, the Board may also resolve, either generally or in any particular case, upon request by either the transferor or transferee, to accept mechanically executed transfers. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register in respect thereof. Nothing in these Articles shall preclude the Board from recognising a renunciation of the allotment or provisional allotment of any share by the allottee in favour of some other person.
48. (1) The Board may, in its absolute discretion, and without giving any reason therefor, refuse to register a transfer of any share (not being a fully paid up share) to a person of whom it does not approve, or any share issued under any share incentive scheme for employees upon which a restriction on transfer imposed thereby still subsists, and it may also, without prejudice to the foregoing generality, refuse to register a transfer of any share to more than four (4) joint holders or a transfer of any share (not being a fully paid up share) on which the Company has a lien.
- (2) No transfer shall be made to an infant or to a person of unsound mind or under other legal disability.
- (3) The Board in so far as permitted by any applicable law may, in its absolute discretion, at any time and from time to time transfer any share upon the Register to any branch register or any share on any branch register to the Register or any other branch register. In the event of any such transfer, the shareholder requesting such transfer shall bear the cost of effecting the transfer unless the Board otherwise determines.

- (4) Unless the Board otherwise agrees (which agreement may be on such terms and subject to such conditions as the Board in its absolute discretion may from time to time determine, and which agreement the Board shall, without giving any reason therefor, be entitled in its absolute discretion to give or withhold), no shares upon the Register shall be transferred to any branch register nor shall shares on any branch register be transferred to the Register or any other branch register and all transfers and other documents of title shall be lodged for registration, and registered, in the case of any shares on a branch register, at the relevant Registration Office, and, in the case of any shares on the Register, at the Office or such other place at which the Register is kept in accordance with the Law Act.
49. Without limiting the generality of the last preceding Article, the Board may decline to recognise any instrument of transfer unless:-
- (a) a fee of such maximum sum as the Designated Stock Exchange may determine to be payable or such lesser sum as the Board may from time to time require is paid to the Company in respect thereof;
 - (b) the instrument of transfer is in respect of only one class of share;
 - (c) the instrument of transfer is lodged at the Office or such other place at which the Register is kept in accordance with the Law Act or the Registration Office (as the case may be) accompanied by the relevant share certificate(s) and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer (and, if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do); and
 - (d) if applicable, the instrument of transfer is duly and properly stamped.
50. If the Board refuses to register a transfer of any share, it shall, within two (2) months after the date on which the transfer was lodged with the Company, send to each of the transferor and transferee notice of the refusal.
51. The registration of transfers of shares or of any class of shares may, after notice has been given by announcement or by electronic communication or by advertisement in an appointed newspaper or any other newspapers or by any other means in accordance with the requirements of any 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. The period of thirty (30) days may be extended for a further period or periods not exceeding thirty (30) days in respect of any year if approved by the Members by ordinary resolution.

TRANSMISSION OF SHARES

52. If a Member dies, the survivor or survivors where the deceased was a joint holder, and his legal personal representatives where he was a sole or only surviving holder, will be the only persons recognised by the Company as having any title to his interest in the shares; but nothing in this Article will release the estate of a deceased Member (whether sole or joint) from any liability in respect of any share which had been solely or jointly held by him.
53. Any person becoming entitled to a share in consequence of the death or bankruptcy or winding-up of a Member may, upon such evidence as to his title being produced as may be required by the Board, elect either to become the holder of the share or to have some person nominated by him registered as the transferee thereof. If he elects to become the holder he shall notify the Company in writing either at the Registration Office or Office, as the case may be, to that effect. If he elects to have another person registered he shall execute a transfer of the share in favour of that person. The provisions of these Articles 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 ~~occur~~ re-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 Article 75(2) being met, such a person may vote at meetings.

UNTRACEABLE MEMBERS

55. (1) Without prejudice to the rights of the Company under paragraph (2) of this Article, 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) The Company shall have the power to sell, in such manner as the Board thinks ~~fit~~ fit, any shares of a Member who is untraceable, but no such sale shall be made unless:
- (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~~ these Articles of the Company have remained uncashed;

- (b) so far as it is aware at the end of the relevant period, the Company has not at any time during the relevant period received any indication of the existence of the Member who is the holder of such shares or of a person entitled to such shares by death, bankruptcy or operation of law; and
- (c) the Company, if so required by the ~~rules governing the listing of shares on the Designated Stock Exchange~~ Listing Rules, has given notice of its intention to sell such shares to, and caused advertisement in newspapers both in daily newspaper and in a newspaper circulating in the area of the last known address of such Member or any person entitled to the share under Article 54 and where applicable, in each case 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 Article and ending at the expiry of the period referred to in that paragraph.

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

GENERAL MEETINGS

56. An annual general meeting of the Company shall be held in for each financial year other than the year of the Company's incorporation (and such annual general meeting must be held within a period of not more than fifteen (15) six (6) months after the holding of the last preceding annual general meeting or not more than eighteen (18) months after the date of incorporation, end of the Company's financial year (unless a longer period would not infringe the rules of the Designated Stock Exchange, if any) at such time and place as may be determined by the Board any requirement under the Listing Rules).

57. Each general meeting, other than an annual general meeting, shall be called an extraordinary 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 Article 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 extraordinary general meetings. Any one or more ~~Members~~Member(s) 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 an extraordinary general meeting to be called by the Board for the transaction of any business or resolution specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may ~~do so in the same manner~~convene a physical meeting at only one location which will be the Principal Meeting Place, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

NOTICE OF GENERAL MEETINGS

59. (1) An annual general meeting ~~and any extraordinary general meeting at which the passing of a special resolution is to be considered shall~~must be called by Notice of not less than twenty-one (21) clear ~~days' Notice~~days. All other ~~extraordinary~~ general meetings ~~may~~(including an extraordinary general meeting) must be called by Notice of not less than fourteen (14) clear ~~days' Notice but~~days but if permitted by the Listing Rules, a general meeting may be called by shorter notice, ~~subject to the Law,~~ if it is so agreed:
- (a) in the case of a meeting called as an annual general meeting, by all the Members entitled to attend and vote thereat; and
 - (b) in the case of any other meeting, by a majority in number of the Members having the right to attend and vote at the meeting, being a majority together ~~holding~~representing not less than ninety-five per cent. (95%) ~~in par 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 the time and place of the meeting and, in case of special business, the general nature of the business. The notice~~(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 if there is more than one meeting location as determined by the Board pursuant to Article 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 Articles or the terms of issue of the shares they hold, are not entitled to receive such ~~notices~~Notices from the Company, to all persons entitled to a share in consequence of the death or bankruptcy or winding-up of a Member and to each of the Directors and the Auditors.

60. The accidental omission to give Notice of a meeting or (in cases where instruments of proxy are sent out with the Notice) to send such instrument of proxy to, or the non-receipt of such Notice or such instrument of proxy by, any person entitled to receive such Notice shall not invalidate any resolution passed or the proceedings at that meeting.

PROCEEDINGS AT GENERAL MEETINGS

61. (1) All business shall be deemed special that is transacted at an extraordinary general meeting, and also all business that is transacted at an annual general meeting, with the exception of:
- (a) the declaration and sanctioning of dividends;
 - (b) consideration and adoption of the accounts and balance sheet and the reports of the Directors and Auditors and other documents required to be annexed to the balance sheet;
 - (c) the election of Directors whether by rotation or otherwise in the place of those retiring;
 - (d) appointment of Auditors (where special notice of the intention for such appointment is not required by the ~~Law~~Act) and other officers; and
 - (e) the fixing of the remuneration of the Auditors, and the voting of remuneration or extra remuneration to the Directors; ;
 - ~~(f) the granting of any mandate or authority to the Directors to offer, allot, grant options over or otherwise dispose of the unissued shares in the capital of the Company representing not more than 20 per cent. in par value of its existing issued share capital; and~~

- (g) ~~the granting of any mandate or authority to the Directors to repurchase securities of the Company.~~
- (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 by proxy or ~~(in, for quorum purposes only, two persons appointed by the ease of a Member being a corporation) by its~~ duly clearing house as authorised representative or proxy shall form a quorum for all purposes.
62. If within thirty (30) minutes (or such longer time not exceeding one hour as the chairman of the meeting may determine to wait) after the time appointed for the meeting a quorum is not present, the meeting, if convened on the requisition of Members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week at the same time and ~~(where applicable)~~ same place(s) or to such time and (where applicable) such place(s) and in such form and manner referred to in Article 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 chairman of the Company or if there is more than one chairman, any one of them as may be agreed amongst themselves or failing such agreement, any one of them elected by all the Directors present shall preside as chairman at every a general meeting. If at any meeting ~~theno~~ the chairman, is ~~not~~ not present within fifteen (15) minutes after the time appointed for holding the meeting, or is ~~not~~ not willing to act as chairman, the ~~managing director~~ deputy chairman of the Company, if one has been appointed by 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 Board, Directors present shall preside as chairman at the meeting. ~~If no chairman or if he deputy chairman is absent from the meeting~~ present or not 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 held in any form is participating in the general meeting using an electronic facility or facilities which is hereby permitted and becomes unable to participate in the general meeting using such electronic facility or facilities, another person (determined in accordance with Article 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. ~~The~~Subject to Article 64C, the chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time (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 ~~deter-mine~~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~~Notice of the adjourned meeting shall be given specifying the ~~time and place of the adjourned meeting~~details set out in Article 59(2) but it shall not be necessary to specify in such ~~notice~~Notice the nature of the business to be transacted at the adjourned meeting and the general nature of the business to be transacted. Save as aforesaid, it shall be unnecessary to give ~~notice~~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 or proxy attending and 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 and, where appropriate, all references to a “Member” or “Members” in this sub-paragraph (2) shall include a proxy or proxies respectively:
- (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 attending and 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; and
- (d) if any of the Meeting Locations is not in the same jurisdiction as the Principal Meeting Place and/or in the case of a hybrid meeting, the provisions of these Articles 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 Article 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 Articles 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. 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 Article 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 Article 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 a 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 Article, subject to and without prejudice to Article 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 Articles not less than 48 hours before the time of the postponed 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 Article 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 Article 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.

