
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in **China Automobile New Retail (Holdings) Limited**, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser(s) or the transferee(s) or to the bank manager, licensed securities dealer or other registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



CHINA AUTOMOBILE NEW RETAIL (HOLDINGS) LIMITED 中國汽車新零售（控股）有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 526)

**(1) MAJOR TRANSACTIONS IN RELATION TO
SUBSCRIPTIONS OF FINANCIAL PRODUCTS;
(2) PROPOSED AMENDMENTS TO EXISTING BYE-LAWS
AND ADOPTION OF NEW BYE-LAWS;
AND
(3) NOTICE OF SPECIAL GENERAL MEETING**

Unless the context requires otherwise, capitalized terms used herein shall have the same meanings as defined under the section "Definitions" of this circular.

A notice convening the SGM to be held at 14/F Fairmont House, 8 Cotton Tree Drive, Central, Hong Kong on 24 May 2022, Tuesday at 10:30 a.m. is set out on pages SGM-1 to SGM-4 of this circular. A form of proxy for use at the SGM is enclosed with this circular.

Whether or not you are able to attend the SGM, please complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited of Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as practicable and in any event not later than 48 hours before the time designated for holding the SGM or any adjournment thereof.

Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or at any adjourned meeting should you so wish and in such event the relevant form of proxy shall be deemed to be revoked.

PRECAUTIONARY MEASURES FOR THE SGM

Please see page ii of this circular for measures being taken to prevent and control the spread of the COVID-19 pandemic, including but not limited to:

- compulsory temperature check before entering the SGM Venue, and those with a body temperature of over 37.3 degrees Celsius or with the flu-like symptoms or is otherwise unwell will not be admitted to the SGM Venue;
- wearing of surgical face mask is compulsory at any time within the SGM Venue; and
- signing of health declaration form before admission to the SGM Venue.

Any person who declines any of the aforementioned precautionary measures will not be admitted to the SGM Venue. The Company reminds the Shareholders that they may appoint the chairman of the SGM as their proxy to vote on the relevant resolutions at the SGM as an alternative to attending the SGM in person.

CONTENTS

	<i>Page</i>
PRECAUTIONARY MEASURE FOR THE SGM	ii
DEFINITIONS	1
LETTER FROM THE BOARD	5
APPENDIX I – FINANCIAL INFORMATION OF THE GROUP	I-1
APPENDIX II – GENERAL INFORMATION	II-1
APPENDIX III – ADOPTION OF NEW BYE-LAWS	III-1
NOTICE OF SPECIAL GENERAL MEETING	SGM-1

PRECAUTIONARY MEASURES FOR THE SGM

In view of the ongoing COVID-19 pandemic, the Company will adopt the following precautionary measures at the SGM in order to safeguard the health and safety of the Shareholders, staff and stakeholders who attend the SGM in person:

1. At the entrance of the SGM Venue, a compulsory body temperature check will be conducted on every person attending the SGM. Any person with a body temperature of over 37.3 degrees Celsius, or any individual who has any flu-like symptoms or is otherwise unwell will not be admitted to the SGM Venue.
2. Every attendees will be required to sign and complete a health declaration form before admission to the SGM Venue.
3. Seating at the SGM Venue will be arranged so as to allow for appropriate social distancing. As a result, there will be limited capacity for Shareholders to attend the SGM. The Company may limit the number of attendees at the SGM as may be necessary to avoid over-crowding.
4. Every attendee is required to wear a surgical face mask at any time within the SGM Venue.
5. Any attendee who declines any of the abovementioned measures will not be admitted to the SGM Venue.
6. No food or beverages or gifts will be provided to the attendees at the SGM.

To the extent permitted under the applicable laws, the Company reserves the right to deny any person entry into the SGM venue or require any person to leave the SGM venue so as to ensure the health and safety of the other attendees at the SGM. Subject to the development of COVID-19, the Company may be required to change the SGM arrangements at short notice.

Shareholders should check the websites of the Company (www.lisigroup.com.hk) and the Stock Exchange (www.hkexnews.hk) for further announcements and updates on the SGM arrangements.

Voting by proxy in advance of the SGM: The Company does not in any way wish to diminish the opportunity available to the Shareholders to exercise their rights to vote, but is conscious of the pressing need to protect the Shareholders from possible exposure to COVID-19. For the health and safety of the Shareholders, the Company encourages Shareholders to exercise their right to vote at the SGM by appointing the chairman of the SGM as their proxy instead of attending the SGM in person. Physical attendance is not necessary for the purpose of exercising the voting rights of the Shareholders.

Appointment of proxy by non-registered Shareholders: Non-registered Shareholders whose Shares are held through banks, brokers, custodians or the Hong Kong Securities Clearing Company Limited should consult directly with their banks or brokers or custodians (as the case may be) for assistance in the appointment of proxies.

DEFINITIONS

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

“Announcements”	the announcements of the Company dated 9 June 2021 and 18 January 2022 in respect of the Previous Subscriptions
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	means 9:00 a.m. to 5:00 p.m. on any day (other than a Saturday, Sunday or public holiday in Hong Kong) on which banks in Hong Kong are open for normal banking business
“Company”	China Automobile New Retail (Holdings) Limited (stock code: 526), a company incorporated in Bermuda with limited liability and the issued Shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Daye Trust”	大業信託有限責任公司 (Daye Trust Co., Ltd*), a non-banking financial institution approved by the China Banking and Insurance Regulatory Commission
“Director(s)”	director(s) of the Company
“Existing Bye-Laws”	the existing bye-laws of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	28 April 2022, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Major Transactions Subscriptions”	the subscriptions of the 13th National Trust Financial Products and the 7th Daye Trust Financial Products
“Mr. Li”	Mr. Li Lixin, an executive Director and a controlling shareholder of the Company

* For identification purpose only

DEFINITIONS

“National Trust”	國民信託有限公司 (National Trust Company Limited*), one of the licensed trust financial institutions in the PRC under the supervision of the China Banking and Insurance Regulatory Commission
“New Bye-Laws”	the amended and restated bye-laws of the Company incorporating the amendments to the Existing Bye-Laws proposed to be adopted by the Shareholders at the SGM
“New JoySun”	寧波新江廈股份有限公司 (New JoySun Corp.*), a limited liability company incorporated in the PRC and an indirect wholly-owned subsidiary of the Company
“New JoySun Supermarket”	寧波新江廈連鎖超市有限公司 (Ningbo New JoySun Supermarket Chain Limited*), a limited liability incorporated in the PRC and an indirect wholly-owned subsidiary of the Company
“PRC”	the People’s Republic of China, which for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Previous Daye Trust Financial Products”	collectively, the 1st Daye Trust Financial Products, 2nd Daye Trust Financial Products, 3rd Daye Trust Financial Products, 4th Daye Trust Financial Products, 5th Daye Trust Financial Products, 6th Daye Trust Financial Products and the 7th Daye Trust Financial Products
“Previous National Trust Financial Products”	collectively, the 1st National Trust Financial Products, 2nd National Trust Financial Products, 3rd National Trust Financial Products, 4th National Trust Financial Products, 5th National Trust Financial Products, 6th National Trust Financial Products, 7th National Trust Financial Products, 8th National Trust Financial Products, 9th National Trust Financial Products, 10th National Trust Financial Products, 11th National Trust Financial Products, 12th National Trust Financial Products and 13th National Trust Financial Products
“Previous Subscriptions”	collectively, subscriptions for the Previous Daye Trust Financial Products and Previous National Trust Financial Products
“RMB”	Renminbi, the lawful currency of the PRC
“SGM”	a special general meeting of the Company to be convened (i) to consider, approve and ratify the agreements for the Major Transactions Subscriptions and transactions contemplated thereunder, and (ii) to consider and approve the proposed amendments to the Existing Bye-Laws and the adoption of the New Bye-Laws
“SGM Venue”	14/F Fairmont House, 8 Cotton Tree Drive, Central, Hong Kong

* For identification purpose only

DEFINITIONS

“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“1st Daye Trust Financial Products”	the financial products offered by Daye Trust and subscribed by New JoySun at RMB100,000,000 on 28 August 2019
“2nd Daye Trust Financial Products”	the financial products offered by Daye Trust and subscribed by New JoySun at RMB100,000,000 on 3 September 2019
“3rd Daye Trust Financial Products”	the financial products offered by Daye Trust and subscribed by New JoySun at RMB100,000,000 on 6 September 2019
“4th Daye Trust Financial Products”	the financial products offered by Daye Trust and subscribed by New JoySun at RMB100,000,000 on 16 September 2019
“5th Daye Trust Financial Products”	the financial products offered by Daye Trust and subscribed by New JoySun at RMB100,000,000 on 18 September 2019
“6th Daye Trust Financial Products”	the financial products offered by Daye Trust and subscribed by New JoySun at RMB150,000,000 on 23 September 2019
“7th Daye Trust Financial Products”	the financial products offered by Daye Trust and subscribed by New JoySun at RMB150,000,000 on 8 August 2019, which was subsequently increased to RMB230,000,000 on 30 March 2020 in accordance with its terms
“1st National Trust Financial Products”	the financial products offered by National Trust and subscribed by New JoySun Supermarket at RMB50,000,000 on 29 April 2020
“2nd National Trust Financial Products”	the financial products offered by National Trust and subscribed by New JoySun Supermarket at RMB90,000,000 on 18 May 2020
“3rd National Trust Financial Products”	the financial products offered by National Trust and subscribed by New JoySun Supermarket at RMB60,000,000 on 28 June 2020
“4th National Trust Financial Products”	the financial products offered by National Trust and subscribed by New JoySun Supermarket at RMB80,000,000 on 10 August 2020
“5th National Trust Financial Products”	the financial products offered by National Trust and subscribed by New JoySun Supermarket at RMB70,000,000 on 17 August 2020
“6th National Trust Financial Products”	the financial products offered by National Trust and subscribed by New JoySun Supermarket at RMB70,000,000 on 21 August 2020

DEFINITIONS

“7th National Trust Financial Products”	the financial products offered by National Trust and subscribed by New JoySun Supermarket at RMB60,000,000 on 24 August 2020
“8th National Trust Financial Products”	the financial products offered by National Trust and subscribed by New JoySun at RMB60,000,000 on 31 August 2020
“9th National Trust Financial Products”	the financial products offered by National Trust and subscribed by New JoySun at RMB60,000,000 on 3 September 2020
“10th National Trust Financial Products”	the financial products offered by National Trust and subscribed by New JoySun at RMB60,000,000 on 7 September 2020
“11th National Trust Financial Products”	the financial products offered by National Trust and subscribed by New JoySun at RMB50,000,000 on 10 September 2020
“12th National Trust Financial Products”	the financial products offered by National Trust and subscribed by New JoySun at RMB50,000,000 on 14 September 2020
“13th National Trust Financial Products”	the financial products offered by National Trust and subscribed by New JoySun at RMB40,000,000 on 16 September 2020

Certain figures set out in this circular have been subject to rounding adjustments. Accordingly, figures shown as the currency conversion or percentage equivalents may not be an arithmetic sum of such figures. Any discrepancy in any table between totals and sums of amounts listed in this circular is due to rounding.

LETTER FROM THE BOARD



CHINA AUTOMOBILE NEW RETAIL (HOLDINGS) LIMITED 中國汽車新零售（控股）有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 526)

Executive Directors:

Mr. Li Lixin
Mr. Cheng Jianhe
Ms. Jin Yaxue

Non-Executive Director:

Ms. Cheng Weihong

Independent Non-Executive Directors:

Mr. He Chengying
Mr. Shin Yick Fabian
Mr. Kwong Kwan Tong

Registered Office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

*Principal place of business
in Hong Kong:*

Workshop 06 & 07, 36th Floor,
King Palace Plaza
No. 52A Sha Tsui Road
Tsuen Wan, New Territories
Hong Kong

29 April 2022

To the Shareholders

Dear Sir or Madam,

**(1) MAJOR TRANSACTIONS IN RELATION TO
SUBSCRIPTIONS OF FINANCIAL PRODUCTS;
(2) PROPOSED AMENDMENTS TO EXISTING BYE-LAWS
AND ADOPTION OF NEW BYE-LAWS;
AND
(3) NOTICE OF SPECIAL GENERAL MEETING**

INTRODUCTION

Reference is made to the Announcements in relation to, among other things, the Previous Subscriptions, including but not limited to the Major Transactions Subscriptions.

On 16 September 2020, New JoySun entered into an agreement with National Trust pursuant to which New JoySun agreed to subscribe for the 13th National Trust Financial Products in the amount of RMB40,000,000.

LETTER FROM THE BOARD

In addition to the 13th National Trust Financial Products, between April 2020 to September 2020, New JoySun Supermarket and New JoySun, both being wholly owned subsidiaries of the Company, entered into various agreements with National Trust pursuant to which New JoySun Supermarket or New JoySun (as the case may be) agreed to subscribe for the following Previous National Trust Financial Products:

1. 1st National Trust Financial Products in the amount of RMB50,000,000;
2. 2nd National Trust Financial Products in the amount of RMB90,000,000;
3. 3rd National Trust Financial Products in the amount of RMB60,000,000;
4. 4th National Trust Financial Products in the amount of RMB80,000,000;
5. 5th National Trust Financial Products in the amount of RMB70,000,000;
6. 6th National Trust Financial Products in the amount of RMB70,000,000;
7. 7th National Trust Financial Products in the amount of RMB60,000,000;
8. 8th National Trust Financial Products in the amount of RMB60,000,000;
9. 9th National Trust Financial Products in the amount of RMB60,000,000;
10. 10th National Trust Financial Products in the amount of RMB60,000,000;
11. 11th National Trust Financial Products in the amount of RMB50,000,000; and
12. 12th National Trust Financial Products in the amount of RMB50,000,000.