65. If an amendment is proposed to any resolution under consideration but is in good faith ruled out of order by the chair man of the meeting, the proceedings on the substantive resolution shall not be invalidated by any error in such ruling. In the case of a resolution duly proposed as a special resolution, no amendment thereto (other than a mere clerical amendment to correct a patent error) may in any event be considered or voted upon.

VOTING

66. (1) Subject to any special rights or restrictions as to voting for the time being attached to any shares by or in accordance with these Articles, at any general meeting on a show of hands every Member present in person (or being a corporation, is present by a duly authorised representative), 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 up on the share. Notwithstanding anything contained in these Articles, 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 show of hands unless voting by way of a poll is required by the rules of the Designated Stock Exchange or (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 demanded: For purposes of this Article, 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 (whether on a show of hands or by way of poll) may be cast by such means, electronic or otherwise, as the Directors or the chairman of the meeting may determine.
- (2) In the case where a show of hands 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 may be demanded:
- (a) ~~by the chairman of such meeting; or~~
- (b) ~~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~~

(eb) 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

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

68. ~~If a poll is duly demanded the~~The result of the poll shall be deemed to be the resolution of the meeting ~~at which the poll was demanded. There.~~ The Company shall only be no requirement for the chairman required 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 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.~~

69. [intentionally deleted]

70. [intentionally deleted]

71. On a poll votes may be given either personally or by proxy.
72. A person entitled to more than one vote on a poll need not use all his votes or cast all the votes he uses in the same way.
73. All questions submitted to a meeting shall be decided by a simple majority of votes except where a greater majority is required by these Articles or by the ~~Law~~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.
74. Where there are joint holders of any share any one of such joint ~~holder~~holders may vote, either in person or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders be present at any meeting the vote of the senior holder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the Register in respect of the joint holding. Several executors or administrators of a deceased Member in whose name any share stands shall for the purposes of this Article be deemed joint holders thereof.
75. (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 ~~poll~~postponed meeting, as the case may be.
- (2) Any person entitled under Article 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.

76. (1) No Member shall, unless the Board otherwise determines, be entitled to attend and vote and to be reckoned in a quorum at any general meeting unless he is duly registered and all calls or other sums presently payable by him in respect of shares in the Company have been paid.
- (2) 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.
- (23) 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.
77. If:
- (a) any objection shall be raised to the qualification of any voter; or
- (b) any votes have been counted which ought not to have been counted or which might have been rejected; or
- (c) any votes are not counted which ought to have been counted;

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

- ~~77A. Where the Company has knowledge that any Member is, under the rules of any Designated Stock Exchange, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such Member in contravention of such requirement or restriction shall not be counted.~~

PROXIES

78. 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 exercise the same powers on behalf of the Member which he or they represent as such Member could exercise.
79. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same. In the case of an instrument of proxy purporting to be signed on behalf of a corporation by an officer thereof it shall be assumed, unless the contrary appears, that such officer was duly authorised to sign such instrument of proxy on behalf of the corporation without further evidence of the facts.
80. (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 Articles) 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 Article 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 Article 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~~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.
81. 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~~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 of the meeting as for the meeting to which it relates 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 Articles has not been received in accordance with the requirements of these Articles. Subject to aforesaid, if the proxy appointment and any of the information required under these Articles is not received in the manner set out in these Articles, the appointee shall not be entitled to vote in respect of the shares in question.~~
82. 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~~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.

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

CORPORATIONS ACTING BY REPRESENTATIVES

84. (1) Any corporation which is a Member may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company or at any meeting of any class of Members. The person so authorised shall be entitled to exercise the same powers on behalf of such corporation as the corporation could exercise if it were an individual Member and such corporation shall for the purposes of these Articles be deemed to be present in person at any such meeting if a person so authorised is present thereat.
- (2) If a clearing house (or its nominee(s)), being a corporation, is a Member, it may authorise such persons as it thinks fit to act as its 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 Article shall be deemed to have been duly authorised without further evidence of the facts and be entitled to exercise the same rights and powers on behalf of the clearing house (or its nominee(s)) as if such person was the registered holder of the shares of the Company held by the clearing house (or its nominee(s)) including, the right to speak and vote and, where a show of hands is allowed, the right to vote individually on a show of hands.
- (3) Any reference in these Articles to a duly authorised representative of a Member being a corporation shall mean a representative authorised under the provisions of this Article.

WRITTEN RESOLUTIONS OF MEMBERS

85. 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~~Notice of and to attend and vote at general meetings of the Company shall, for the purposes of these Articles, 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.

BOARD OF DIRECTORS

86. (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 by the subscribers to the Memorandum of Association or by a majority of them and thereafter in accordance with Article 87 called for such purpose and who shall hold office for such term as the Members may determine or, in the absence of such determination, in accordance with Article 84 or until their successors are elected or appointed or their office is otherwise vacated.
- (2) Subject to ~~the~~these Articles and the ~~Law~~Act, the Company may by ordinary resolution elect any person to be a Director either to fill a casual vacancy on the Board, or as an addition to the existing Board.
- (3) ~~Subject to the Articles, the~~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 as an addition to the existing Board. Any Director so appointed ~~by the Board~~ shall hold office only until the ~~next following~~first annual general meeting of the Company after his appointment and shall then be eligible for re-election.
- (4) Neither a Director nor an alternate Director shall be required to hold any shares of the Company by way of qualification and a Director or alternate Director (as the case may be) who is not a Member shall be entitled to receive ~~notice~~Notice of and to attend and speak at any general meeting of the Company and of all classes of shares of the Company.
- (5) The Members may, at any general meeting convened and held in accordance with these Articles, by ordinary resolution remove a Director (including a managing or other executive Director) at any time before the expiration of his ~~period~~term of office notwithstanding anything to the contrary in these Articles or in any agreement between the Company and such Director (but without prejudice to any claim for damages under any such agreement).
- (6) A vacancy on the Board created by the removal of a Director under the provisions of subparagraph (5) above may be filled by the election or appointment by ordinary resolution of the Members at the meeting at which such Director is removed.
- (7) The Company may from time to time in general meeting by ordinary resolution increase or reduce the number of Directors but so that the number of Directors shall never be less than two (2).

- (8) ~~Microsoft, so long as it holds any Series A Shares or any Ordinary Shares issued upon conversion of the Series A Shares, shall have the right (but not the obligation) to nominate one (1) person as director of the Company. Microsoft shall have the right (but not the obligation) to nominate up to two (2) persons in aggregate as directors of the Company as long as it holds Series A Shares or Ordinary Shares representing 20% or more of the outstanding voting equity interest of the Company on a fully-diluted basis, provided that the number of directors on the Board is not less than ten (10). In the event that Microsoft disposes of such number of Series A Shares or Ordinary Shares that it would no longer be entitled to nominate a candidate that is a sitting director, such candidate shall be entitled to remain on the Board until the next general meeting of the shareholders.~~
- (9) ~~Each of Microsoft and IFC, so long as it holds any Series A Shares, shall have the right to veto any nomination of an independent director to be appointed to the Board if it demonstrates that: (i) the nomination does not meet the criteria for qualification as an independent director as stipulated under the applicable rules and regulations; or (ii) the procedures for the nomination and appointment of such independent director have not been followed or satisfied in any material respect.~~
- (10) ~~For so long as Microsoft and/or IFC holds Series A Shares or Ordinary Shares comprising at least 5% of the voting equity interest of the Company, Microsoft and/or IFC, as applicable, shall have the right, from time to time, and at any time, to designate one individual (the "Observer") to attend all meetings of the Board and all committees thereof (whether in person, by telephone or other) in a non-voting observer capacity. The Company shall provide to the Observer, concurrently with the members of the Board, and in the same manner, notice of such meeting and a copy of all materials provided to such members.~~

RETIREMENT OF DIRECTORS

87. (1) ~~Notwithstanding any other provisions in ~~the~~these Articles, at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting 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 ~~off-ice~~office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. Any Director appointed by the Board pursuant to Article 86(2) or Article 86(3) shall not be taken into account in determining which particular Directors or the number of Directors who are to retire by rotation.~~

88. 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 no earlier than the day after the dispatch of the ~~notice~~ Notice of the meeting and no later than seven (7) clear days before the date appointed for the meeting.

DISQUALIFICATION OF DIRECTORS

89. The office of a Director shall be vacated if the Director:
- (1) resigns his office by notice in writing delivered to the Company at the Office or tendered at a meeting of the Board;
 - (2) becomes of unsound mind or dies;
 - (3) without special leave of absence from the Board, is absent from meetings of the Board for six consecutive months, and his alternate Director, if any, shall not during such period have attended in his stead and the Board resolves that his office be vacated;
 - (4) becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors;
 - (5) is prohibited by law from being a Director; or
 - (6) ceases to be a Director by virtue of any provision of the Statutes or is removed from office pursuant to these Articles.