On 8 August 2019, New JoySun entered into an agreement with Daye Trust pursuant to which New JoySun agreed to subscribe for the 7th Daye Trust Financial Products in the original amount of RMB150,000,000, which was subsequently increased to RMB230,000,000 on 30 March 2020 in accordance with its terms.

In addition to the 7th Daye Trust Financial Product, between August 2019 and March 2020, New JoySun entered into various agreements with Daye Trust pursuant to which New JoySun agreed to subscribe for the following Previous Daye Trust Financial Products:

1. 1st Daye Trust Financial Products in the amount of RMB100,000,000;
2. 2nd DayeTrust Financial Products in the amount of RMB100,000,000;
3. 3rd Daye Trust Financial Products in the amount of RMB100,000,000;

LETTER FROM THE BOARD

4. 4th Daye Trust Financial Products in the amount of RMB100,000,000;
5. 5th Daye Trust Financial Products in the amount of RMB100,000,000; and
6. 6th Daye Trust Financial Products in the amount of RMB150,000,000.

The purpose of this circular is to provide you with, among other things, (i) further details of the Major Transactions Subscriptions and the transactions contemplated thereunder; (ii) other information as required to be disclosed under the Listing Rules; and (iii) the notice of the SGM.

SUBSCRIPTIONS OF THE FINANCIAL PRODUCTS

The Previous National Trust Financial Products

On 16 September 2020, New JoySun entered into an agreement with National Trust pursuant to which New JoySun agreed to subscribe for the 13th National Trust Financial Products in the amount of RMB40,000,000.

Principal terms of the agreement with National Trust in relation to the subscription of the 13th National Trust Financial Products are set out below:

Parties	:	(1) National Trust (2) New JoySun
Name of the financial products	:	國民信托申鑫80號單一資金信托 (National Trust Shenxin No. 80 Single Fund Trust*)
Subscription Date	:	16 September 2020
Maturity Date	:	15 September 2023
Nature	:	Standalone trusts (單一類信託)
Mandate	:	In accordance with the management instruction of the settlor and beneficiary, to invest in treasury bonds, financial bonds, central bank bills, bank deposits, cash, bank wealth management products, issuing trust loans, and other money market instruments that comply with laws and regulations.
Subscription Amount	:	RMB40,000,000

* For identification purpose only

LETTER FROM THE BOARD

Underlying asset	:	<ul style="list-style-type: none">• “Bank of Ningbo Wealth Management Ningxin Fixed Income Close-end Wealth Management No. 36”* (甯銀理財寧欣固定收益類封閉式理財36號) at the amount of RMB50 million with an expected yield of 3.5%;• ICBC Wealth Management “Liang Quan Qi Mei Mixed 3 Months Fixed and Open-end Corporate Wealth Management”* (兩權其美混合類3個月定期開放式法人理財) at the amount of RMB50 million with an expected yield of 3%; and• “Minxin No. 1”* (民鑫39號), investment in Shanxi Road & Bridge Construction Group Co., Ltd. at the amount of RMB219.94 million with an expected yield of 5.4%
Principal guarantee	:	No guarantee of minimum return
Historical interest income	:	RMB1,360,000

Aggregation with other Previous National Trust Financial Products

In addition to the 13th National Trust Financial Products, between April 2020 to September 2020, New JoySun Supermarket and New JoySun, both being wholly owned subsidiaries of the Company, entered into various agreements with National Trust pursuant to which New JoySun Supermarket or New JoySun (as the case may be) agreed to subscribe for the following Previous National Trust Financial Products:

1. 1st National Trust Financial Products in the amount of RMB50,000,000;
2. 2nd National Trust Financial Products in the amount of RMB90,000,000;
3. 3rd National Trust Financial Products in the amount of RMB60,000,000;
4. 4th National Trust Financial Products in the amount of RMB80,000,000;
5. 5th National Trust Financial Products in the amount of RMB70,000,000;
6. 6th National Trust Financial Products in the amount of RMB70,000,000;
7. 7th National Trust Financial Products in the amount of RMB60,000,000;

* For identification purpose only

LETTER FROM THE BOARD

8. 8th National Trust Financial Products in the amount of RMB60,000,000;
9. 9th National Trust Financial Products in the amount of RMB60,000,000;
10. 10th National Trust Financial Products in the amount of RMB60,000,000;
11. 11th National Trust Financial Products in the amount of RMB50,000,000; and
12. 12th National Trust Financial Products in the amount of RMB50,000,000.

Details of the Previous National Trust Financial Products (except the 13th National Trust Financial Products) are summaries as below:

(1) 1st National Trust Financial Products

Parties	:	(1) National Trust
		(2) New JoySun Supermarket
Name of the financial products	:	國民信托申鑫70號單一資金信托 (National Trust Shenxin No. 70 Single Fund Trust*)
Subscription Date	:	29 April 2020
Maturity Date	:	28 April 2023
Nature	:	Standalone trusts (單一類信託)
Mandate	:	In accordance with the management instruction of the settlor and beneficiary, to invest in treasury bonds, financial bonds, central bank bills, bank deposits, cash, bank wealth management products, issuing trust loans, and other money market instruments that comply with laws and regulations.
Subscription Amount	:	RMB50,000,000

* For identification purpose only

LETTER FROM THE BOARD

Underlying asset	:	<ul style="list-style-type: none">• “Bank of Ningbo Wealth Management Ningxin Fixed Income Close-end Wealth Management No. 35”* (甯銀理財寧欣固定收益類封閉式理財35號) at the amount of RMB80 million with an expected yield of 3.7%; and• “Bank of Ningbo Wealth Management Ningxin Fixed Income Close-end Wealth Management No. 35”* (甯銀理財寧欣固定收益類封閉式理財35號) at the amount of RMB80 million with an expected yield of 3.7%; and• “Minzhe No. 1”* (民詰1號), investment in Shanxi Construction Investment Group Co., Ltd. at the investment amount of RMB399.93 million with an expected yield of 5.4%
Principal guarantee	:	No guarantee of minimum return
Historical interest income	:	RMB1,546,000

(2) 2nd National Trust Financial Products

Parties	:	(1) National Trust (2) New JoySun Supermarket
Name of the financial products	:	國民信托申鑫70號單一資金信托 (National Trust Shenxin No. 70 Single Fund Trust*)
Subscription Date	:	18 May 2020
Maturity Date	:	17 May 2023
Nature	:	Standalone trusts (單一類信託)
Mandate	:	In accordance with the management instruction of the settlor and beneficiary, to invest in treasury bonds, financial bonds, central bank bills, bank deposits, cash, bank wealth management products, issuing trust loans, and other money market instruments that comply with laws and regulations.
Subscription Amount	:	RMB90,000,000

* For identification purpose only

LETTER FROM THE BOARD

Underlying asset : • “Bank of Ningbo Wealth Management Ningxin Fixed Income Close-end Wealth Management No. 35”* (甯銀理財寧欣固定收益類封閉式理財35號) at the amount of RMB80 million with an expected yield of 3.7%; and

• “Minzhe No. 1”* (民喆1號), investment in Shanxi Construction Investment Group Co., Ltd. at the investment amount of RMB399.93 million with an expected yield of 5.4%

Principal guarantee : No guarantee of minimum return

Historical interest income : RMB2,548,000

(3) 3rd National Trust Financial Products

Parties : (1) National Trust

(2) New JoySun Supermarket

Name of the financial products : 國民信托申鑫70號單一資金信托 (National Trust Shenxin No. 70 Single Fund Trust*)

Subscription Date : 28 June 2020

Maturity Date : 27 June 2023

Nature : Standalone trusts (單一類信託)

Mandate : In accordance with the management instruction of the settlor and beneficiary, to invest in treasury bonds, financial bonds, central bank bills, bank deposits, cash, bank wealth management products, issuing trust loans, and other money market instruments that comply with laws and regulations.

Subscription Amount : RMB60,000,000

* For identification purpose only

LETTER FROM THE BOARD

Underlying asset : • “Bank of Ningbo Wealth Management Ningxin Fixed Income Close-end Wealth Management No. 35”* (甯銀理財寧欣固定收益類封閉式理財35號) at the amount of RMB80 million with an expected yield of 3.7%; and

• “Minzhe No. 1”* (民喆1號), investment in Shanxi Construction Investment Group Co., Ltd. at the investment amount of RMB399.93 million with an expected yield of 5.4%

Principal guarantee : No guarantee of minimum return

Historical interest income : RMB1,442,000

(4) 4th National Trust Financial Products

Parties : (1) National Trust

(2) New JoySun Supermarket

Name of the financial products : 國民信托申鑫70號單一資金信托 (National Trust Shenxin No. 70 Single Fund Trust*)

Subscription Date : 10 August 2020

Maturity Date : 9 August 2023

Nature : Standalone trusts (單一類信託)

Mandate : In accordance with the management instruction of the settlor and beneficiary, to invest in treasury bonds, financial bonds, central bank bills, bank deposits, cash, bank wealth management products, issuing trust loans, and other money market instruments that comply with laws and regulations.

Subscription Amount : RMB80,000,000

* For identification purpose only

LETTER FROM THE BOARD

- Underlying asset : • “Bank of Ningbo Wealth Management Ningxin Fixed Income Close-end Wealth Management No. 35”* (甯銀理財寧欣固定收益類封閉式理財35號) at the amount of RMB80 million with an expected yield of 3.7%; and
- “Minzhe No. 1”* (民喆1號), investment in Shanxi Construction Investment Group Co., Ltd. at the investment amount of RMB399.93 million with an expected yield of 5.4%

Principal guarantee : No guarantee of minimum return

Historical interest income : RMB1,386,000

(5) 5th National Trust Financial Products

- Parties : (1) National Trust
- (2) New JoySun Supermarket

Name of the financial products : 國民信托申鑫70號單一資金信托 (National Trust Shenxin No. 70 Single Fund Trust*)

Subscription Date : 17 August 2020

Maturity Date : 16 August 2023

Nature : Standalone trusts (單一類信託)

Mandate : In accordance with the management instruction of the settlor and beneficiary, to invest in treasury bonds, financial bonds, central bank bills, bank deposits, cash, bank wealth management products, issuing trust loans, and other money market instruments that comply with laws and regulations.

Subscription Amount : RMB70,000,000

* For identification purpose only

LETTER FROM THE BOARD

- Underlying asset : • “Bank of Ningbo Wealth Management Ningxin Fixed Income Close-end Wealth Management No. 35”* (甯銀理財寧欣固定收益類封閉式理財35號) at the amount of RMB80 million with an expected yield of 3.7%; and
- “Minzhe No. 1”* (民喆1號), investment in Shanxi Construction Investment Group Co., Ltd. at the investment amount of RMB399.93 million with an expected yield of 5.4%

Principal guarantee : No guarantee of minimum return

Historical interest income : RMB1,147,000

(6) 6th National Trust Financial Products

- Parties : (1) National Trust
- (2) New JoySun Supermarket

Name of the financial products : 國民信托申鑫70號單一資金信托 (National Trust Shenxin No. 70 Single Fund Trust*)

Subscription Date : 21 August 2020

Maturity Date : 20 August 2023

Nature : Standalone trusts (單一類信託)

Mandate : In accordance with the management instruction of the settlor and beneficiary, to invest in treasury bonds, financial bonds, central bank bills, bank deposits, cash, bank wealth management products, issuing trust loans, and other money market instruments that comply with laws and regulations.

Subscription Amount : RMB70,000,000

* For identification purpose only

LETTER FROM THE BOARD

- Underlying asset : • “Bank of Ningbo Wealth Management Ningxin Fixed Income Close-end Wealth Management No. 35”* (甯銀理財寧欣固定收益類封閉式理財35號) at the amount of RMB80 million with an expected yield of 3.7%; and
- “Minzhe No. 1”* (民喆1號), investment in Shanxi Construction Investment Group Co., Ltd. at the investment amount of RMB399.93 million with an expected yield of 5.4%

Principal guarantee : No guarantee of minimum return

Historical interest income : RMB1,091,000

(7) 7th National Trust Financial Products

- Parties : (1) National Trust
- (2) New JoySun Supermarket

Name of the financial products : 國民信托申鑫70號單一資金信托 (National Trust Shenxin No. 70 Single Fund Trust*)

Subscription Date : 24 August 2020

Maturity Date : 23 August 2023

Nature : Standalone trusts (單一類信託)

Mandate : In accordance with the management instruction of the settlor and beneficiary, to invest in treasury bonds, financial bonds, central bank bills, bank deposits, cash, bank wealth management products, issuing trust loans, and other money market instruments that comply with laws and regulations.

Subscription Amount : RMB60,000,000

* For identification purpose only

LETTER FROM THE BOARD

- Underlying asset : • “Bank of Ningbo Wealth Management Ningxin Fixed Income Close-end Wealth Management No. 35”* (甯銀理財寧欣固定收益類封閉式理財35號) at the amount of RMB30 million with an expected yield of 3.7%; and
- “Minzhe No. 1”* (民喆1號), investment in Shanxi Construction Investment Group Co., Ltd. at the investment amount of RMB399.93 million with an expected yield of 5.4%

Principal guarantee : No guarantee of minimum return

Historical interest income : RMB919,000

(8) 8th National Trust Financial Products

- Parties : (1) National Trust
- (2) New JoySun

Name of the financial products : 國民信托申鑫80號單一資金信托 (National Trust Shenxin No. 80 Single Fund Trust*)

Subscription Date : 31 August 2020

Maturity Date : 30 August 2023

Nature : Standalone trusts (單一類信託)

Mandate : In accordance with the management instruction of the settlor and beneficiary, to invest in treasury bonds, financial bonds, central bank bills, bank deposits, cash, bank wealth management products, issuing trust loans, and other money market instruments that comply with laws and regulations.

Subscription Amount : RMB60,000,000

* For identification purpose only

LETTER FROM THE BOARD

Underlying asset	:	<ul style="list-style-type: none">• “Bank of Ningbo Wealth Management Ningxin Fixed Income Close-end Wealth Management No. 36”* (甯銀理財寧欣固定收益類封閉式理財36號) at the amount of RMB50 million with an expected yield of 3.5%;• ICBC Wealth Management “Liang Quan Qi Mei Mixed 3 Months Fixed and Open-end Corporate Wealth Management”* (兩權其美混合類3個月定期開放式法人理財) at the amount of RMB50 million with an expected yield of 3%; and• “Minxin No. 1”* (民鑫39號), investment in Shanxi Road & Bridge Construction Group Co., Ltd. at the amount of RMB219.94 million with an expected yield of 5.4%
Principal guarantee	:	No guarantee of minimum return
Historical interest income	:	RMB2,164,000

(9) 9th National Trust Financial Products

Parties	:	(1) National Trust (2) New JoySun
Name of the financial products	:	國民信托申鑫80號單一資金信托 (National Trust Shenxin No. 80 Single Fund Trust*)
Subscription Date	:	3 September 2020
Maturity Date	:	2 September 2023
Nature	:	Standalone trusts (單一類信託)

* For identification purpose only

LETTER FROM THE BOARD

Mandate	:	In accordance with the management instruction of the settlor and beneficiary, to invest in treasury bonds, financial bonds, central bank bills, bank deposits, cash, bank wealth management products, issuing trust loans, and other money market instruments that comply with laws and regulations.
Subscription Amount	:	RMB60,000,000
Underlying asset	:	<ul style="list-style-type: none">• “Bank of Ningbo Wealth Management Ningxin Fixed Income Close-end Wealth Management No. 36”* (甯銀理財寧欣固定收益類封閉式理財36號) at the amount of RMB50 million with an expected yield of 3.5%;• ICBC Wealth Management “Liang Quan Qi Mei Mixed 3 Months Fixed and Open-end Corporate Wealth Management”* (兩權其美混合類3個月定期開放式法人理財) at the amount of RMB50 million with an expected yield of 3%; and• “Minxin No. 1”* (民鑫39號), investment in Shanxi Road & Bridge Construction Group Co., Ltd. at the amount of RMB219.94 million with an expected yield of 5.4%
Principal guarantee	:	No guarantee of minimum return
Historical interest income	:	RMB2,142,000

(10) 10th National Trust Financial Products

Parties	:	(1) National Trust (2) New JoySun
Name of the financial products	:	國民信托申鑫80號單一資金信托 (National Trust Shenxin No. 80 Single Fund Trust*)
Subscription Date	:	7 September 2020
Maturity Date	:	6 September 2023
Nature	:	Standalone trusts (單一類信託)

* For identification purpose only

LETTER FROM THE BOARD

Mandate	:	In accordance with the management instruction of the settlor and beneficiary, to invest in treasury bonds, financial bonds, central bank bills, bank deposits, cash, bank wealth management products, issuing trust loans, and other money market instruments that comply with laws and regulations.
Subscription Amount	:	RMB60,000,000
Underlying asset	:	<ul style="list-style-type: none">• “Bank of Ningbo Wealth Management Ningxin Fixed Income Close-end Wealth Management No. 36”* (甯銀理財寧欣固定收益類封閉式理財36號) at the amount of RMB50 million with an expected yield of 3.5%;• ICBC Wealth Management “Liang Quan Qi Mei Mixed 3 Months Fixed and Open-end Corporate Wealth Management”* (兩權其美混合類3個月定期開放式法人理財) at the amount of RMB50 million with an expected yield of 3%; and• “Minxin No. 1”* (民鑫39號), investment in Shanxi Road & Bridge Construction Group Co., Ltd. at the amount of RMB219.94 million with an expected yield of 5.4%
Principal guarantee	:	No guarantee of minimum return
Historical interest income	:	RMB2,113,000

* For identification purpose only

LETTER FROM THE BOARD

(11) 11th National Trust Financial Products

Parties	:	(1) National Trust
		(2) New JoySun
Name of the financial products	:	國民信托申鑫80號單一資金信托 (National Trust Shenxin No. 80 Single Fund Trust*)
Subscription Date	:	10 September 2020
Maturity Date	:	9 September 2023
Nature	:	Standalone trusts (單一類信託)
Mandate	:	In accordance with the management instruction of the settlor and beneficiary, to invest in treasury bonds, financial bonds, central bank bills, bank deposits, cash, bank wealth management products, issuing trust loans, and other money market instruments that comply with laws and regulations.
Subscription Amount	:	RMB50,000,000
Underlying asset	:	<ul style="list-style-type: none">• “Bank of Ningbo Wealth Management Ningxin Fixed Income Close-end Wealth Management No. 36”* (甯銀理財寧欣固定收益類封閉式理財36號) at the amount of RMB50 million with an expected yield of 3.5%;• ICBC Wealth Management “Liang Quan Qi Mei Mixed 3 Months Fixed and Open-end Corporate Wealth Management”* (兩權其美混合類3個月定期開放式法人理財) at the amount of RMB50 million with an expected yield of 3%; and• “Minxin No. 1”* (民鑫39號), investment in Shanxi Road & Bridge Construction Group Co., Ltd. at the amount of RMB219.94 million with an expected yield of 5.4%
Principal guarantee	:	No guarantee of minimum return
Historical interest income	:	RMB1,743,000

* For identification purpose only

LETTER FROM THE BOARD

(12) 12th National Trust Financial Products

Parties	:	(1) National Trust
		(2) New JoySun
Name of the financial products	:	國民信托申鑫80號單一資金信托 (National Trust Shenxin No. 80 Single Fund Trust*)
Subscription Date	:	14 September 2020
Maturity Date	:	13 September 2023
Nature	:	Standalone trusts (單一類信託)
Mandate	:	In accordance with the management instruction of the settlor and beneficiary, to invest in treasury bonds, financial bonds, central bank bills, bank deposits, cash, bank wealth management products, issuing trust loans, and other money market instruments that comply with laws and regulations.
Subscription Amount	:	RMB50,000,000
Underlying asset	:	<ul style="list-style-type: none">“Bank of Ningbo Wealth Management Ningxin Fixed Income Close-end Wealth Management No. 36”* (甯銀理財寧欣固定收益類封閉式理財36號) at the amount of RMB50 million with an expected yield of 3.5%;ICBC Wealth Management “Liang Quan Qi Mei Mixed 3 Months Fixed and Open-end Corporate Wealth Management”* (兩權其美混合類3個月定期開放式法人理財) at the amount of RMB50 million with an expected yield of 3%; and“Minxin No. 1”* (民鑫39號), investment in Shanxi Road & Bridge Construction Group Co., Ltd. at the amount of RMB219.94 million with an expected yield of 5.4%
Principal guarantee	:	No guarantee of minimum return
Historical interest income	:	RMB1,718,000

* For identification purpose only

LETTER FROM THE BOARD

The subscription amounts under the Previous National Trust Financial Products were settled out of the Group's internal resources. The principal and interest of all of the Previous National Trust Financial Products have not been fully redeemed as all of their maturity dates are in 2023. As at the Latest Practicable Date, the outstanding amount of principal of all the Previous National Trust Financial Products in aggregate was RMB799.7 million. Since the Previous National Trust Financial Products do not provide a guarantee of minimum return, there was no information on the amount of outstanding interest of the Previous National Trust Financial Products as at the Latest Practicable Date.

The subscriptions amount under the Previous National Trust Financial Products were determined by the amount of idle funds then in possession of the Group, taking into account the rating of the financial products and the historic income of the financial products having been stable. Save for allocating certain idle fund as general working capital purpose, the Group generally utilised all of its remaining idle fund for investment in financial products to generate better return. The Company considered that the financial position of the Group at each relevant time of subscribing the Previous National Trust Financial Products would not be materially adversely affected by the subscription as the subscription of each of the Previous National Trust Financial Products did not exhaust all of the idle funds then in possession of the Group, and also the Company considered that it could also generate cash for the Company. While the Group did not have information on the expected income for each of the Previous National Trust Financial Products at the relevant time of subscription as the Previous National Trust Financial Products had no guarantee of minimum return, however, based on information available to the Company, the overall estimated credit rating of some of the underlying assets of the Previous National Trust Financial Products, namely, investments in Shanxi Construction Investment Group Co., Ltd. and Shanxi Road & Bridge Construction Group Co., Ltd. were AAA and AA+, respectively, as assessed by an independent valuer. In addition, based on information available to the Company, the historic income of the financial products have been stable in generating approximately a rate of return of approximately 4.8%.

The Previous Daye Trust Financial Products

On 8 August 2019, New JoySun entered into an agreement with Daye Trust pursuant to which New JoySun agreed to subscribe for the 7th Daye Trust Financial Products in the original amount of RMB15,000,000, which was subsequently increased to RMB230,000,000 on 30 March 2020 in accordance with its terms.

LETTER FROM THE BOARD

Principal terms of the agreement with Daye Trust in relation to the subscription of the 7th Daye Trust Financial Products are set out below:

Parties	:	(1) Daye Trust
		(2) New JoySun
Name of the financial products	:	大業信託 • 新江慶 (一期) 單一資金信託
Subscription Date	:	8 August 2019
Maturity Date	:	7 August 2020
Nature	:	Standalone trusts (單一類信託)
Mandate	:	In accordance with the management instruction of the settlor and beneficiary, to invest in treasury bonds, financial bonds, central bank bills, bank deposits, cash, bank wealth management products, issuing trust loans, and other money market instruments that comply with laws and regulations.
Subscription Amount	:	Original subscription amount was RMB150,000,000 on the subscription date (i.e. 8 August 2019). The subscription amount was subsequently increased to RMB230,000,000 by a direction from New JoySun to Daye Trust dated 30 March 2020 in accordance with the terms of the 7th Daye Trust Financial Products
Underlying asset	:	Trust loans of state-owned enterprises
Principal guarantee	:	No guarantee of minimum return
Historical rate of return	:	5.70%

Aggregation with other Previous Daye Trust Financial Products

In addition to the 7th Daye Trust Financial Products, between August 2019 and March 2020, New JoySun entered into various agreements with Daye Trust pursuant to which New JoySun agreed to subscribe for the following Previous Daye Trust Financial Products:

1. 1st Daye Trust Financial Products in the amount of RMB100,000,000;
2. 2nd DayeTrust Financial Products in the amount of RMB100,000,000;
3. 3rd Daye Trust Financial Products in the amount of RMB100,000,000;

LETTER FROM THE BOARD

4. 4th Daye Trust Financial Products in the amount of RMB100,000,000;
5. 5th Daye Trust Financial Products in the amount of RMB100,000,000; and
6. 6th Daye Trust Financial Products in the amount of RMB150,000,000.