EXECUTIVE DIRECTORS

90. The Board may from time to time appoint any one or more of its body to be a managing director, joint managing director or deputy managing director or to hold any other employment or executive office with the Company for such period (subject to their continuance as Directors) and upon such terms as the Board may determine and the Board may revoke or terminate any of such appointments. Any such revocation or termination as aforesaid shall be without prejudice to any claim for damages that such Director may have against the Company or the Company may have against such Director. A Director appointed to an office under this Article shall be subject to the same provisions as to removal as the other Directors of the Company, and he shall (subject to the provisions of any contract between him and the Company) ipso facto and immediately cease to hold such office if he shall cease to hold the office of Director for any cause.

91. Notwithstanding Articles 96, 97, 98 and 99, an executive director appointed to an ~~office~~ office under Article 90 hereof shall receive such remuneration (whether by way of salary, commission, participation in profits or otherwise or by all or any of those modes) and such other benefits (including pension and/or gratuity and/or other benefits on retirement) and allowances as the Board may from time to time determine, and either in addition to or in lieu of his remuneration as a Director.

ALTERNATE DIRECTORS

92. 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 (including another Director) 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~~ 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 body which appointed him and, subject thereto, the ~~office~~ office of alternate Director shall continue until the happening of any event which, if ~~we~~ 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 Articles shall apply as if he were a Director save that as an alternate for more than one Director his voting rights shall be cumulative.
93. An alternate Director shall only be a Director for the purposes of the ~~Law~~ Act and shall only be subject to the provisions of the ~~Law~~ Act insofar as they relate to the duties and obligations of a Director when performing the functions of the Director for whom he is appointed in the alternative and shall alone be responsible to the Company for his acts and defaults and shall not be deemed to be the agent of or for the Director appointing him. An alternate Director shall be entitled to contract and be interested in and benefit from contracts or arrangements or transactions and to be repaid expenses and to be indemnified by the Company to the same extent mutatis mutandis as if he were a Director but he shall not be entitled to receive from the Company any fee in his capacity as an alternate Director except only such part, if any, of the remuneration otherwise payable to his appointor as such appointor may by Notice to the Company from time to time direct.

94. Every person acting as an alternate Director shall have one vote for each Director for whom he acts as alternate (in addition to his own vote if he is also a Director). If his appointor is for the time being absent from Hong Kong or otherwise not available or unable to act, the signature of an alternate Director to any resolution in writing of the Board or a committee of the Board of which his appointor is a member shall, unless the notice of his appointment provides to the contrary, be as effective as the signature of his appointor.
95. An alternate Director shall ipso facto cease to be an alternate Director if his appointor ceases for any reason to be a Director, however, such alternate Director or any other person may be re-appointed by the Directors to serve as an alternate Director PROVIDED always that, if at any meeting any Director retires but is re-elected at the same meeting, any appointment of such alternate Director pursuant to these Articles which was in force immediately before his retirement shall remain in force as though he had not retired.

DIRECTORS' FEES AND EXPENSES

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

DIRECTORS' INTERESTS

100. A Director may:

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

101. Subject to the ~~Law~~Act and to these Articles, no Director or proposed or intending Director shall be disqualified by his ~~off-ice~~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 Article 102 herein.
102. A Director who to his knowledge is in any way, whether directly or indirectly, interested in a contract or arrangement or proposed contract or arrangement with the Company shall declare the nature of his interest at the meeting of the Board at which the question of entering into the contract or arrangement is first considered, if he knows his interest then exists, or in any other case at the first meeting of the Board after he knows that he is or has become so interested. For the purposes of this Article, a general Notice to the Board by a Director to the effect that:
- (a) he is a member or officer of a specified company or firm and is to be regarded as interested in any contract or arrangement which may after the date of the Notice be made with that company or firm; or
 - (b) he is to be regarded as interested in any contract or arrangement which may after the date of the Notice be made with a specified person who is connected with him;

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

103. (1) A Director shall not vote (nor be counted in the quorum) on any resolution of the Board ~~in respect of approving~~ any contract or arrangement or any other proposal in which he or any of his close associates (~~as defined by the rules, where applicable, of any Designated Stock Exchange~~) is materially interested, but this prohibition shall not apply to any of the following matters namely:
- (i) ~~any contract or arrangement for the giving of any security or indemnity either:-~~
 - (i)(a) ~~to such~~the Director or his close associate(s) (~~as defined by the rules, where applicable, of any Designated Stock Exchange~~) any security or indemnity in respect of money lent ~~by him or any of them~~ or obligations incurred or undertaken by him or any of them at the request of or for the benefit of the Company or any of its ~~Subsidiaries~~; 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~~ subsidiaries for which the Director or his close associate(s) (as defined by the rules, where applicable, of any Designated Stock Exchange) 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~~iii) ~~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 associate(s) (as defined by the rules, where applicable, of any Designated Stock Exchange) close associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;
- (iii) any proposal or arrangement concerning the benefit of employees of the Company or its subsidiaries including:
- (a) the adoption, modification or operation of any employees' share scheme or any share incentive or share option scheme under which the Director or his close associate(s) may benefit; or
- (b) the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates to the Director, his close associate(s) and employee(s) of the Company or any of its subsidiaries and does not provide in respect of any Director, or his close associate(s), as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates;
- (iv) ~~any contract or arrangement in which the Director or his associate(s) (as defined by the rules, where applicable, of any Designated Stock Exchange) close associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company or any of its Subsidiaries by virtue only of his/their interest in shares or debentures or other securities of the Company;~~
- (v) ~~any contract or arrangement concerning any other company in which the Director or his associate(s) (as defined by the rules, where applicable, of any Designated Stock Exchange) is/are interested only, whether directly or indirectly, as an officer or executive or a shareholder or in which the Director or his associate(s) (as defined by the rules, where applicable, of any Designated Stock Exchange) is/are beneficially interested in shares of that company, other than a company in which the Director and any of his associates (as defined by the rules, where applicable, of any Designated Stock Exchange) 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 his associate(s) (as defined by the rules, where applicable, of any Designated Stock Exchange) is derived);~~

- (vi) ~~any proposal concerning the adoption, modification or operation of a share option plan, a pension fund or retirement, death or disability benefits scheme or other arrangement which relates both to Directors, his associate(s) (as defined by the rules, where applicable, of any Designated Stock Exchange) and employees of the Company or of any of its Subsidiaries and does not provide in respect of any Director, or his associate(s) (as defined by the rules, where applicable, of any Designated Stock Exchange) as such any privilege or advantage not accorded to the employees to which such scheme or fund relates; or~~
- (vii) ~~any contract or arrangement in which the Director or his associates (as defined by the rules, where applicable, of any Designated Stock Exchange) 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 owns five (5) per cent. or more if and so long as (but only if and so long as) he and his associates (as defined by the rules, where applicable, of any Designated Stock Exchange) (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 is derived). For the purpose of this paragraph there shall be disregarded any shares held by a Director or his associate(s) (as defined by the rules, where applicable, of any Designated Stock Exchange) 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 Director's interest or that of his associates (as defined by the rules, where applicable, of any Designated Stock Exchange) is 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 associates (as defined by the rules, where applicable, of any Designated Stock Exchange) is interested only as a unit holder and any shares which carry no voting right at general meetings and very restrictive dividend and return of capital right.~~
- (3) ~~Where a company in which a Director together with his associates (as defined by the rules, where applicable, of the Designated Stock Exchange) holds five (5) per cent. or more is materially interested in a transaction, then that Director shall also be deemed materially interested in such transaction.~~

- (42) 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 of his close associate(s)~~his associates (as defined by the rules, where applicable, of any Designated Stock Exchange)~~ 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 of his close associate(s)~~or his associates (as defined by the rules, where applicable, of any Designated Stock Exchange)~~ concerned as known to such Director has not been fairly disclosed to the Board. If any question as aforesaid shall arise in respect of the chairman of the meeting such question shall be decided by a resolution of the Board (for which purpose such chairman shall not vote thereon) and such resolution shall be final and conclusive except in a case where the nature or extent of the interest of such chairman as known to such chair man has not been fairly disclosed to the Board.

GENERAL POWERS OF THE DIRECTORS

104. (1) The business of the Company shall be managed and conducted by the Board, which may pay all expenses incurred in forming and registering the Company and may exercise all powers of the Company (whether relating to the management of the business of the Company or otherwise) which are not by the Statutes or by these Articles required to be exercised by the Company in general meeting, subject nevertheless to the provisions of the Statutes and of these Articles and to such regulations being not inconsistent with such provisions, as may be prescribed by the Company in general meeting, but no regulations made by the Company in general meeting shall invalidate any prior act of the Board which would have been valid if such regulations had not been made. The general powers given by this Article shall not be limited or restricted by any special authority or power given to the Board by any other Article.
- (2) Any person contracting or dealing with the Company in the ordinary course of business shall be entitled to rely on any written or oral contract or agreement or deed, document or instrument entered into or executed as the case may be by any two of the Directors acting jointly on behalf of the Company and the same shall be deemed to be validly entered into or executed by the Company as the case may be and shall, subject to any rule of law, be binding on the Company.