Details of the 1st Daye Trust Financial Products, 2nd Daye Trust Financial Products, 3rd Daye Trust Financial Products, 4th Daye Trust Financial Products, 5th Daye Trust Financial Products and 6th Daye Trust Financial Products are summaries as below:

(1) 1st Daye Trust Financial Products

Parties	:	(1) Daye Trust (2) New JoySun
Name of the financial products	:	大業信託・新江廈(一期)單一資金信託
Subscription Date	:	28 August 2019
Maturity Date	:	27 August 2020
Nature	:	Standalone trusts (單一類信託)
Mandate	:	In accordance with the management instruction of the settlor and beneficiary, to invest in treasury bonds, financial bonds, central bank bills, bank deposits, cash, bank wealth management products, issuing trust loans, and other money market instruments that comply with laws and regulations.
Subscription Amount	:	RMB100,000,000
Underlying asset	:	Trust loans of state-owned enterprises
Principal guarantee	:	No guarantee of minimum return
Historical interest income	:	RMB11,260,000

LETTER FROM THE BOARD

(2) 2nd Daye Trust Financial Products

Parties	:	(1) Daye Trust
		(2) New JoySun
Name of the financial products	:	大業信託•新江廈(一期)單一資金信託
Subscription Date	:	3 September 2019
Maturity Date	:	2 September 2020
Nature	:	Standalone trusts (單一類信託)
Mandate	:	In accordance with the management instruction of the settlor and beneficiary, to invest in treasury bonds, financial bonds, central bank bills, bank deposits, cash, bank wealth management products, issuing trust loans, and other money market instruments that comply with laws and regulations.
Subscription Amount	:	RMB100,000,000
Underlying asset	:	Trust loans of state-owned enterprises
Principal guarantee	:	No guarantee of minimum return
Historical interest income	:	RMB7,497,000

LETTER FROM THE BOARD

(3) 3rd Daye Trust Financial Products

Parties	:	(1) Daye Trust
		(2) New JoySun
Name of the financial products	:	大業信託•新江廈(一期)單一資金信託
Subscription Date	:	6 September 2019
Maturity Date	:	5 September 2020
Nature	:	Standalone trusts (單一類信託)
Mandate	:	In accordance with the management instruction of the settlor and beneficiary, to invest in treasury bonds, financial bonds, central bank bills, bank deposits, cash, bank wealth management products, issuing trust loans, and other money market instruments that comply with laws and regulations.
Subscription Amount	:	RMB100,000,000
Underlying asset	:	Trust loans of state-owned enterprises
Principal guarantee	:	No guarantee of minimum return
Historical interest income	:	RMB7,509,000

LETTER FROM THE BOARD

(4) 4th Daye Trust Financial Products

Parties	:	(1) Daye Trust
		(2) New JoySun
Name of the financial products	:	大業信託 • 新江廈 (一期) 單一資金信託
Subscription Date	:	16 September 2019
Maturity Date	:	15 September 2020
Nature	:	Standalone trusts (單一類信託)
Mandate	:	In accordance with the management instruction of the settlor and beneficiary, to invest in treasury bonds, financial bonds, central bank bills, bank deposits, cash, bank wealth management products, issuing trust loans, and other money market instruments that comply with laws and regulations.
Subscription Amount	:	RMB100,000,000
Underlying asset	:	Trust loans of state-owned enterprises
Principal guarantee	:	No guarantee of minimum return
Historical interest income	:	RMB7,507,000

LETTER FROM THE BOARD

(5) 5th Daye Trust Financial Products

Parties	:	(1) Daye Trust
		(2) New JoySun
Name of the financial products	:	大業信託 • 新江廈 (一期) 單一資金信託
Subscription Date	:	18 September 2019
Maturity Date	:	17 September 2020
Nature	:	Standalone trusts (單一類信託)
Mandate	:	In accordance with the management instruction of the settlor and beneficiary, to invest in treasury bonds, financial bonds, central bank bills, bank deposits, cash, bank wealth management products, issuing trust loans, and other money market instruments that comply with laws and regulations.
Subscription Amount	:	RMB100,000,000
Underlying asset	:	Trust loans of state-owned enterprises
Principal guarantee	:	No guarantee of minimum return
Historical interest income	:	RMB7,503,000

LETTER FROM THE BOARD

(6) 6th Daye Trust Financial Products

Parties	:	(1) Daye Trust
		(2) New JoySun
Name of the financial products	:	大業信託 • 新江廈 (一期) 單一資金信託
Subscription Date	:	23 September 2019
Maturity Date	:	22 September 2020
Nature	:	Standalone trusts (單一類信託)
Mandate	:	In accordance with the management instruction of the settlor and beneficiary, to invest in treasury bonds, financial bonds, central bank bills, bank deposits, cash, bank wealth management products, issuing trust loans, and other money market instruments that comply with laws and regulations.
Subscription Amount	:	RMB150,000,000
Underlying asset	:	Trust loans of state-owned enterprises
Principal guarantee	:	No guarantee of minimum return
Historical interest income	:	RMB7,502,000

The subscription amounts under the Previous Daye Trust Financial Products were settled out of the Group's internal resources. The principal and interest of the Previous Daye Trust Financial Products have been fully redeemed.

The subscriptions amount under the Previous Daye Trust Financial Products were determined by the amount of idle funds then in possession of the Group, taking into account the rating of the financial products, the fact that the underlying assets are state-owned enterprise with ultimate beneficial owners being governmental authorities of the PRC and the historic income of the financial products having been stable .

LETTER FROM THE BOARD

GENERAL INFORMATION ON THE PARTIES

The Group

The Company is an investment holding company principally engaged in the trading of imported cars. Together with subsidiaries, the Company operates business through six segments: (i) the car trading platform segment is engaged in providing imported cars platform services and property rental services (ii) the car-sale segment is engaged in the trading of imported cars; (iii) the manufacturing and trading segment is engaged in the manufacture and trading of plastic and metallic household products; (iv) the retail segment is engaged in the management of department stores and the operation of supermarket operation; (v) the wholesale segment is engaged in the wholesales of wine and beverages and electrical appliances and (vi) the investments holding segment is engaged in the debts management and the investment in equity securities.

National Trust (國民信託)

According to the 2020 annual report of National Trust, National Trust was established in 1987 with the approval for establishment from the China Banking and Insurance Regulatory Commission. According to public information available to the Company and to the best knowledge of the Board, National Trust is owned as to (i) approximately 31.73% by 上海豐益股權投資基金有限公司 (Shanghai Fengyi Equity Investment Fund Co., Ltd. *), which is indirectly wholly owned by Funde Holdings Group Co., Ltd. (富德控股(集團)有限公司), a Shenzhen-based nationwide conglomerate group in the PRC with scope of business covering finance, insurance, investment management, fund management, commercial real estate development and operation, new energy development and application as well as equity investment, which is ultimately beneficially owned as to 94% by 張峻 (Zhang Jun*), an individual, and (ii) approximately 24.17% and 16.56% by 上海創信資產管理有限公司 (Shanghai Chuangxin Asset Management Co., Ltd.*) and 恒豐裕實業發展有限公司 (Hengfengyu Industry Development Co., Ltd.*), respectively, both of which are wholly owned by FunDe Sino Life Insurance Co., Ltd. (富德生命人壽保險股份有限公司), a professional life insurance company operating on a national scale in the PRC. FunDe Sino Life Insurance Co., Ltd. (富德生命人壽保險股份有限公司) is owned as to (i) approximately 20% by 深圳富德金蓉控股有限公司 (Shenzhen Funde Jinrong Holdings Co., Ltd.*) which is ultimately beneficially owned as to 94% by 張峻 (Zhang Jun*), an individual; (ii) approximately 17.83% by 深圳厚德金融控股有限公司 (Shenzhen Houde Finance Holdings Co., Ltd.*), which is ultimately beneficially owned as to approximately 56.75% and 39.92% by 張逢源 (Zhang Fengyuan*) and 羅桂都 (Luo Guidu*), both individuals, respectively; (iii) approximately 16.77% by 深圳市國民投資發展有限公司 (*Shenzhen National Investment Development Co., Ltd*), which is ultimately beneficially owned as to approximately 51% and 49% by 陳小兵 (Chen Xiaobing*) and 張錦填 (Zhang Jintian*), both individuals, respectively, (iv) approximately 15.27% by 深圳市盈德置地有限公司 (Shenzhen Yingde Land Co., Ltd.*), which is ultimately beneficially owned as to approximately 52% by 香港新亞洲集團有限公司 (Hong Kong New Asia Investment Co., Ltd.*) and as to approximately 48% by 張慶龍 (Zhang Qinglong*), an individual; (v) approximately 11.79% by 深圳市洲際通商投資有限公司 (Shenzhen Zhouji Tongshang Investment Co., Ltd.*), which is ultimately beneficially owned as to approximately 60% and 40% by 王向陽 (Wang Xiangyang*) and 孫家英 (Sun Jiaying*), both individuals, respectively.

* For identification purpose only

LETTER FROM THE BOARD

Daye Trust (大業信託)

According to the 2020 annual report of Daye Trust, Daye Trust is a non-banking financial institution approved by the China Banking and Insurance Regulatory Commission. According to public information available to the Company and to the best knowledge of the Board, Daye Trust is owned as to (i) approximately 41.67% by China Orient Asset Management Co., Ltd. (中國東方資產管理股份有限公司) which in turn is owned as to approximately 71.55% by the Ministry of Finance of the PRC (財政部) and (ii) approximately 38.33% by Guangzhou Finance Holdings Group Co., Ltd (廣州金融控股集團有限公司) which in turn is owned as to approximately 90.51% by the People's Government of Guangzhou Municipality (廣州市人民政府).

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, National Trust, Daye Trust and their respective ultimate beneficial owners are third parties independent of the Group and its connected persons.

REASONS FOR AND BENEFITS OF THE PREVIOUS SUBSCRIPTIONS

The Company utilized certain idle funds to subscribe for the Previous Subscriptions. The management of the Group has been taking the purchase of wealth management products as one of the means to increase the Group's income and improvement of assessment results. Given the Board was of the view that the Previous Subscriptions were highly secured with appropriate returns, the Board considered the Previous Subscriptions were conducive to enhancing the utilization of capital and increasing income from idle funds. The consideration in relation to the Previous Subscriptions was determined after taking into account various factors including cash management, the level of risk and return of the financial products and their respective maturity dates.

The Company has compared financial products of five different trusts companies. Based on information available to the Company, the historical return of the financial products offered by National Trust and Daye Trust were highest among the five different trusts. As the historical return of the financial products offered by National Trust and Daye Trust have been stable, the Group projected that the expected return would be stable although there was no guarantee of minimum return.

According to the 2020 annual report of Daye Trust, Daye Trust is a non-banking financial institution approved by the China Banking and Insurance Regulatory Commission. As at 31 December 2020, the scale of trust products established reached RMB693.1 billion and the balance of continuing trust (存續信託) assets was RMB59.6 billion, which comprised investments in loans (貸款), transactional financial asset (交易性金融資產投資), held-to-maturity investments available for sale (可供出售及持有至到期投資), long-term equity (長期股權投資), and due from peers (存放同業) etc. According to the 2020 annual report of Daye Trust, Daye Trust settled 60 collective trusts (集合類) with weighted average annualized rate of return of 6.2%, 53 standalone trusts (單一類) with weighted average annualized rate of return of 6.63% and eight property management items (財產管理類) with weighted average annualized rate of return of 1.14%.

LETTER FROM THE BOARD

According to the 2020 annual report of National Trust, National Trust was established in 1987 with the approval for establishment from the China Banking and Insurance Regulatory Commission. As at 31 December 2020, the balance of continuing trust (存續信託) assets was RMB149.3 billion which include, among others, currency assets (貨幣資產), loan (貸款), financial assets available for sale (交易性金融資產), held-to-maturity investment (可供出售金融產品) and long-term equity investment (長期股權投資) etc. According to the 2020 annual report of National Trust, National Trust settled 299 trusts with weighted average annualized rate of return of 5.39%, among which 37 are collective trusts (集合類信託專案) with weighted average annualized rate of return of 3.35%, 259 are standalone trusts (單一類信託專案) with weighted average annualized rate of return of 5.53% and three are property management items (財產管理類) with weighted average annualized rate of return of 6.67%.

Taking into account of the above and the Group's experience of investment in the financial products managed by National Trust and Daye Trust, the Board considers that the Previous Subscriptions are in the interest of the Company and its shareholders as a whole.

As at the Latest Practicable Date, all the principal and interest of the Previous Daye Trust Subscriptions were fully redeemed. As a result of such redemptions, the Group received an aggregate sum of approximately RMB776.8 million, comprising the return of the aggregate subscription amounts of RMB730 million made for the Previous Daye Trust Subscriptions and a total gain of RMB46.8 million. Among such gain, approximately RMB40.8 million was recognised under other income and gains during the year ended 31 March 2020 and 2021, and the remaining balance of RMB6.0 million was recognised under other income and gains during the year ended 31 March 2022.

As at the Latest Practicable Date, all the principal and interest of all of the Previous National Trust Financial Products have not been fully redeemed as all of their maturity dates are in 2023. The interest received by the Group up to the Latest Practicable Date was approximately RMB38.1 million. For the six months ended 30 September 2021, all the Previous National Trust Financial Products were classified as financial assets with fair value of approximately RMB809.3 million as at 30 September 2021 and unaudited unrealised gain on change of fair value through profit or loss of approximately RMB5.2 million for the six months ended 30 September 2021. The financial effect of the subscriptions of the Previous National Trust Financial Products on the liabilities of the Group was approximately RMB2.3 million as at 30 September 2021 as a result of the provision of deferred tax at the tax rate of 25% on the change in fair value of the Previous National Trust Financial Products.

Accordingly, the Directors are of the view that the Previous Subscriptions are on normal commercial terms, fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

None of the Directors has material interests in the Previous Subscriptions or is required to abstain from voting on the Board resolutions approving the Previous Subscriptions and the transactions contemplated thereunder.