- (3) Without prejudice to the general powers conferred by these Articles, ~~but subject to the provisions of these Articles and subject to the rights, privileges or restrictions of any class or classes of shares;~~ 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 deregistered in the Cayman Islands and continued in a named jurisdiction outside the Cayman Islands subject to the provisions of the LawAct.
- (4) ~~Except as would, if the Company were a company incorporated in Hong Kong, be permitted by Section 157H of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) as in force at the date of adoption of these Articles, and except as permitted under the Law,~~ The Company shall not make any loan, directly or indirectly:
- (i) ~~make a loan,~~ to a Director or a director of any holding company of the Company or his close associate(s) if and to any of their respective associates (as defined the extent it would be prohibited by the rules, where applicable, of the Designated Stock Exchange);
 - (ii) ~~enter into any guarantee or provide any security in connection with a loan made by any person to a Director or such a director; or~~
 - (iii) ~~if any one or more Companies Ordinance (Chapter 622 of the Directors hold (jointly or severally or indirectly or indirectly) a controlling interest in another laws of Hong Kong) as if the Company were a company, make a loan to that other company or enter into any guarantee or provide any security in connection with a loan made by any person to that other company incorporated in Hong Kong.~~

Article 104(4) shall only have effect for so long as the shares of the Company are listed on The Stock Exchange of Hong Kong Limited.

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

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

BORROWING POWERS

110. The Board may exercise all the powers of the Company to raise or borrow money and to mortgage or charge all or any part of the undertaking, property and assets (present and future) and uncalled capital of the Company and, subject to the ~~Law and subject to the rights, privileges or restrictions of any class or classes of shares~~ Act, to issue debentures, bonds and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.
111. Debentures, bonds and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.
112. Any debentures, bonds or other securities may be issued at a discount (other than shares), premium or otherwise and with any special privileges as to redemption, surrender, drawings, allotment of shares, attending and voting at general meetings of the Company, appointment of Directors and otherwise.
113. (1) Where any uncalled capital of the Company is charged, all persons taking any subsequent charge thereon shall take the same subject to such prior charge, and shall not be entitled, by notice to the Members or otherwise, to obtain priority over such prior charge.
- (2) The Board shall cause a proper register to be kept, in accordance with the provisions of the ~~Law~~ Act, of all charges specifically affecting the property of the Company and of any series of debentures issued by the Company and shall duly comply with the requirements of the ~~Law~~ Act in regard to the registration of charges and debentures therein specified and otherwise.

PROCEEDINGS OF THE DIRECTORS

114. 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.
115. A meeting of the Board may be convened by the Secretary on request of a Director or by any Director. The Secretary shall convene a meeting of the Board ~~of which notice may be~~ 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 by telephone 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.~~
116. (1) The quorum necessary for the transaction of the business of the Board may be fixed by the Board and, unless so fixed at any other number, shall be two (2). An alternate Director shall be counted in a quorum in the case of the absence of a Director for whom he is the alternate provided that he shall not be counted more than once for the purpose of determining whether or not a quorum is present.
- (2) Directors may participate in any meeting of the Board by means of a conference telephone, electronic or other communications equipment through which all persons participating in the meeting can communicate with each other simultaneously and instantaneously and, for the purpose of counting a quorum, such participation shall constitute presence at a meeting as if those participating were present in person.
- (3) Any Director who ceases to be a Director at a Board meeting may continue to be present and to act as a Director and be counted in the quorum until the termination of such Board meeting if no other Director objects and if otherwise a quorum of Directors would not be present.
117. The continuing Directors or a sole continuing Director may act notwithstanding any vacancy in the Board but, if and so long as the number of Directors is reduced below the minimum number fixed by or in accordance with these Articles, the continuing Directors or Director, notwithstanding that the number of Directors is below the number fixed by or in accordance with these Articles as the quorum or that there is only one continuing Director, may act for the purpose of filling vacancies in the Board or of summoning general meetings of the Company but not for any other purpose.

118. The Board may elect one or more chairman and ~~a managing director~~ one or more deputy chairman of its meetings and determine the period for which they are respectively to hold such office. ~~The chairman of the Board shall preside as chairman of all meetings of directors and in his absence, the managing director shall preside as chairman.~~ If no chairman or ~~managing director~~ deputy chairman is elected, or if at any meeting ~~neither the~~ no chairman or deputy chairman ~~nor the managing director~~ 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 meeting of the Board at which a quorum is present shall be competent to exercise all the powers, authorities and discretions for the time being vested in or exercisable by the Board.
120. (1) The Board may delegate any of its powers, authorities and discretions to committees, consisting of such Director or Directors and other persons as it thinks fit, and they may, from time to time, revoke such delegation or revoke the appointment of and discharge any such committees either wholly or in part, and either as to persons or purposes. Any committee so formed shall, in the exercise of the powers, authorities and discretions so delegated, conform to any regulations which may be imposed on it by the Board.
- (2) All acts done by any such committee in conformity with such regulations, and in fulfilment of the purposes for which it was appointed, but not otherwise, shall have like force and effect as if done by the Board, and the Board shall have power, with the consent of the Company in general meeting, to remunerate the members of any such committee, and charge such remuneration to the current expenses of the Company.
121. The meetings and proceedings of any committee consisting of two or more members shall be governed by the provisions contained in these Articles for regulating the meetings and proceedings of the Board so far as the same are applicable and are not superseded by any regulations imposed by the Board under the last preceding Article.
122. 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 (provided that such number is sufficient to constitute a quorum and further provided 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 Articles) be as valid and effectual as if a resolution had been passed at a meeting of the Board duly convened and held. 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 Article. 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.

123. All acts bona fide done by the Board or by any committee or by any person acting as a Director or members of a committee, shall, notwithstanding that it is afterwards discovered that there was some defect in the appointment of any member of the Board or such committee or person acting as aforesaid or that they or any of them were disqualified or had vacated office, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director or member of such committee.

MANAGERS

124. The Board may from time to time appoint a general manager, a manager or managers of the Company and may fix his or their remuneration either by way of salary or commission or by conferring the right to participation in the profits of the Company or by a combination of two or more of these modes and pay the working expenses of any of the staff of the general manager, manager or managers who may be employed by him or them upon the business of the Company.
125. The appointment of such general manager, manager or managers may be for such period as the Board may decide, and the Board may confer upon him or them all or any of the powers of the Board as they may think fit.
126. The Board may enter into such agreement or agreements with any such general manager, manager or managers upon such terms and conditions in all respects as the Board may in their absolute discretion think fit, including a power for such general manager, manager or managers to appoint an assistant manager or managers or other employees whatsoever under them for the purpose of carrying on the business of the Company.

OFFICERS

127. (1) The officers of the Company shall consist of at least one 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 ~~Law~~Act and these Articles.
- (2) The Directors shall, as soon as may be after each appointment or election of Directors, elect amongst the Directors a chairman and if more than one (1) Director is proposed for this office, ~~the election to such office shall take place~~Directors may elect more than one chairman in such manner as the Directors may determine.
- (3) The officers shall receive such remuneration as the Directors may from time to time determine.

128. (1) The Secretary and additional officers, if any, shall be appointed by the Board and shall hold office on such terms and for such period as the Board may determine. If thought fit, two (2) or more persons may be appointed as joint Secretaries. The Board may also appoint from time to time on such terms as it thinks fit one or more assistant or deputy Secretaries.
- (2) The Secretary shall attend all meetings of the Members and shall keep correct minutes of such meetings and enter the same in the proper books provided for the purpose. He shall perform such other duties as are prescribed by the LawAct or these Articles or as may be prescribed by the Board.
129. The officers of the Company shall have such powers and perform such duties in the management, business and affairs of the Company as may be delegated to them by the Directors from time to time.
130. A provision of the LawAct or of these Articles requiring or authorising a thing to be done by or to a Director and the Secretary shall not be satisfied by its being done by or to the same person acting both as Director and as or in place of the Secretary.

REGISTER OF DIRECTORS AND OFFICERS

131. (†) The Company shall cause to be kept in one or more books at its Office a Register of Directors and Officers in which there shall be entered the full names and addresses of the Directors and Officers and such other particulars as required by the LawAct or as the Directors may determine. The Company shall send to the Registrar of Companies in the Cayman Islands a copy of such register, and shall from time to time notify to the said Registrar of any change that takes place in relation to such Directors and Officers as required by the LawAct.

MINUTES

132. (1) The Board shall cause minutes to be duly entered in books provided for the purpose:
- (a) of all elections and appointments of officers;
 - (b) of the names of the Directors present at each meeting of the Directors and of any committee of the Directors;
 - (c) of all resolutions and proceedings of each general meeting of the Members, meetings of the Board and meetings of committees of the Board and where there are managers, of all proceedings of meetings of the managers.
- (2) Minutes shall be kept by the Secretary at the Officehead office.