LETTER FROM THE BOARD

LISTING RULES IMPLICATIONS

Pursuant to Rule 14.22 of the Listing Rules, as one of the applicable percentage ratios for the subscription amounts of the (i) the 13th National Trust Financial Products when aggregated with that of the 1st National Trust Financial Products, 2nd National Trust Financial Products, 3rd National Trust Financial Products, 4th National Trust Financial Products, 5th National Trust Financial Products, 6th National Trust Financial Products, 7th National Trust Financial Products, 8th National Trust Financial Products, 9th National Trust Financial Products, 10th National Trust Financial Products, 11th National Trust Financial Products and 12th National Trust Financial Products; and (ii) the 7th Daye Trust Financial Products when aggregated with that of the 1st Daye Trust Financial Products, 2nd Daye Trust Financial Products, 3rd Daye Trust Financial Products, 4th Daye Trust Financial Products, 5th Daye Trust Financial Products and 6th Daye Trust Financial Products exceed 25% but is less than 100%, the subscriptions of the 13th National Trust Financial Products and the 7th Daye Trust Financial Products constituted major transactions of the Company which are subject to the notification, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholders or any of their respective associates have any material interest in the agreements for the Major Transactions Subscriptions and the transactions contemplated thereunder. As such, no Shareholder is required to abstain from voting under the Listing Rules on the resolutions to be proposed at the SGM.

INTERNAL CONTROL

The failure to make timely disclosure pursuant to Rule 14.34 of the Listing Rules was due to the management of the Company inadvertently failing to aggregate the subscription amount of the Previous Subscriptions pursuant to Rule 14.22. As a result, the Company had not complied with the applicable requirements under Chapter 14 of the Listing Rules after the Previous Subscriptions in a timely manner. The Company became aware of the situation at the time when it conducted its annual audit.

At the time when the Company noted the failure to make timely disclosure for the Previous Subscriptions and inadvertently breach of Rule 14.34 of the Listing Rule, the Company immediately carried out some remedial measures such as immediately examined the coordination and reporting path for doing all notifiable transactions, and promptly assigned the finance manager in Hong Kong office to oversee all transactions to make sure all notifiable transactions of the Company will comply with the Listing Rules and all other laws and regulation.

The non-compliance with Rules 14.34 was inadvertent and the Company had no intention to withhold any information relating to the Previous Subscriptions from disclosure.

LETTER FROM THE BOARD

According to the planned internal control mechanism of the Group for subscribing wealth management products, which is in the process of being reduced to writing as the Group's standard protocol, the staff members of the financial department of subsidiaries of the Company (the "Officers") would first assess risk profile of the wealth management products such as risk manageability and income stability. The Officers would then report to the head of financial department of the Group in the PRC for calculation of relevant ratios under the Listing Rules with reference to the amount involved under the purchase of the wealth management products. The financial manager of the Group in Hong Kong will then confirm the calculations of the ratios and if necessary, the chief executive officer and/or the chief financial officer of the Group would be notified for the disclosure of the transactions.

If the above internal control measures had been strictly followed, the Directors are of the view that the above mechanism would be effective. However, in practice, at some of the material times of the Previous Subscriptions, due to the close proximity and the physical locations of the Officers and an executive Director, the Officers on some occasions skipped certain steps and obtained approvals from an executive Director in the PRC directly without involving the office in Hong Kong and the purchases would then subsequently registered and filed with the Hong Kong office. The lack of communications between the departments in the PRC and Hong Kong gave rise to the difference between the actual outcome and the intended outcome of the original planned internal control mechanism.

To prevent the reoccurrence of the current instance of non-compliance, the Company has adopted the following measures:

1. new internal control personnel are recruited in PRC with enhanced operation training as well as timely communication between the financial department of Hong Kong headquarter and intermediaries;
2. an officer was recruited in June 2021 who is responsible for overseeing the whole purchase process and work closely with the finance team in Hong Kong. The review of the purchase process would be conducted every time for all purchase of wealth management products of the Group;
3. the Company has been strengthening the implementation of its internal control system on transactions including but not limited to increasing the number of members of the team which has been designated to monitor and oversee all the on-going transaction, and the coordination and reporting arrangements for notifiable transactions among various departments of the Group, including the finance department, the business department and the Board. Before entering into each agreement, the finance department will coordinate those departments to review the relevant agreements to ensure compliance with the Listing Rules. The review of the relevant agreements will be conducted every time before the Group enter into such transaction;

LETTER FROM THE BOARD

4. in addition to the audit committee of the Board, a working group (the “**Working Group**”) comprising staff of the Group who stationed in the PRC and in Hong Kong, had been be set up to ensure the operational internal control procedures are fully implemented. As members of the Working Group are from the PRC and Hong Kong, it ensures the staff in two locations can communicate effectively and efficiently. The review of the operational internal control procedures by the Working Group would be conducted at least once every six months;
5. Directors attended a training conducted by legal advisers in September 2021 in relation to the compliance of the Listing Rules in particular the rules relating to aggregation under Chapter 14 of the Listing Rules and the Board has also resolved to conduct the similar compliance training at least twice every year. The Board has requested its legal advisers to arrange two more training sessions, for the Directors and the relevant staff of the Company tentatively to be held in May 2022 and November 2022, which shall cover, among other matters, the compliance of the Listing Rules, practical knowledge relating to notifiable transaction and latest development of the Listing Rules; and
6. the Company will maintain closer cooperation with its professional advisers in relation to regulatory compliance. If necessary, the Company will consult the Stock Exchange about the proper treatment of the proposed transaction.

The Company has been conducting its business based on an internal control system which is designed to ensure the compliance of the applicable laws, rules and regulations, including but not limited to the Listing Rules. In view of the incidents, the Company shall further strengthen its internal control system by adopting the above measures so as to ensure no occurrence of the above incidents shall take place again. Since the Board has become aware of the Company’s inadvertent non-compliance with Rule 14.34 of the Listing Rules, the Board has been reinforcing the internal control procedures by requesting again all parties involved in the process to strictly adhere to the internal control mechanism and the implementation of the above the remedial measures has commenced and the Working Group will continue to review the ongoing implementation accordingly.

INVESTMENT STRATEGY

The Company’s investment policies for the investments in financial products are formulated with reference to rating of the financial products, the fact that the underlying assets are state-owned enterprise with ultimate beneficial owners being governmental authorities of the PRC and the historic income of the financial products having been stable. The Board therefore considers the risk of the investment in these financial products under the Previous Subscriptions are relatively low.

LETTER FROM THE BOARD

In respect of the underlying assets of the financial products, the Group is restricted by the Group's investment policies to purchase those financial products investing only in national debts, financial debts, central bank bills, bank wealth management, deposits as well as state-owned enterprise bonds and trust products with higher ratings. Although the business of the companies relating to the financial products invested by the Group are not in line with the Company's principal business, as disclosed in the Announcements, the primary objective of the investments in these financial products was to utilize certain idle funds of the Company so as to generate better returns. As such, the Directors are of the view that these investments under the Previous Subscriptions were in the interest of the Company and the Shareholders as a whole.

PROPOSED AMENDMENTS TO EXISTING BYE-LAWS AND ADOPTION OF NEW BYE-LAWS

On 1 January 2022, the Listing Rules were amended by, among others, adopting a uniform set of 14 core standards for shareholder protections for issuers set out in Appendix 3 to the Listing Rules. The Board proposes to make certain amendments to the Existing Bye-Laws to conform to the said core standards for shareholder protection and to allow general meetings of the Company to be held as a hybrid meeting or electronic meeting where Shareholders may attend by electronic means in addition to as a physical meeting where Shareholders attend in person. The amendments also explicitly set out other related powers of the Board and the chairman of the general meetings, including making arrangements for attendance as well as ensuring the security and orderly conduct of such general meetings. Other amendments to the Existing Bye-laws are also made for corresponding as well as housekeeping changes. Further, there are also amendments to the Existing Bye-laws to reflect certain updates in relation to the applicable laws of Bermuda and the Listing Rules. The Board also proposes to adopt the new Bye-Laws in substitution for, and to the exclusion of, the Existing Bye-Laws.

The major areas of the proposed amendments that will be incorporated in the New Bye-laws are summarized below:

1. to allow all general meetings (including, *inter alia*, annual general meeting and any adjourned or postponed meeting) to be held as a physical meeting in any part of the world and at one or more locations, or as a hybrid meeting or an electronic meeting;
2. to insert the definitions of "electronic meeting", "hybrid meeting", "Meeting Location", "physical meeting" and "Principal Meeting Place", and make corresponding changes to the relevant provisions of the Existing Bye-laws;
3. to include additional details to be specified in a notice of general meeting in light of allowing general meetings to be held at one or more meeting locations, or as a hybrid meeting or an electronic meeting;
4. to provide that the chairman of the general meeting may, with the consent of the meeting at which a quorum is present, 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);

LETTER FROM THE BOARD

5. to provide for the proceedings of general meetings which are held at one or more locations, or as a hybrid meeting or an electronic meeting, and the powers of the Board and the chairman of the meeting in relation thereto;
6. to provide that, where the Directors, in their absolute discretion, consider that it is inappropriate, impracticable, unreasonable or undesirable for any reason to hold a general meeting on the date or at the time or place or by means of electronic facilities specified in the notice calling for such meeting, they may change or postpone the meeting to another date, time and/or place, change the electronic facilities and/or change the form of the meeting (a physical meeting, a hybrid meeting or an electronic meeting) without approval from the Shareholders;
7. to make other house-keeping amendments, including inserting definition of “electronic communication” and making consequential amendments in line with the above amendments to the Existing Bye-laws; and
8. to make other amendments to better align with the wordings in the applicable laws of Bermuda and the Listing Rules.

The full text of the proposed New Bye-laws (marked-up against the conformed version of the Existing Bye-laws posted on the website of the Stock Exchange) is set out in Appendix III to this circular. The Chinese translation of the proposed New Bye-laws is for reference only. In case of any discrepancy or inconsistency between the English version and its Chinese translation, the English version shall prevail.

The Company’s legal advisers have confirmed that the proposed amendments conform with the requirements of the Listing Rules and the Bermuda laws. The Company also confirms that there is nothing unusual about the proposed amendments for a company listed in Hong Kong.

SGM

The Company will convene the SGM at 14/F Fairmont House, 8 Cotton Tree Drive, Central, Hong Kong on 24 May 2022, Tuesday at 10:30 a.m. for the Shareholders to consider, and if thought fit, to approve, among other things, (i) the Major Transactions Subscriptions and the transactions contemplated thereunder, and (ii) the proposed amendments to the Existing Bye-Laws and the adoption of the New Bye-Laws.

The notice of the SGM is set out on pages SGM-1 to SGM-4 of this circular. The voting on resolutions to be proposed at the SGM will be conducted by way of poll in accordance with Rule 13.39(4) of the Listing Rules.

The Company will publish an announcement on the results of the SGM with respect to whether or not the proposed resolutions have been passed by the Shareholders.

LETTER FROM THE BOARD

A form of proxy is enclosed with this circular. Whether or not you are able to attend the SGM in person, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited of Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event no later than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish and in such event the relevant form of proxy shall be deemed to be revoked.

RECOMMENDATION

The Board considers that the terms of the agreements for the Major Transactions Subscriptions, which have been reached after arm's length negotiations among the parties thereto, were on normal commercial terms, fair and reasonable, and the Major Transactions Subscriptions were in the interests of the Company and the Shareholders as a whole. The Board also considers that the proposed amendments to the Existing Bye-Laws and the proposed adoption of New Bye-Laws are in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the resolutions approving (i) the agreements for the Major Transactions Subscriptions and the transactions contemplated thereunder, and (ii) the proposed amendments to the Existing Bye-Laws and the adoption of the New Bye-Laws at the SGM.

FURTHER INFORMATION

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

Yours faithfully,
For and on behalf of the Board
CHINA AUTOMOBILE NEW RETAIL (HOLDINGS) LIMITED
Cheng Jianhe
Executive Director

1. FINANCIAL INFORMATION OF THE GROUP

Details of the financial information of the Group for each of the three years ended 31 March 2019, 2020 and 2021 and the six months ended 30 September 2021 are disclosed in the following documents which have been published and are available on the website of the Stock Exchange (www.hkex.com.hk) and the website of the Company (<http://www.lisigroup.com.hk/>):

- The annual report of the Company for the year ended 31 March 2019 (pages 43 to 138) published on 30 July 2019, available on:
<https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0730/ltm20190730517.pdf>
- The annual report of the Company for the year ended 31 March 2020 (pages 54 to 154) published on 30 July 2020, available on:
<https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0730/2020073000694.pdf>
- The annual report of the Company for the year ended 31 March 2021 (pages 54 to 142) published on 8 September 2021, available on:
<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0908/2021090801127.pdf>
- The interim report of the Company for the six months ended 30 September 2021 (pages 3 to 37) published on 28 December 2021, available on:
<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/1228/2021122800410.pdf>

2. STATEMENT OF INDEBTEDNESS

At the close of business on 28 February 2022, being the latest practicable date of the purpose of this statement of indebtedness prior to the printing of this circular, the Group has the following loans and lease liabilities:

	Balance at 28 February 2022 RMB('000)
Bank loans	
– Secured and guaranteed	1,270,029
– Secured and unguaranteed	565,580
– Unsecured and guaranteed	129,094
	<u>1,964,703</u>
Loans from other financial institutions	
– Secured and guaranteed	361,339
Other borrowings	
– Unsecured and unguaranteed	190,438
Promissory notes	
– Unsecured and unguaranteed	316,097
Lease liabilities	
– Unsecured and unguaranteed	<u>47,843</u>
Total outstanding debts	<u><u>2,880,420</u></u>

Contingent Liabilities

The Group has provided guarantees to some of its customers' lenders in relation to these customers' banking facilities and loans amounting to be RMB2,403 million as at 28 February 2022. As at 28 February 2022, bank loans of RMB274 million were defaulted. Included in these bank loans were RMB50 million the banks of which have commenced litigations against the borrowers and the guarantors, including the subsidiaries of the Group, for repaying the outstanding loans.

In addition to the litigations commenced by banks against subsidiaries of the Group for repayment of outstanding balances, there are other litigations against the Group. The Company will actively manage the provision and limit any of its possible cash flow impact to a minimum.

Moreover, the impairment and provision has been made and the Company as their ultimate controlling shareholder has not provided any guarantee or warranty for them. Therefore, the negative financial impact of the operating and financial difficulties of those subsidiaries on the Group is wholly within control and they will not affect the continuing operation of the Company and the other business segment.

Saved as aforesaid and apart from intra-group liabilities and normal trade payable in the ordinary course of business, the Group did not, at the close of business on 28 February 2022, have any outstanding loan issued and outstanding or agreed to be issued, bank overdrafts, charges or debentures, mortgages, term loans (whether guaranteed, unguaranteed, secured and unsecured), debts securities or any other similar indebtedness loans (whether guaranteed, unguaranteed, secured and unsecured) or any finance lease commitments, hire purchase commitments, liabilities under acceptance (other than normal trade bills), acceptable credits or any guarantees or other material contingent liabilities.

3. WORKING CAPITAL STATEMENT

As at 28 February 2022, the Group had net current liabilities of RMB2,493 million, which included bank and other loans amounted to RMB2,450 million, bills payable of RMB207 million and promissory notes of RMB316 million, which are repayable within one year. Among these, bank and other loans of RMB1,041 million were overdue.

The Group has provided guarantees to some of its customers' lenders in relation to these customers' banking facilities and loans. As at 28 February 2022, these banking facilities and loans amounted to RMB2,403 million, out of which bank loans of RMB274 million were defaulted. Included in these bank loans were RMB50 million the banks of which have commenced litigations against the borrowers and the guarantors, including the subsidiaries of the Group, for repaying the outstanding loans.

The Board has given careful consideration to the future liquidity and performance of the Group and its available sources of financial resources to continue as a going concern. All of the key assumptions and uncertainties of which the Group is aware that are relevant to the Group's ability to continue as a going concern, including significant conditions and events and the plans are set out below:

1. the Group is actively negotiating with banks and other financial institutions for extension of its liabilities. In the preparation of the working capital forecast it was assumed that (i) all overdue loans can be renewed under the existing terms and all interest payment of the overdue loans can be deferred without any penalty; (ii) the loans from Shareholders will be renewed; (iii) all other bank borrowings and interest will be repaid or renewed at the same terms according to the feasibility of the company's cash flow; and (iv) the Group will not incur any cash outflow to settle the obligation under the guarantee granted;
2. the Group expects that the wholesale business, the manufacturing and trading business will have great development in the next 12 months from 28 February 2022 and generate sufficient operating cash inflow;
3. the vendor of Robust Cooperation Limited ("**Robust**") has agreed not to demand for the payment of the HK\$300,000,000 cash consideration and HK\$400,000,000 promissory notes due to the vendor for a period of at least 16 months from 28 February 2022 if such payment would cause the Group to be unable to settle its liabilities to other parties when they fall due;

4. Ms Cheng Weihong (a Director and substantial Shareholder) and her husband, Mr. Tong Shiping, and Mr. Li (both being directors and Shareholders) have agreed to provide continuing financial support to the Group as is necessary to ensure its continuing operations for a period of at least 16 months from 28 February 2022;
5. the Group is also actively considering to deal with and utilise assets within the Group to support the Group's continuing operations;
6. the Group will continue to consider other financing arrangements with a view to improving its liquidity and financial position.

The Directors, after due and careful enquiry and after taking into account the financial resources available to the Group (including cash and cash equivalents on hand and cash flows from operating activities) and assuming the success of the above measures and assessments, are of the opinion that the Group will have sufficient working capital for its present requirements and for at least the next twelve months commencing from the date of issue of this circular.

Notwithstanding the above, significant uncertainties exist as to whether the management of the Group will be able to achieve the plans and measures as described above and whether the Group will incur any economic outflow arising from the settlement of the obligation under the guarantee granted. Should the Group be unable to achieve the above measures, it might not be able to have sufficient working capital for its present operating requirements, which will further impose adverse impact to the sufficiency of working capital of the Group.

4. MATERIAL ADVERSE CHANGE

The Directors confirm that, as at the Latest Practicable Date, there has been no material adverse change in the financial or trading position of the Group since 31 March 2021, being the date to which the latest published audited consolidated financial statements of the Group were made up.

5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Company is an investment holding company principally engaged in the trading of imported cars. Together with subsidiaries, the Company operates business through six segments: (i) the car trading platform segment is engaged in providing imported cars platform services and property rental services (ii) the car-sale segment is engaged in the trading of imported cars; (iii) the manufacturing and trading segment is engaged in the manufacture and trading of plastic and metallic household products; (iv) the retail segment is engaged in the management of department stores and the operation of supermarket operation; (v) the wholesale segment is engaged in the wholesales of wine and beverages and electrical appliances and (vi) the investments holding segment is engaged in the debts management and the investment in equity securities.

The manufacturing business of the Group has been growing successfully in recent years and is the pillar of the Group's ability to operate as a going concern. The Group will continue with its cost control measures and the business strategy of focusing on higher margin products. Apart from the continuing effort in cost control measures such as integration and realignment of management and sales resources together with structural changes in procurement and manufacturing planning, the Group will also continue with its efforts to develop and roll out new products so as to satisfy the needs of different customers. Besides, the Group will also enlarge our customer base in both existing and emerging markets to achieve our goal of continuous achievement of growth and performance improvement.

Within the Group's wholesales business, the heating, ventilation and air-conditioning (HVAC) wholesale business is growing rapidly due to the sales strategy and efforts of the business team. The Group will adopt the approach of working with large property groups in the long term to rapidly expand its business to various regions across the PRC.

The performance of the Group's car-sale and platform business was affected by the implementation of Limits and Measurement Methods for Emissions from Light-duty Vehicles (CHINA VI) in the PRC and is still affected by the COVID-19 pandemic. The Group will strive to recover the Group's automotive businesses as much as possible in line with any changes in policy and the development of the industry, but the development of the industry is still subject to variables. Therefore, the management will monitor closely the development of the business and the need for and feasibility of any adjustment having regard to any change in national policy, the development prospects of the industry, and the actual situation of the Group's business.

1. 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.

2. DISCLOSURE OF INTERESTS

(a) Directors' and chief executives' interests and short positions in shares, underlying shares and debentures of the Company

As at the Latest Practicable Date, save as disclosed below, none of the Directors or the chief executive of the Company or their associates had or was deemed to have any interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors or the chief executives of the Company or their associates were deemed or taken to have under provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, to be notified to the Company and the Stock Exchange.

Name	Capacity	Number of shares/ underlying shares (Note 1)	Approximate percentage of the issued share capital of the Company
Mr Li Lixin	Note 2	2,755,137,680 (L)	34.25%
		1,687,282,681 (S)	20.98%
Ms Cheng Weihong	Note 3	1,849,407,702 (L)	22.99%
		398,000,000 (S)	4.95%

Note 1: (L) denotes long positions (S) denotes short positions.

Note 2: Mr Li Lixin's interest in 2,755,137,680 shares is held as to 17,822,000 shares personally, 1,382,141,014 shares through Big-Max Manufacturing Co., Limited ("**Big-Max**") and 1,355,174,666 shares through Shi Hui Holdings Limited ("**Shi Hui**"). The issued share capital of Big-Max and Shi Hui are wholly-owned by Mr Li Lixin.

Note 3: Ms Cheng Weihong's interest in 1,849,407,702 shares is held as to 956,407,702 shares through Mighty Mark Investments Limited ("**Mighty Mark**") and 893,000,000 shares through Hopeful Glad Limited ("**Hopeful Glad**"). The issued share capital of Mighty Mark and Hopeful Glad are wholly-owned by Ms Cheng Weihong.

Save as disclosed above, none of the Directors or chief executive of the Company or their associates had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code as at the Latest Practicable Date.

(b) Substantial Shareholders' interests and short positions

As at the Latest Practicable Date, save as disclosed below, so far as was known to any Director or chief executive of the Company, no other person or company (other than the Directors or chief executive of the Company) had interests or short positions in the Shares or underlying Shares of the Company as recorded in the register kept by the Company pursuant to section 336 of the SFO which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who were directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

Name	Capacity	Number of shares/ underlying shares (Note)	Approximate percentage of the issued share capital of the Company
Big-Max Manufacturing Co., Limited	Beneficial owner	1,382,141,014 (L)	17.18%
		893,521,680 (S)	11.11%
Shi Hui Holdings Limited	Beneficial owner	1,355,174,666 (L)	16.85%
		793,761,001 (S)	9.87%
Tong Shipping	Interest of spouse	1,849,407,702 (L)	22.99%
		398,000,000 (S)	4.95%
Mighty Mark Investments Limited	Beneficial owner	956,407,702 (L)	11.89%
Hopeful Glad Limited	Beneficial owner	893,000,000 (L)	11.10%
		398,000,000 (S)	4.95%
Central Huijin Investment Ltd.	Person having a security interest in shares/Interest in controlled corporation	2,413,065,680 (L)	29.99%

Name	Capacity	Number of shares/ underlying shares (Note)	Approximate percentage of the issued share capital of the Company
China Construction Bank Corporation	Person having a security interest in shares/Interest in controlled corporation	2,413,065,680 (L)	29.99%
Poly Platinum Enterprises Limited	Person having a security interest in shares/ Beneficial owner	1,051,144,000 (L)	13.07%
Greater Bay Area Homeland Development Fund (GP) Limited	Person having a security interest in shares/Interest in controlled corporation	1,051,144,000 (L)	13.07%
Greater Bay Area Homeland Investments Limited	Person having a security interest in shares/Interest in controlled corporation	1,048,124,000 (L)	13.03%

Note: (L) denotes long positions (S) denotes short positions.

Save as disclosed above, the Company had not been notified and is not aware of any other persons who had an interest or a short position in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who were directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group as at the Latest Practicable Date.

3. DIRECTORS' COMPETING INTERESTS

As at the Latest Practicable Date, save as disclosed below, so far as the Directors are aware of, none of the Directors nor their respective close associates had any interest in any business which competes or is likely to compete, or is in conflict or is likely to be in conflict, either directly or indirectly, with the business of Group.

Mr. Li, an executive Director and a controlling Shareholder of the Company, beneficially owns 98.15% equity interest of 利時集團股份有限公司 (Lisi Group Co. Ltd) (“**Lisi Co.**”). Mr. Cheng Jianhe, an executive Director, and Ms. Jin Yaxue, an executive Director, are also directors of Lisi Co. As at the Latest Practicable Date, the principal businesses of Lisi Co. and its subsidiaries (“**Lisi Group**”) include the manufacturing and sale of plastic and hardware products, the operation of department stores and supermarket chain, and investments in property development in the PRC.

Lisi Group operates four department stores (the “**Excluded Department Stores**”) and one supermarket (the “**Excluded Supermarket**”). Two out of the four Excluded Department Stores and the Excluded Supermarket are located in Ningbo City and the remaining two Excluded Department Stores are located in Tonglu County, Hangzhou City and Haiyan County, Jiaqing City in Zhejiang Province, respectively. All four Excluded Department Stores commenced business in 2010 or 2011 and recorded net losses for each of the two financial years ended 31 December 2012. Since the Excluded Department Stores are still in their startup stage of operation and are loss making, the Directors decided not to acquire the Excluded Department Stores at the material time.

The Excluded Supermarket is situated at the basement of one of the Excluded Department Stores and forms part of that Excluded Department and as such, the Directors decided not to include the Excluded Supermarket into the target group acquired by the Group from Lisi Group in August 2013.