SEAL

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

AUTHENTICATION OF DOCUMENTS

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

DESTRUCTION OF DOCUMENTS

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

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

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

DIVIDENDS AND OTHER PAYMENTS

136. Subject to the ~~Law~~Act, the Company in general meeting may from time to time declare dividends in any currency to be paid to the Members but no dividend shall be declared in excess of the amount recommended by the Board.
137. Dividends may be declared and paid out of the ~~prof-its~~profits of the Company, realised or unrealised, or from any reserve set aside from profits which the Directors determine is no longer needed. With the sanction of an ordinary resolution dividends may also be declared and paid out of share premium account or any other fund or account which can be authorised for this purpose in accordance with the ~~Law~~Act.
138. Except in so far as the rights attaching to, or the terms of issue of, any share otherwise provide:
- (a) all dividends shall be declared and paid according to the amounts paid up on the shares in respect of which the dividend is paid, but no amount paid up on a share in advance of calls shall be treated for the purposes of this Article as paid up on the share; and
 - (b) all dividends shall be apportioned and paid pro rata according to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid.
139. The Board may from time to time pay to the Members such interim dividends as appear to the Board to be justified by the profits of the Company and in particular (but without prejudice to the generality of the foregoing) if at any time the share capital of the Company is divided into different classes, the Board may pay such interim dividends in respect of those shares in the capital of the Company which confer on the holders thereof deferred or non-preferential rights as well as in respect of those shares which confer on the holders thereof preferential rights with regard to dividend and provided that the Board acts bona fide the Board shall not incur any responsibility to the holders of shares conferring any preference for any damage that they may suffer by reason of the payment of an interim dividend on any shares having deferred or non-preferential rights and may also pay any fixed dividend which is payable on any shares of the Company half-yearly or on any other dates, whenever such profits, in the opinion of the Board, justifies such payment.
140. The Board may deduct from any dividend or other moneys payable to a Member by the Company on or in respect of any shares all sums of money (if any) presently payable by him to the Company on account of calls or otherwise.
141. No dividend or other moneys payable by the Company on or in respect of any share shall bear interest against the Company.

142. Any dividend, interest or other sum payable in cash to the holder of shares may be paid by cheque or warrant sent through the post addressed to the holder at his registered address or, in the case of joint holders, addressed to the holder whose name stands first in the Register in respect of the shares at his address as appearing in the Register or addressed to such person and at such address as the holder or joint holders may in writing direct. Every such cheque or warrant shall, unless the holder or joint holders otherwise direct, be made payable to the order of the holder or, in the case of joint holders, to the order of the holder whose name stands first on the Register in respect of such shares, and shall be sent at his or their risk and payment of the cheque or warrant by the bank on which it is drawn shall constitute a good discharge to the Company notwithstanding that it may subsequently appear that the same has been stolen or that any endorsement thereon has been forged. Any one of two or more joint holders may give effectual receipts for any dividends or other moneys payable or property distributable in respect of the shares held by such joint holders.
143. All dividends or bonuses unclaimed for one (1) year after having been declared may be invested or otherwise made use of by the Board for the benefit of the Company until claimed. Any dividend or bonuses unclaimed after a period of six (6) years from the date of declaration shall be forfeited and shall revert to the Company. The payment by the Board of any unclaimed dividend or other sums payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof.
144. Whenever the Board or the Company in general meeting has resolved that a dividend be paid or declared, the Board may further resolve that such dividend be satisfied wholly or in part by the distribution of specific assets of any kind and in particular of paid up shares, debentures or warrants to subscribe securities of the Company or any other company, or in any one or more of such ways, and where any difficulty arises in regard to the distribution the Board may settle the same as it thinks expedient, and in particular may issue certificates in respect of fractions of shares, disregard fractional entitlements or round the same up or down, and may fix the value for distribution of such specific assets, or any ~~part~~ part thereof, and may determine that cash payments shall be made to any Members upon the footing of the value so fixed in order to adjust the rights of all parties, and may vest any such specific assets in trustees as may seem expedient to the Board and may appoint any person to sign any requisite instruments of transfer and other documents on behalf of the persons entitled to the dividend, and such appointment shall be effective and binding on the Members. The Board may resolve that no such assets shall be made available to Members with registered addresses in any particular territory or territories where, in the absence of a registration statement or other special formalities, such distribution of assets would or might, in the opinion of the Board, be unlawful or impracticable and in such event the only entitlement of the Members aforesaid shall be to receive cash payments as aforesaid. Members affected as a result of the foregoing sentence shall not be or be deemed to be a separate class of Members for any purpose whatsoever.

145. (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 Members entitled thereto will be entitled to elect to receive such dividend (or part thereof if the Board so determines) in cash in lieu of such allotment. In such case, the following provisions shall apply:
 - (i) the basis of any such allotment shall be determined by the Board;
 - (ii) the Board, after determining the basis of allotment, shall give not less than two (2) weeks' Notice to the holders of the relevant shares of the right of election accorded to them and shall send with such notice forms of election and specify the procedure to be followed and the place at which and the latest date and time by which duly completed forms of election must be lodged in order to be effective;
 - (iii) the right of election may be exercised in respect of the whole or part of that portion of the dividend in respect of which the right of election has been accorded; and
 - (iv) the dividend (or that part of the dividend to be satisfied by the allotment of shares as aforesaid) shall not be payable in cash on shares in respect whereof the cash election has not been duly exercised ("the non-elected shares") and in satisfaction thereof shares of the relevant class shall be allotted credited as fully paid up to the holders of the non-elected shares on the basis of allotment determined as aforesaid and for such purpose the Board shall capitalise and apply out of any part of the undivided profits of the Company (including profits carried and standing to the credit of any reserves or other special account, share premium account, capital redemption reserve 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 Members entitled to such dividend shall be entitled to elect to receive an allotment of shares credited as fully paid up in lieu of the whole or such part of the dividend as the Board may think fit. In such case, the following provisions shall apply:
- (i) the basis of any such allotment shall be determined by the Board;
 - (ii) the Board, after determining the basis of allotment, shall give not less than two (2) weeks' Notice to the holders of the relevant shares of the right of election accorded to them and shall send with such notice forms of election and specify the procedure to be followed and the place at which and the latest date and time by which duly completed forms of election must be lodged in order to be effective;
 - (iii) the right of election may be exercised in respect of the whole or part of that portion of the dividend in respect of which the right of election has been accorded; and
 - (iv) the dividend (or that part of the dividend in respect of which a right of election has been accorded) shall not be payable in cash on shares in respect whereof the share election has been duly exercised ("the elected shares") and in lieu thereof shares of the relevant class shall be allotted credited as fully paid up to the holders of the elected shares on the basis of allotment determined as aforesaid and for such purpose the Board shall capitalise and apply out of any part of the undivided profits of the Company (including profit carried and standing to the credit of any reserves or other special account, share premium account, capital redemption reserve 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 Article 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 (21) of this Article 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 Article 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 Article, with full power to the Board to make such provisions as it thinks fit in the case of shares becoming distributable in fractions (including provisions whereby, in whole or in part, fractional entitlements are aggregated and sold and the net proceeds distributed to those entitled, or are disregarded or rounded up or down or whereby the benefit of fractional entitlements accrues to the Company rather than to the Members concerned). The Board may authorise any person to enter into on behalf of all Members interested, an agreement with the Company providing for such capitalisation and matters incidental thereto and any agreement made pursuant to such authority shall be effective and binding on all concerned.
- (3) The Company may upon the recommendation of the Board by ordinary resolution resolve in respect of any one particular dividend of the Company that notwithstanding the provisions of paragraph (1) of this Article a dividend may be satisfied wholly in the form of an allotment of shares credited as fully paid up without offering any right to shareholders to elect to receive such dividend in cash in lieu of such allotment.
- (4) The Board may on any occasion determine that rights of election and the allotment of shares under paragraph (1) of this Article shall not be made available or made to any shareholders with registered addresses in any territory where, in the absence of a registration statement or other special formalities, the circulation of an offer of such rights of election or the allotment of shares would or might, in the opinion of the Board, be unlawful or impracticable, and in such event the provisions aforesaid shall be read and construed subject to such determination. Members affected as a result of the foregoing sentence shall not be or be deemed to be a separate class of Members for any purpose whatsoever.
- (5) Any resolution declaring a dividend on shares of any class, whether a resolution of the Company in general meeting or a resolution of the Board, may specify that the same shall be payable or distributable to the persons registered as the holders of such shares at the close of business on a particular date, notwithstanding that it may be a date prior to that on which the resolution is passed, and thereupon the dividend shall be payable or distributable to them in accordance with their respective holdings so registered, but without prejudice to the rights inter se in respect of such dividend of transferors and transferees of any such shares. The provisions of this Article shall mutatis mutandis apply to bonuses, capitalisation issues, distributions of realised capital profits or offers or grants made by the Company to the Members.

RESERVES

146. (1) The Board shall establish an account to be called the share premium account and shall carry to the credit of such account from time to time a sum equal to the amount or value of the premium paid on the issue of any share in the Company. ~~The Company~~ Unless otherwise provided by the provisions of these Articles, the Board may apply the share premium account in any manner permitted by the LawAct. The Company shall at all times comply with the provisions of the LawAct in relation to the share premium account.
- (2) Before recommending any dividend, the Board may set aside out of the profits of the Company such sums as it determines as reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied and pending such application may, also at such discretion, either be employed in the business of the Company or be invested in such investments as the Board may from time to time think fit and so that it shall not be necessary to keep any investments constituting the reserve or reserves separate or distinct from any other investments of the Company. The Board may also without placing the same to reserve carry forward any profits which it may think prudent not to distribute.

CAPITALISATION

147. (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 a share premium account and capital redemption reserve and 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 Article, a share premium account and any capital redemption 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.