The Directors believed that the Group was capable of carrying on its business independently of, and at arm's length from, the Excluded Department Stores and the Excluded Supermarket owned by Lisi Group after completion of the acquisition of the entire issued share capital of Wealthy Honor Holdings Limited by the Company on the basis that, among other factors:

- (a) while two of the Excluded Department Stores are situated in Ningbo City, the districts in which they are located are different from those in which the two department stores owned by the Group namely, New JoySun department store and Xiangshan Lisi Department Store, are located. The other two Excluded Department Stores are located in Tonglu County, Hangzhou City and Haiyan County, Jiaqing City; and

- (b) the Company entered into a non-competition deed (the “**Non-competition Deed**”) with Shi Hui, the guarantors and Lisi Co. (the “**Covenantors**”) on 31 August 2013. Under the Non-Competition Deed, the Covenantors has undertaken not to engage, other than through the Excluded Department Stores and the Excluded Supermarket, in any businesses of manufacture and sale of household products as well as the retail trade in merchandise in department stores and supermarkets in Ningbo City. The non-competition restrictions under the Non-Competition Deed shall terminate on the earlier of (i) the date on which the Convenators cease to be a controlling Shareholder; and (ii) the date on which the Shares ceased to be listed on the Stock Exchange. As such, Lisi Group will not open, own or operate any new department stores or supermarkets in Ningbo City other than the Excluded Department Stores and the Excluded Supermarket so long as the Non-Competition Deed is in effect. Under the Non-Competition Deed, the Convenators granted the Company an option to purchase the whole or part of the interest in the Excluded Department Stores or the Excluded Supermarket. The price at which the option will be exercised shall be negotiated and agreed between the Company and Lisi Co. at the time of exercise. If the parties fail to agree on the exercise price, an independent internationally recognised firm of valuers will be appointed to determine the exercise price. The Covenantors also granted the Company a right of first refusal in the event that Lisi Co. wishes to sell the whole or part of its interest in the Excluded Department Stores or the Excluded Supermarket to any third party. Decisions as to whether or not to exercise the right of first refusal shall be subject to the review and approval of the independent non-executive Directors. If the Company decides not to acquire such interest, an announcement will be issued by the Company setting out the reasons for not exercising such right and Lisi Co. may proceed to sell to the third party, provided that the price may not be lower than the price which was offered to the Company.

4. DIRECTORS’ INTERESTS IN ASSETS

On 1 April 2021, 寧波利時日用品有限公司 (Ningbo Lisi Household Products Company Limited*) (a wholly owned subsidiary of the Company (“**Lisi Household**”)), entered into a lease agreement (the “**Lease Agreement**”) with 寧波利時電器制造有限公司 (Ningbo Lisi Electrical Appliances Manufacturing Company Limited*) (“**Lisi Electrical**”) for the renewal of the leasing of a property at 518 Cheng Xin Lu, Yinzhou Investment & Venture Centre, Yinzhou, Ningbo, PRC for a period of three years commenced from 1 June 2021 and expiring on 31 May 2024. For details, please refer to the announcement of the Company dated 1 April 2021. Lisi Electrical is indirectly wholly owned by 寧波利時塑膠有限公司 (Ningbo Lisi Plastics Company Limited*) (“**Lisi Plastics**”). Lisi Plastics is owned as to 75% by Lisi Co., which in turn is ultimately beneficially owned as to 98.15% by Mr Li Lixin, the Company’ executive Director and controlling Shareholder, and his son.

As at the Latest Practicable Date, so far as the Directors are aware, save for Mr. Li’s interest in the Lease Agreement mentioned above, none of the Directors had any interest, either directly or indirectly, in any assets which has since 31 March 2021 (being the date to which the latest published audited consolidated financial statements of the Group were made up), up to the Latest Practicable Date, been acquired or disposed of by or leased to, any member of the Group or are proposed to be acquired or disposed of by, or leased to, any member of the Group.

5. DIRECTORS' SERVICE CONTRACTS

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

6. DIRECTORS' INTERESTS IN CONTRACT OR ARRANGEMENT OF SIGNIFICANCE

As at the Latest Practicable Date, none of the Directors was materially interested, directly or indirectly, in any contract or arrangement entered into by any member of the Group subsisting at the Latest Practicable Date and which is significant in relation to the businesses of any member of the Group, save for the following:

- (a) the Lease Agreement dated 1 April 2021, between Lisi Household and Lisi Electrical as disclosed in the Company's announcement dated 1 April 2021 pursuant to which Lisi Electrical leased a property located at 518 Cheng Xin Lu, Yinzhou Investment & Venture Centre, Yinzhou, Ningbo, PRC for a period of three years commenced from 1 June 2021 and expiring on 31 May 2024. Lisi Electrical is indirectly wholly owned by Lisi Plastic is owned as to 75% by Lisi Co., which in turn is ultimately beneficially owned as to 98.15% by Mr Li Lixin, the Company's executive Director and controlling Shareholder, and his son;
- (b) the Lease Agreement dated 20 December 2021 made between 達美(寧波)新材料有限公司 (Da Mei (Ningbo) New Materials Company Limited*) ("**Da Mei**") and Lisi Household as disclosed in the Company's announcement dated 20 December 2021 pursuant to which Da Mei leased a property located in 中國寧波市鄞州區投資創業中心誠信路518號 (518 Cheng Xin Lu, Yinzhou Investment & Venture Centre, Yinzhou, Ningbo, PRC*) to Lisi Household for a term of nine months commenced from 1 January 2022 and ending on 30 September 2022 where Da Mei is a non-wholly owned subsidiary of Lisi Co., which is beneficially owned as to 98.15% by Mr. Li, the Company's executive Director and controlling shareholder, and his son;
- (c) the Mutual Supply Agreement dated 20 December 2021 made between New JoySun and Lisi Co. as disclosed in the Company's announcement dated 20 December 2021 pursuant to which New JoySun agreed to procure its subsidiaries to supply to Lisi Co. and its subsidiaries electronic appliances, food and beverage products. In return, Lisi Co. agreed to procure its subsidiaries to supply to New JoySun and its subsidiaries certain household products. Lisi Co. is beneficially owned as to 98.15% by Mr. Li, the Company's executive director and controlling shareholder, and his son;
- (d) the 2022 Export Agency Agreement as disclosed in the Company's announcement dated 20 December 2021 pursuant to which 寧波利時進出口有限公司 (Lisi Import and Export Company Limited*) ("**Lisi Import & Export**") provided export agency services to Lisi Household pursuant to such agreement for a terms of three years commenced from 1 January 2022 and ending on 31 December 2024 where Lisi Import & Export is owned as to 80% by Lisi Co. and 18.18% by a company wholly owned by Mr. Li and his son; and

- (e) the 2022 Import Agency Agreement as disclosed in the Company's announcement dated 20 December 2021 pursuant to which Lisi Import and Export provided import agency services to Lisi Household for a term of three years commenced from 1 January 2022 and ending on 31 December 2024 where Lisi Import & Export is owned as to 80% by Lisi Co. and 18.18% by a company wholly owned by Mr. Li and his son.

7. LITIGATION

As at 28 February 2022, bank and other loans of RMB 1,041,263,000 were overdue but were not yet renewed or repaid. Included in these bank and other loans were RMB459 million the banks of which have commenced litigations against a subsidiary of the Group requesting the subsidiary to repay the outstanding balances.

The Group has provided guarantees to some of its customers' lenders in relation to these customers' banking facilities and loans amounting to be RMB2,403 million as at 28 February 2022. As at 28 February 2022, bank loans of RMB274 million were defaulted. Included in these bank loans were RMB50 million the banks of which have commenced litigations against the borrowers and the guarantors, including the subsidiaries of the Group, for repaying the outstanding loans.

As at the Latest Practicable Date, save for the above, no member of the Group was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened by or against any member of the Group.

8. MATERIAL CONTRACTS

Saved as disclosed below, no material contracts (not being contracts entered into in the ordinary course of business carried out by the Group), have been entered into by any member of the Group within the two years immediately preceding the Latest Practicable Date:

- (a) various agreements entered into between New JoySun Supermarket and New JoySun (as subscriber) with National Trust between April 2020 to September 2020 pursuant to which New JoySun Supermarket or New JoySun (as the case may be) agreed to subscribe for the Previous National Trust Financial Products. For further details, please refer to this circular;
- (b) the sale and purchase agreement dated 28 May 2020 (and the supplemental agreement dated 26 April 2021) between the Company (as seller) and Mr. Li or his nominee (as purchaser) ("SPA") in relation to the disposal of the entire issued share capital each of Magician Investments (BVI) Limited, Magician Strategic Limited and Wealthy Honor Holdings Limited (collectively, the "**Target Companies**") at a consideration of RMB1,250 million (the "**Disposal**"). For further details, please refer to the announcements of the Company dated 28 May 2020 and 26 April 2021;
- (c) the termination deed dated 1 June 2021 between the Company and Mr. Li whereby the parties have mutually agreed to terminate the SPA with effect from the date of the termination deed and to release and discharge each other from its respective obligations under the SPA (save for any antecedent claim or request prior to such termination). For further details, please refer to the announcement of the Company dated 1 June 2021;

- (d) the sale and purchase agreement dated 26 April 2021 between New JoySun Supermarket (as seller) and 周龍科 (Zhou Long Ke)* (as purchaser) in relation to the disposal of the site comprising the parcels of land at 寧波市鄞州區姜山鎮人民路26號 (No. 26, Remin Lu, Jiang Shan Zhen, Yin Zhou Qu, Ningbo Shi)* with a total site area of approximately 1,382 square metres, together with the commercial building complexes erected thereon with a total floor area of approximately 4,363.71 square metres at a consideration of RMB55,000,000. For further details, please refer to the announcement of the Company dated 26 April 2021;
- (e) the sale and purchase agreement dated 15 June 2021 between New JoySun (as seller) and 黃永光 (Huang Yong Guang)* (as purchaser) in relation to the disposal of the site comprising the parcels of land at 寧波市鄞州區中山東路301-305號 (No. 301-305, Zhongshan Dong Lu, Yin Zhou Qu, Ningno Shi)* with a total site area of approximately 633.50 square metres, together with the commercial building complexes erected thereon with a total floor area of approximately 3,078.26 square metres at a consideration of RMB49,000,000. For further details, please refer to the announcement of the Company dated 15 June 2021; and
- (f) the sale and purchase agreement dated 15 June 2021 between New JoySun (as seller) and 周蕾 (Zhou Lei)* (as purchaser) in relation to the disposal of the site comprising the parcels of land at 寧波市鄞州區中山東路301-305號 (No. 301-305, Zhongshan Dong Lu, Yin Zhou Qu, Ningno Shi)* with a total site area of approximately 554.50 square metres, together with the commercial building complexes erected thereon with a total floor area of approximately 2,694.4 square metres at a consideration of RMB35,000,000. For further details, please refer to the announcement of the Company dated 15 June 2021.

9. MISCELLANEOUS

- (a) The company secretary of the Company is Ms. Pang Yuen Shan Christina. Ms Pang is a solicitor qualified in Hong Kong.
- (b) The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda.
- (c) The principal place of business of the Company is Workshop 06 & 07, 36th Floor, King Palace Plaza, No. 52A Sha Tsui Road, Tsuen Wan, New Territories, Hong Kong.
- (d) The Hong Kong branch share registrar and transfer office of the Company is Tricor Secretaries Limited of Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (e) The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

10. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the Stock Exchange and the Company for a period of 14 days from the date of this circular:

- (a) agreements of each of the Previous National Trust Financial Products; and
- (b) agreements of each of the Previous Daye Trust Financial Products.

* *For identification purposes only*

MEMORANDUM OF ASSOCIATION

AND

BYE-LAWS

OF

China Automobile New Retail (Holdings) Limited

(a company incorporated in Bermuda with limited liability)

(stock code: 526)

Note: The Chinese version of these Memorandum of Association and Bye-laws is for reference only. In the event of any conflict, the English version shall prevail.

FORM NO. 2

BERMUDA
THE COMPANIES ACT 1981
MEMORANDUM OF ASSOCIATION OF
COMPANY LIMITED BY SHARES
 (Section 7(1) and (2))

MEMORANDUM OF ASSOCIATION
OF

China Automobile New Retail (Holdings) Limited
 (formerly known as LISI GROUP (HOLDINGS) LIMITED,
 MAGICIAN INDUSTRIES (HOLDINGS) LIMITED)
 (hereinafter referred to as “the company”)

1. The liability of the members of the Company is limited to the amount (if any) for the time being unpaid on the shares respectively held by them.
2. We, the undersigned, namely,

<u>NAME</u>	<u>ADDRESS</u>	<u>BERMUDIAN</u> <u>STATUS</u> (Yes/No)	<u>NATIONALITY</u>	<u>NUMBER OF</u> <u>SHARES</u> <u>SUBSCRIBED</u>
C.F. Alexander Cooper	Clarendon House 2 Church Street Hamilton HM 11 Bermuda	Yes	British	One
Donald H. Malcolm	“	No	British	One
John C. R. Collis	“	Yes	British	One

do hereby respectively agree to take such number of shares of the Company as may be allotted to us respectively by the provisional directors of the Company, not exceeding the number of shares for which we have respectively subscribed, and to satisfy such calls as may be made by the directors, provisional directors or promoters of the Company in respect of the shares allotted to us respectively.