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

SUBSCRIPTION RIGHTS RESERVE

149. The following provisions shall have effect to the extent that they are not prohibited by and are in compliance with the ~~Law~~Act:
- (1) If, so long as any of the rights attached to any warrants issued by the Company to subscribe for shares of the Company shall remain exercisable, the Company does any act or engages in any transaction which, as a result of any adjustments to the subscription price in accordance with the provisions of the conditions of the warrants, would reduce the subscription price to below the par value of a share, then the following provisions shall apply:
- (a) as from the date of such act or transaction the Company shall establish and thereafter (subject as provided in this Article) maintain in accordance with the provisions of this Article a reserve (the “Subscription Rights Reserve”) the amount of which shall at no time be less than the sum which for the time being would be required to be capitalised and applied in paying up in full the nominal amount of the additional shares required to be issued and allotted credited as fully paid pursuant to sub-paragraph (c) below on the exercise in full of all the subscription rights outstanding and shall apply the Subscription Rights Reserve in paying up such additional shares in full as and when the same are allotted;

- (b) the Subscription Rights Reserve shall not be used for any purpose other than that specified above unless all other reserves of the Company (other than share premium account) have been extinguished and will then only be used to make good losses of the Company if and so far as is required by law;
- (c) upon the exercise of all or any of the subscription rights represented by any warrant, the relevant subscription rights shall be exercisable in respect of a nominal amount of shares equal to the amount in cash which the holder of such warrant is required to pay on exercise of the subscription rights represented thereby (or, as the case may be the relevant portion thereof in the event of a partial exercise of the subscription rights) and, in addition, there shall be allotted in respect of such subscription rights to the exercising warrant holder, credited as fully paid, such additional nominal amount of shares as is equal to the difference between:
 - (i) the said amount in cash which the holder of such warrant is required to pay on exercise of the subscription rights represented thereby (or, as the case may be, the relevant portion thereof in the event of a partial exercise of the subscription rights); and
 - (ii) the nominal amount of shares in respect of which such subscription rights would have been exercisable having regard to the provisions of the conditions of the warrants, had it been possible for such subscription rights to represent the right to subscribe for shares at less than par and immediately upon such exercise so much of the sum standing to the credit of the Subscription Rights Reserve as is required to pay up in full such additional nominal amount of shares shall be capitalised and applied in paying up in full such additional nominal amount of shares which shall forthwith be allotted credited as fully paid to the exercising warrant holders; and
- (d) if, upon the exercise of the subscription rights represented by any war rant, the amount standing to the credit of the Subscription Rights Reserve is not sufficient to pay up in full such additional nominal amount of shares equal to such difference as aforesaid to which the exercising warrant holder is entitled, the Board shall apply any profits or reserves then or thereafter becoming available (including, to the extent permitted by law, share premium account) for such purpose until such additional nominal amount of shares is paid up and allotted as aforesaid and until then no dividend or other distribution shall be paid or made on the fully paid shares of the Company then in issue. Pending such payment and allotment, the exercising warrant holder shall be issued by the Company with a certificate evidencing his right to the allotment of such additional nominal amount of shares. The rights represented by any such certificate shall be in registered form and shall be transferable in whole or in part in units of one share in the like manner as the shares for the time being are transferable, and the Company shall make such arrangements in relation to the maintenance of a register therefor and other matters in relation thereto as the Board may think fit and adequate particulars thereof shall be made known to each relevant exercising warrant holder upon the issue of such certificate.

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

ACCOUNTING RECORDS

150. The Board shall cause true accounts to be kept of the sums of money received and expended by the Company, and the matters in respect of which such receipt and expenditure take place, and of the property, assets, credits and liabilities of the Company and of all other matters required by the ~~Law~~Act or necessary to give a true and fair view of the Company's affairs and to explain its transactions.
151. The accounting records shall be kept at the Office or, at such other place or places as the Board decides and shall always be open to inspection by the Directors. No Member (other than a Director) shall have any right of inspecting any accounting record or book or document of the Company except as conferred by law or authorised by the Board or the Company in general meeting.
152. Subject to Article 153, a printed copy of the Directors' report, accompanied by the balance sheet and profit and loss account, including every document required by law to be annexed thereto, made up to the end of the applicable financial year and containing a summary of the assets and liabilities of the Company under convenient heads and a statement of income and expenditure, together with a copy of the Auditors' report, shall be sent to each person entitled thereto at least twenty-one (21) days before the date of the general meeting and at the same time as the notice of annual general meeting and laid before the Company at the annual general meeting held in accordance with Article 56 provided that this Article 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.

153. Subject to due compliance with all applicable Statutes, rules and regulations, including, without limitation, ~~the rules of the Designated Stock Exchange Listing Rules~~, and to obtaining all necessary consents, if any, required thereunder, the requirements of Article 152 shall be deemed satisfied in relation to any person by sending to the person in any manner not prohibited by the Statutes, a ~~summary~~summarised financial ~~statements~~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 a ~~summary~~summarised financial ~~statements~~statements, a complete printed copy of the Company's annual financial statement and the directors' report thereon.
154. The requirement to send to a person refer red to in Article 152 the documents referred to in that article or a summary financial report in accordance with Article 153 shall be deemed satisfied where, in accordance with all applicable Statutes, rules and regulations, including, without limitation, ~~the rules of the Designated Stock Exchange Listing Rules~~, the Company publishes copies of the documents refer red to in Article 152 and, if applicable, a summary financial report complying with Article 153. 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.

AUDIT

155. (1) At the annual general meeting or at a subsequent extraordinary general meeting in each year, the Members shall by ordinary resolution appoint an auditor to audit the accounts of the Company and such auditor shall hold office until the next annual general meeting. Such auditor may be a Member but no Director or officer or employee of the Company shall, during his continuance in office, be eligible to act as an auditor of the Company.
- (2) The Members may, at any general meeting convened and held in accordance with these Articles, by ~~special~~ordinary 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.
156. Subject to the ~~Law~~Act the accounts of the Company shall be audited at least once in every year.
157. The remuneration of the Auditor shall be fixed by ~~the Company in~~ an ordinary resolution passed at a general meeting or in such manner as the Members may by ordinary resolution determine.

- ~~158. 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, or by his removal in accordance with the Articles, the Directors shall fill the vacancy and fix the remuneration of the Auditor so appointed.~~
158. 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 Article may be fixed by the Board. Subject to Article 155(2), an Auditor appointed under this Article shall hold office until the next following annual general meeting of the Company and shall then be subject to appointment by the Members under Article 155(1) at such remuneration to be determined by the Members under Article 157.
159. The Auditor shall at all reasonable times have access to all books kept by the Company and to all accounts and vouchers relating thereto; and he may call on the Directors or officers of the Company for any information in their possession relating to the books or affairs of the Company.
160. The statement of income and expenditure and the balance sheet provided for by these Articles shall be examined by the Auditor and compared by him with the books, accounts and vouchers relating thereto; and he shall make a written report thereon stating whether such statement and balance sheet are drawn up so as to present fairly the financial position of the Company and the results of its operations for the period under review and, in case information shall have been called for from Directors or officers of the Company, whether the same has been furnished and has been satisfactory. The financial statements of the Company shall be audited by the Auditor in accordance with generally accepted auditing standards. The Auditor shall make a written report thereon in accordance with generally accepted auditing standards and the report of the Auditor shall be submitted to the Members in general meeting. The generally accepted auditing standards referred to herein may be those of a country or jurisdiction other than the Cayman Islands. If so, the financial statements and the report of the Auditor should disclose this ætfact and name such country or jurisdiction.

NOTICES

161. (1) Any Notice or document (including any “corporate communication” within the meaning ascribed thereto under the ~~rules of the Designated Stock Exchange Listing Rules~~), whether or not, to be given or issued under these Articles from the Company ~~to a Member~~ shall be in writing or by cable, telex or facsimile transmission message or other form of electronic transmission or electronic communication and any such Notice and document may be ~~served~~given or delivered~~issued~~ by the Company ~~on or to any Member either~~following means:
- (a) by serving it personally ~~or on~~ the relevant person;
 - (b) by sending it through the post in a prepaid envelope addressed to such Member at his registered address as appearing in the Register or at any other address supplied by him to the Company for the purpose;
 - (c) by delivering or, as the case may be, by transmitting leaving it to any ~~at~~ such address or ~~transmitting it to any telex or facsimile transmission number or electronic number or address or website supplied by him to the Company for the giving of Notice to him or which the person transmitting the notice reasonably and bona fide believes at the relevant time will result in the Notice being duly received by the Member or may also be served by~~ as aforesaid;
 - (d) by placing an advertisement in appropriate newspapers or other publication and where applicable, in accordance with the requirements of the Designated Stock Exchange ~~or, to the extent permitted by the;~~
 - (e) by sending or transmitting it as an electronic communication to the relevant person at such electronic address as he may provide under Article 161(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 placing publishing it on the Company’s website and giving to which the relevant person may have access, subject to the Member a notice ~~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 stating that the notice or other, document or publication is available there on the Company’s computer network website (a “notice of availability”);~~ or
 - (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 to the ~~Member~~ 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 Articles 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 Articles, any notice, document or publication, including but not limited to the documents referred to in Articles 152, 153 and 163 may be given in the English language only or in both the English language and the Chinese language or, with the consent of or election by any member, in the Chinese language only to such member.

162. 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;
- (b) if sent by electronic communication, shall be deemed to be given on the day on which it is transmitted from the server of the Company or its agent. A ~~notice~~Notice placed on the ~~Company's website of the Designated Stock Exchange~~, is deemed given by the Company to a Member on the day following that on which a notice of availability is deemed served on the Member;
- (c) if published on the Company's website, shall be deemed to have been served on the day on which the notice, document or publication first so appears on the Company's website to which the relevant person may have access or the day on which the notice of availability is deemed to have been served or delivered to such person under these Articles, whichever is later;

- (d) if served or delivered in any other manner contemplated by these Articles, 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 or transmission; 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 act and time of such service, delivery, despatch or transmission shall be conclusive evidence thereof; and
- ~~(d) may be given to a Member either in the English language or the Chinese language, subject to due compliance with all applicable Statutes, rules and regulations.~~
- (e) if published as an advertisement in a newspaper or other publication permitted under these Articles, shall be deemed to have been served on the day on which the advertisement first so appears.
163. (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 Articles 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 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.

SIGNATURES

164. For the purposes of these Articles, a ~~cable or telex or 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 in electronic form.

WINDING UP

165. (1) ~~The~~Subject to Article 165(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 ~~upon a special resolution of the Members and subject to the rights, privileges or restrictions of any class or classes of shares.~~
- (2) ~~A~~Subject to the Act, a resolution that the Company be wound up by the court or be wound up voluntarily shall be a special resolution ~~of the Members and shall be subject to the rights, privileges or restrictions of any class or classes of shares.~~
166. (1) Subject to any special rights, privileges or restrictions as to the distribution of available surplus assets on liquidation for the time being attached to any class or classes of shares (i) ~~(if the Company shall be wound up and the assets available for distribution amongst the Members of the Company shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed pari passu amongst such Members in proportion to the amount paid up on the shares held by them respectively and (ii) if the Company shall be wound up and the assets available for distribution amongst the Members as such shall be insufficient to repay the whole of the paid-up capital such assets shall be distributed so that, as~~ nearly as may be, the losses shall be borne by the Members in proportion to the capital paid up, or which ought to have been paid up, at the commencement of the winding up on the shares held by them respectively.
- (2) If the Company shall be wound up (whether the liquidation is voluntary or by the court) the liquidator may, with the authority of a special resolution and any other sanction required by the ~~Law~~Act, divide among the Members in specie or kind the whole or any part of the assets of the Company and whether or not the assets shall consist of properties of one kind or shall consist of properties to be divided as aforesaid of different kinds, and may for such purpose set such value as he deems fair upon any one or more class or classes of property and may determine how such division shall be carried out as between the Members or different classes of Members. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of the Members as the liquidator with the like authority shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no contributory shall be compelled to accept any shares or other property in respect of which there is a liability.

- (3) ~~In the event of winding-up of the Company in Hong Kong, every Member of the Company who is not for the time being in Hong Kong shall be bound, within 14 days after the passing of an effective resolution to wind up the Company voluntarily, or the making of an order for the winding-up of the Company, to serve notice in writing on the Company appointing some person resident in Hong Kong and stating that person's full name, address and occupation upon whom all summonses, notices, process, orders and judgements in relation to or under the winding-up of the Company may be served, and in default of such nomination the liquidator of the Company shall be at liberty on behalf of such Member to appoint some such person, and service upon any such appointee, whether appointed by the Member or the liquidator, shall be deemed to be good personal service on such Member for all purposes, and, where the liquidator makes any such appointment, he shall with all convenient speed give notice thereof to such Member by advertisement as he shall deem appropriate or by a registered letter sent through the post and addressed to such Member at his address as appearing in the register, and such notice shall be deemed to be service on the day following that on which the advertisement first appears or the letter is posted.~~

INDEMNITY

167. (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~~ offices or trusts, or in relation thereto; PROVIDED THAT this indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to any of said persons.
- (2) Each Member agrees to waive any claim or right of action he might have, whether individually or by or in the right of the Company, against any Director on account of any action taken by such Director, or the failure of such Director to take any action in the performance of his duties with or for the Company; PROVIDED THAT such waiver shall not extend to any matter in respect of any fraud or dishonesty which may attach to such Director.

**AMENDMENT TO MEMORANDUM AND ARTICLES OF ASSOCIATION AND
NAME OF COMPANY**

168. ~~Subject to the rights, privileges or restrictions of any class or classes of shares, no~~ No Article shall be rescinded, altered or amended and no new Article shall be made until the same has been approved by a special resolution of the Members. A special resolution shall be required to alter the provisions of the ~~memorandum~~ Memorandum of ~~association~~ Association or to change the name of the Company.

INFORMATION

169. No Member shall be entitled to require discovery of or any information respecting any detail of the Company's trading or any matter which is or may be in the nature of a trade secret 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.

FINANCIAL YEAR

170. Unless otherwise determined by the Directors, the financial year of the Company shall end on the 31st day of December in each year.

NOTICE OF ANNUAL GENERAL MEETING



中软国际

CHINASOFT INTERNATIONAL LIMITED

中軟國際有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 354)

NOTICE IS HEREBY GIVEN that an annual general meeting of CHINASOFT INTERNATIONAL LIMITED (the “**Company**”) will be held at 2:00 p.m. on Monday, 22 May 2023 at Taishan Room, Level 5 Island Shangri-La Hong Kong Pacific Place, Supreme Court Road Central, Hong Kong for the following purposes:

1. To receive and consider the audited consolidated financial statements of the Company and the reports of the directors and independent auditor of the Company for the year ended 31 December 2022;
2.
 - (i) To re-elect Dr. Chen Yuhong as an executive director of the Company;
 - (ii) To re-elect Mr. Zeng Zhijie as an independent non-executive director of the Company;
 - (iii) To re-elect Professor Mo Lai Lan as an independent non-executive director of the Company;
3. To authorise the board of directors of the Company to fix the remuneration of directors of the Company;
4. To re-appoint auditor of the Company and to authorise the board of directors of the Company to fix the remuneration of auditor;

and as special business, to consider and, if thought fit, pass with or without modifications the following resolutions of which resolutions 5, 6, 7, 8, 9, 10 and 11 will be proposed as ordinary resolutions and resolution 12 will be proposed as special resolution of the Company:

* for identification purpose only

NOTICE OF ANNUAL GENERAL MEETING

ORDINARY RESOLUTIONS

5. **“THAT:**

- (a) subject to paragraph (c) of this resolution, and pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional ordinary shares in the capital of the Company and to make or grant, whether conditionally or unconditionally, offers, agreements and options (including warrants, bonds, debentures, notes and any securities which carry rights to subscribe for or are convertible into ordinary shares in the capital of the Company) which would or might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this resolution shall authorize the directors of the Company during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds, debentures, notes and any securities which carry rights to subscribe for or are convertible into ordinary shares in the capital of the Company) which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate number of ordinary shares in the Company allotted, issued or dealt with or agreed conditionally or unconditionally to be allotted, issued or dealt with (whether pursuant to options or otherwise) by the directors of the Company pursuant to the approval in paragraph (a) of this resolution, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); or (ii) the grant to or exercise of any option under any share option scheme of the Company or any other option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of shares in the Company or rights to acquire shares in the Company; or (iii) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares in the Company in accordance with the Memorandum and Articles of Association of the Company in force from time to time; or (iv) any issue of shares in the Company upon the exercise of rights of subscription or conversion under the terms of any warrants or convertible bonds issued by the Company or any securities which carry rights to subscribe for or are convertible into ordinary shares in the capital of the Company, shall not exceed 10% of the total number of ordinary shares of the Company in issue on the date of the passing this resolution provided that if any subsequent consolidation or subdivision of ordinary shares of the Company is effected, the maximum number of ordinary shares of the Company that may be issued pursuant to the approval in paragraph (a) above as a percentage of the total number of issued ordinary shares of the Company at the date immediately before and after such consolidation or subdivision shall be the same and such maximum number of ordinary shares of the Company shall be adjusted accordingly; and

NOTICE OF ANNUAL GENERAL MEETING

- (d) for the purpose of this resolution, “Relevant Period” means the period from the date of the passing of this resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Memorandum and Articles of Association of the Company or any applicable laws to be held; and
 - (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the directors of the Company by this resolution.

“Rights Issue” means an offer of ordinary shares in the Company, or offer or issue of warrants, options or other securities giving rights to subscribe for shares open for a period fixed by the directors of the Company to holders of ordinary shares in the Company on the register on a fixed record date in proportion to their then holdings of such ordinary shares (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, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction applicable to the Company, or any recognized regulatory body or any stock exchange in any territory applicable to the Company).”

6. **“THAT:**

- (a) subject to paragraph (b) of this resolution, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase ordinary shares in the capital of the Company on the main board of The Stock Exchange of Hong Kong Limited or any other stock exchange on which the ordinary shares in the Company may be listed and recognized by the Securities and Futures Commission and The Stock Exchange of Hong Kong Limited for such purpose, subject to and in accordance with the rules and regulations of the Securities and Futures Commission of Hong Kong, The Stock Exchange of Hong Kong Limited, the Companies Act (as amended from time to time) of the Cayman Islands and all other applicable laws in this regard, be and the same is hereby generally and unconditionally approved;

NOTICE OF ANNUAL GENERAL MEETING

- (b) the aggregate number of ordinary shares in the Company which the Company is authorised to repurchase pursuant to the approval in paragraph (a) of this resolution during the Relevant Period shall not exceed 10% of the total number of ordinary shares of the Company in issue as at the date of the passing of this resolution provided that if any subsequent consolidation or subdivision of ordinary shares of the Company is effected, the maximum number of ordinary shares of the Company that may be repurchased pursuant to the approval in paragraph (a) above as a percentage of the total number of issued ordinary shares of the Company at the date immediately before and after such consolidation or subdivision shall be the same and such maximum number of ordinary shares of the Company shall be adjusted accordingly;
 - (c) for the purpose of this resolution,
 - “Relevant Period” means the period from the date of the passing of this resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Memorandum and Articles of Association of the Company or any other applicable laws to be held; and
 - (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the directors of the Company by this resolution.”
7. “**THAT** the payment of a final dividend out of the share premium account of the Company of HK\$0.0567 per ordinary share of the Company in respect of the year ended 31 December 2022 (the “Dividend”) to holders of ordinary shares of the Company as recorded on the register of holders of ordinary shares of the Company on 9 June 2023 be and is hereby approved.”
8. “**THAT**
- (A) conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting approval of the listing of and permission to deal in any shares of the Company (the “**Shares**”) which may fall to be issued pursuant to the exercise of options to be granted under the new share option scheme of the Company, a copy of which has been produced to this meeting marked “A” and signed by the chairman of this meeting for the purpose of identification (the “**2023 Share Option Scheme**”), the 2023 Share Option Scheme be and is hereby approved and adopted;

NOTICE OF ANNUAL GENERAL MEETING

- (B) 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 but without limitation:
- (i) to administer the 2023 Share Option Scheme under which options will be granted to participants eligible under the 2023 Share Option Scheme to subscribe for Shares;
 - (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 grant options to subscribe for Shares under the 2023 Share Option Scheme and to allot and issue from time to time such number of Shares 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 and any other stock exchanges upon which the issued Shares may, for the time being, be listed, for listing of, and permission to deal in, any Shares which may hereafter from time to time be allotted and issued pursuant to the exercise of the options under the 2023 Share Option Scheme; and
 - (v) to consent, if it so deems 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;
- (C) the total number of Shares which may be issued in respect of all options and awards to be granted under the 2023 Share Option Scheme and any other schemes of the Company must not in aggregate exceed 10% of the total number of Shares in issue (“**Scheme Mandate Limit**”) as at the date of adoption of the 2023 Share Option Scheme (the “**Adoption Date**”) or the relevant date of approval of the refreshment of the Scheme Mandate Limit; and
- (D) within the Scheme Mandate Limit, the number of Shares which may be issued in respect of all options to be granted to the service providers under the 2023 Share Option Scheme and any other schemes of the Company must not in aggregate exceed 2% of the total number of Shares in issue (“**Service Provider Sublimit**”) as at the Adoption Date or the relevant date of approval of the refreshment of the Service Provider Sublimit.”

NOTICE OF ANNUAL GENERAL MEETING

9. “**THAT**

- (A) conditional upon the Listing Committee of the Stock Exchange granting approval of the listing of and permission to deal in the Shares to be issued in respect of the awards to be granted under the new share award scheme of the Company, a copy of which has been produced to this meeting marked “B” and signed by the chairman of this meeting for the purpose of identification (the “**2023 Share Award Scheme**”), the 2023 Share Award Scheme be and is hereby approved and adopted;
- (B) 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 Award Scheme including but without limitation:
 - (i) to administer the 2023 Share Award Scheme under which award shares will be granted to participants eligible under the 2023 Share Award Scheme to subscribe for Shares;
 - (ii) to modify and/or amend the 2023 Share Award Scheme from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the 2023 Share Award Scheme relating to modification and/or amendment;
 - (iii) to grant award shares under the 2023 Share Award Scheme and to allot and issue from time to time such number of Shares as may be required to be allotted and issued in respect of the award shares to be granted under the New Award 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 and any other stock exchanges upon which the issued Shares may, for the time being, be listed, for listing of, and permission to deal in, any Shares which may hereafter from time to time be allotted and issued in respect of the award shares to be granted under the 2023 Share Award Scheme; and
 - (v) to consent, if it so deems 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 Award Scheme;
- (C) the total number of Shares which may be issued in respect of all awards to be granted under the 2023 Share Award Scheme and any other schemes of the Company must not in aggregate exceed 10% of the total number of Shares in issue (“**Scheme Mandate Limit**”) as at the date of adoption of the 2023 Share Award Scheme (“**Adoption Date**”) or the relevant date of approval of the refreshment of the Scheme Mandate Limit.”

NOTICE OF ANNUAL GENERAL MEETING

10. “**THAT** conditional upon resolution no. 9 above being passed, the Share Award Scheme which was adopted by the Company on 10 December 2018 be and is hereby terminated with effect from the date of adoption of the 2023 Share Award Scheme.”
11. “**THAT** all the unissued preferred shares in the authorised share capital of the Company be cancelled and diminished so that the authorised share capital of the Company shall be changed from HK\$231,250,000 divided into four billion (4,000,000,000) ordinary shares of a nominal or par value of HK\$0.05 each, and six hundred twenty five million (625,000,000) redeemable convertible preferred shares of HK\$0.05 each, divided into three series, namely two hundred twenty five million (225,000,000) Series A-1 Preferred Shares of a nominal or par value of HK\$0.05 each, two hundred million (200,000,000) Series A-2 Preferred Shares of a nominal or par value of HK \$0.05 each, and two hundred million (200,000,000) Series A-3 Preferred Shares of a nominal or par value of HK\$0.05 each to HK\$200,000,000 divided into 4,000,000,000 shares of a nominal or par value of HK\$0.05 each.”

SPECIAL RESOLUTION

12. “**THAT**
- (A) the new amended and restated memorandum and articles of association of the Company, incorporating all the proposed amendments to the existing memorandum and articles of association of the Company (the “Proposed Amendments”), the details of which are set forth in Appendix V to the circular of the Company dated 28 April 2023, copies of which has been produced to the meeting marked “C” and signed by the chairman of the meeting for the purpose of identification, be and are hereby approved and adopted as the memorandum and articles of association of the Company, in substitution for, and to the exclusion of, the existing memorandum and articles of association of the Company respectively with immediate effect after the close of this meeting; and
- (B) any director or the company secretary of the Company be and is hereby authorised to do all such acts as he deems fit to effect the adoption of the amended and restated memorandum and articles of association of the Company and to make relevant registrations and filings in accordance with the relevant requirements of the applicable laws and regulations in the Cayman Islands and Hong Kong.”

By order of the Board
Chinasoft International Limited
Dr. Chen Yuhong
Chairman and Chief Executive Officer

28 April 2023

NOTICE OF ANNUAL GENERAL MEETING

Registered Office:

Century Yard, Cricket Square,
Hutchins Drive, P.O. Box 2681 GT,
George Town, Grand Cayman KY1-1111,
Cayman Islands,
British West Indies

Principal Place of Business in Hong Kong:

Units 4607-8, 46th Floor,
COSCO Tower,
No.183 Queen's Road Central,
Hong Kong

Notes:

- (1) Any member entitled to attend and vote at the meeting is entitled to appoint one proxy or more proxies (if hold more than one share) to attend and to vote instead of him. A proxy need not be a member of the Company.
- (2) Where there are joint holders of any share any one of such joint holder may vote, either in person or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders be present at any meeting the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members in respect of the joint holding.
- (3) A form of proxy for use at the meeting is enclosed.
- (4) To be valid, the form of proxy, together with the power of attorney or other authority, if any, under which it is signed or a certified copy of such power or authority, must be deposited at the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong or the principal place of business of the Company in Hong Kong at Units 4607-8, 46th Floor, COSCO Tower, No. 183 Queen's Road Central, Hong Kong, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting. Completion and return of the form of proxy will not preclude members from attending and voting in person at the meeting.
- (5) The register of members of ordinary shares of the Company will be closed from Wednesday, 17 May 2023 to Monday, 22 May 2023, both days inclusive, during which period no transfer of ordinary shares will be registered. In order to ascertain the right to attend the forthcoming annual general meeting, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Tuesday, 16 May 2023.
- (6) The register of members of ordinary shares of the Company will also be closed from Tuesday, 6 June 2023 to Friday, 9 June 2023, both days inclusive, during which period no transfer of ordinary shares will be registered. In order to qualify for the Dividend, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Monday, 5 June 2023.
- (7) With regard to the resolutions in item no. 2 in this notice, details of the retiring directors of the Company are set out in Appendix II to the circular to shareholders of the Company dated 28 April 2023.
- (8) In case Typhoon Signal No. 8 or above is hoisted, or a Black Rainstorm Warning Signal or "extreme conditions caused by a super typhoon" announced by the Government of Hong Kong is/are in force in Hong Kong at or at any time after 12:00 noon on the date of the meeting, the meeting will be adjourned. The Company will post an announcement on the corporate website of the Company (www.chinasofti.com) and the designated website of the Stock Exchange (www.hkexnews.hk) to notify holders of ordinary shares of the Company of the date, time and place of the adjourned meeting. The meeting will be held as scheduled when an Amber or a Red Rainstorm Warning Signal is in force. Holders of ordinary shares of the Company should decide on their own whether they would attend the meeting under bad weather conditions bearing in mind their own situation.