3. The Company is to be an exempted Company as defined by the Companies Act 1981.
4. The Company has power to hold land situated in Bermuda not exceeding in all, including the following parcels–

nil
5. The authorized share capital of the Company is HK\$100,000,000.00 divided into shares of HK\$0.01 each. The minimum subscribed share capital of the Company is HK\$100,000.00.
6. The objects for which the Company is formed and incorporated are –
Please see attached Schedule

THE COMPANIES ACT 1981
MEMORANDUM OF ASSOCIATION OF
COMPANY LIMITED BY SHARES
(Section 7(1) and (2))

China Automobile New Retail (Holdings) Limited

Schedule to Form 2

Objects/Powers of the Company

6. Objects of the Company

- 1) to act and to perform all the functions of a holding company in all its branches and to co-ordinate the policy and administration of any subsidiary company or companies wherever incorporated or carrying on business or of any group of companies of which the Company or any subsidiary company is a member or which are in any manner controlled directly or indirectly by the company.
- 2) to act as an investment company and for that purpose to acquire and hold upon any terms and, either in the name of the Company or that of any nominee, shares, stock, debentures, debenture stock, annuities, notes, mortgages, bonds, obligations and securities, foreign exchange, foreign currency deposits and commodities, issued or guaranteed by any company wherever incorporated or carrying on business, or by any government, sovereign, ruler, commissioners, public body or authority, supreme, municipal, local or otherwise, by original subscription, tender, purchase, exchange, underwriting, participation in syndicates or in any other manner and whether or not fully paid up, and to make payments thereon as called up or in advance of calls or otherwise and to subscribe for the same, whether conditionally or absolutely, and to hold the same with a view to investment, but with the power to vary any investments, and to exercise and enforce all rights and powers conferred by or incident to the ownership thereof, and to invest and deal with the moneys of the Company not immediately required upon such securities and in such manner as may be from time to time determined.
- 3) as set out in paragraphs (b) to (n) and (p) to (u) inclusive of the Second Schedule to the Companies Act 1981.

China Automobile New Retail (Holdings) Limited

Page 2

Schedule to Form 2

Objects/Powers of the Company

7. Power of the Company

- 1) the Company shall, pursuant to Section 42 of the Companies Act 1981, have the power to issue preference shares which are, at the option of the holder, liable to be redeemed.
- 2) the Company shall, pursuant to Section 42A of the Companies Act 1981, have to power to purchase its own shares.
- 3) the Company shall have the power to grant pensions, annuities, or other allowances, including allowances on death, to or for the benefit of any directors, officers or employees or former directors, officers or employees of the Company or any company which at any time is or was a subsidiary or a holding company or another subsidiary of a holding company of the Company or otherwise associated with the Company or of any predecessor in business of any of them, and to the relations, connections or dependants of any such persons, and to other persons whose service or services have directly or indirectly been of benefit to the Company or whom the Company considers have any moral claim on the Company or to their relations, connections or dependants, and to establish or support or aid in the establishment or support of any associations, institutions, clubs, schools, building and housing schemes, funds and trusts, and to make payments toward insurance or other arrangements likely to benefit any such persons or otherwise advance the interests of the Company or of its Members, and to subscribe, guarantee or pay money for any purpose likely, directly or indirectly, to further the interests of the Company or of its Members or for any national, charitable, benevolent, educational, religious, social, public, general or useful object.
- 4) the Company shall not have the power set out in paragraph 8 of the First Schedule to the Companies Act 1981.

Signed by each subscriber in the presence of at lease one witness attesting the signature thereof –

.....

(Subscribers)

.....

(Witnesses)

SUBSCRIBED THIS Sixth day of July, 1995.

THE COMPANIES ACT 1981

FIRST SCHEDULE

A company limited by shares may exercise all or any of the following powers subject to any provision of the law or its memorandum –

1. ~~to carry on any other business capable of being conveniently carried on in connection with its business or likely to enhance the value of or making profitable any of its property or rights;~~
2. to acquire or undertake the whole or any part of the business, property and liabilities of any person carrying on any business that the company is authorized to carry on;
3. to apply for register, purchase, lease, acquire, hold, use, control, licence, sell, assign or dispose of patents, patent rights, copyrights, trade marks, formulae, licences, inventions, processes, distinctive marks and similar rights;
4. to enter into partnership or into any arrangement for sharing of profits, union of interests, co-operation, joint venture, reciprocal concession or otherwise with any person carrying on or engaged in or about to carry on or engage in any business or transaction that the company is authorized to carry on or engage in or any business or transaction capable of being conducted so as to benefit the company;
5. to take or otherwise acquire and hold securities in any other body corporate having objects altogether or in part similar to those of the company or carrying on any business capable of being conducted so as to benefit the company;
6. subject to section 96 to lend money to any employee or to any person having dealings with the company or with whom the company proposes to have dealings or to any other body corporate any of whose shares are held by the company;
7. to apply for, secure or acquire by grant, legislative enactment, assignment, transfer, purchase or otherwise and to exercise, carry out and enjoy any charter, licence, power, authority, franchise, concession, right or privilege, that any government or authority or any body corporate or other public body may be empowered to grant, and to pay for, aid in and contribute toward carrying it into effect and to assume any liabilities or obligations incidental thereto;
8. ~~to establish and support or aid in the establishment and support of associations, institutions, funds or trusts for the benefit of employees or former employees of the company or its predecessors, or the dependants or connections of such employees or former employees, and grant pensions and allowances, and make payments towards insurance or for any object similar to those set forth in this paragraph, and to subscribe or guarantee money for charitable, benevolent, educational or religious objects or for any public, general or useful objects;~~

9. to promote any company for the purpose of acquiring or taking over any of the property and liabilities of the company or for any other purpose that may benefit the company;
10. to purchase, lease, take in exchange, hire or otherwise acquire any personal property and any rights or privileges that the company considers necessary or convenient for the purposes of its business;
11. to construct, maintain, alter, renovate and demolish any buildings or works necessary or convenient for its objects;
12. to take land in Bermuda by way of lease or letting agreement for a term not exceeding twenty-one years, being land “bona fide” required for the purposes of the business of the company and with the consent of the Minister granted in his discretion to take land in Bermuda by way of lease or letting agreement for a similar period in order to provide accommodation or recreational facilities for its officers and employees and when no longer necessary for any of the above purposes to terminate or transfer the lease or letting agreement;
13. except to the extent, if any, as may be otherwise expressly provided in its incorporating Act or memorandum and subject to the provisions of this Act every company shall have power to invest the moneys of the Company by the way of mortgage of real or personal property of every description in Bermuda or elsewhere and to sell, exchange, vary, or dispose of such mortgage as the company shall from time determine;
14. to construct, improve, maintain, work, manage, carry out or control any roads, ways, tramways, branches or sidings, bridges, reservoirs, watercourses, wharves, factories, warehouses, electric works, shops, stores and other works and conveniences that may advance the interests of the company and contribute to, subsidize or otherwise assist or take part in the construction, improvement, maintenance, working, management, carrying out or control thereof;
15. to raise and assist in raising money for, and aid by the way of bonus, loan, promise, endorsement, guarantee or otherwise, any person and guarantee the performance or fulfilment of any contracts or obligations of any person, and in particular guarantee the payment of the principal of interests on the debt obligations of any such person;
16. to borrow or raise or secure the payment of money in such manner as the company may think fit;
17. to draw, make, accept, endorse, discount, execute and issue bills of exchange, promissory notes, bills of lading, warrants and other negotiable or transferable instruments;
18. when properly authorized to do so, to sell, lease, exchange or otherwise dispose of the undertaking of the company or any part thereof as an entirety or substantially as an entirety for such consideration as the company thinks fit;
19. to sell, improve, manage, develop, exchange, lease, dispose of, turn to account or otherwise deal with the property of the company in the ordinary course of its business;

20. to adopt such means of making known the products of the company as may seem expedient, and in particular by advertising, by purchase and exhibition of works of art or interests, by publication of books and periodicals and by granting prizes and rewards and making donations;
21. to cause the company to be registered and recognized in any foreign jurisdiction, and designate persons therein according to the laws of that foreign jurisdiction or to represent the company and to accept service for and on behalf of the company of any process or suit;
22. to allot and issue fully-paid shares of the company in payment or part payment of any property purchased or otherwise acquires by the company or for any past services performed for the company;
23. to distribute among the members of the company in cash, kind, specie or otherwise as may be resolved, by way of dividend, bonus or in any other manner considered advisable, any property of the company, but not so as to decrease the capital of the company unless the distribution is made for the purpose of enabling the company to be dissolved or the distribution, apart from this paragraph, would be otherwise lawful;
24. to establish agencies and branches;
25. to take or hold mortgages, hypothecs, liens and charges to secure payment of the purchase price, or of any unpaid balance of the purchase price, of any part of the property of the company of whatsoever kind sold by the company, or for any money due to the company from purchasers and others and to sell or otherwise dispose of any such mortgage, hypothec, lien or charge;
26. to pay all costs and expenses of or incidental to the incorporation and organization of the company;
27. to invest and deal with the moneys of the company not immediately required for the objects of the company in such manner as may be determined;
28. to do any of things authorized by this subsection and all things authorized by its memorandum as principals, agents, contractors, trustees or otherwise, and either alone or in conjunction with others;
29. to do all such other things as are incidental or conducive to the attainment of the objects and exercise of the powers of the company.

Every company may exercise its powers beyond the boundaries of Bermuda to the extent to which the laws in force where the powers are sought to be exercised permit.

THE COMPANIES ACT 1981

SECOND SCHEDULE

A company may by reference include in its memorandum any of the following objects that is to say the business of –

- (a) ~~insurance and reinsurance of all kinds;~~
- (b) packaging of goods of all kinds;
- (c) buying, selling and dealing in goods of all kinds;
- (d) designing and manufacturing of goods of all kinds;
- (e) mining and quarrying and exploration for metals, minerals, fossil fuels and precious stones of all kinds and their preparation for sale or use;
- (f) exploring for, the drilling for, the moving, transporting and refining petroleum and hydro carbon products including oil and oil products;
- (g) scientific research including the improvement, discovery and development of processes, inventions, patents and designs and the construction, maintenance and operation of laboratories and research centers;
- (h) land, sea and air undertakings including the land, ship and air carriage of passengers, mails and goods of all kinds;
- (i) ships and aircraft owners, managers, operators, agents, builders and repairers;
- (j) acquiring, owning, selling, chartering, repairing or dealing in ships and aircraft;
- (k) travel agents, freight contractors and forwarding agents;
- (l) dock owners, wharfingers, warehousemen;
- (m) ship chandlers and dealing in rope, canvas oil and ship stores of all kinds;
- (n) all forms of engineering;

- ~~(o) developing, operating, advising or acting as technical consultants to any other enterprise or business;~~
- (p) farmers, livestock breeders and keepers, graziers, butchers, tanners and processors of and dealers in all kinds of live dead stock, wool, hides, tallow, grain, vegetables and other produce;
- (q) acquiring by purchase or otherwise and holding as an investment inventions, patents, trade marks, trade names, trade secrets, designs and the like;
- (r) buying, selling, hiring, letting and dealing in conveyances of any sort; and
- (s) employing, providing, hiring out and acting as agent for artists, actors, entertainers of all sorts, authors, composers, producers, engineers and experts or specialists of any kind.
- (t) to acquire by purchase or otherwise hold, sell, dispose of and deal in real property situated outside Bermuda and in personal property of all kinds wheresoever situated.
- (u) To enter into any guarantee, contract of indemnity or suretyship and to assure, support or secure with or without consideration or benefit the performance of any obligations of any person or persons and to guarantee the fidelity of individuals filling or about to fill situations of trust or confidence.

BYE-LAWS

OF

China Automobile New Retail (Holdings) Limited

(formerly known as LISI GROUP (HOLDINGS) LIMITED,
MAGICIAN INDUSTRIES (HOLDINGS) LIMITED)

(Adopted by ~~written~~special resolutions of the shareholder on ~~[24 May 2022]~~20th September, 1995)

~~(Amendments adopted by special resolutions of the shareholders on
25th September, 1996, 24th September, 2004, 23rd September, 2005,
27th September, 2006, 19th February, 2008,
23rd August, 2010, and 27th June, 2019)~~

I N D E X

<u>SUBJECT</u>	<u>Bye-Law No.</u>
Interpretation	1-2
Share Capital	3
Alteration Of Capital	4-7
Share Rights	8-9
Variation Of Rights	10-11
Shares	12-15
Share Certificates	16-21
Lien	22-24
Calls On Shares	25-33
Forfeiture Of Shares	34-42
Register Of Members	43-44
Record Dates	45
Transfer Of Shares	46-51
Transmission Of Shares	52-54
Untraceable Members	55
General Meetings	56-58
Notice Of General Meetings	59-60
Proceedings At General Meetings	61-65
Voting	66-77
Proxies	78-83
Corporations Acting By Representatives	84
Written Resolutions Of Members	85
Board Of Directors	86
Retirement Of Directors	87-88
Disqualification Of Directors	89
Executive Directors	90-91
Alternate Directors	92-95
Directors' Fees And Expenses	96-99
Directors' Interests	100-103
General Powers Of The Directors	104-109
Borrowing Powers	110-113
Proceedings Of The Directors	114-123
Managers	124-126
Officers	127-131
Register of Directors and Officers	132
Minutes	133
Seal	134

<u>SUBJECT</u>	<u>Bye-Law No.</u>
Authentication Of Documents	135
Destruction Of Documents	136
Dividends And Other Payments	137-146
Reserves	147
Capitalisation	148-149
Subscription Rights Reserve	150
Accounting Records	151-153
Audit	154-159
Notices	160-162
Signatures	163
Winding Up	164-165
Indemnity	166
Alteration Of Bye-laws And Amendment To Memorandum of Association And Name of Company	167
Information	168

INTERPRETATION

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

<u>WORD</u>	<u>MEANING</u>
“Act”	The Companies Act 1981 of Bermuda, as amended from time to time.
“associate”	the meaning attributed to it in the rules of the Designated Stock Exchange. <i>(Amended on September 24, 2004)</i>
“Auditor”	the auditor of the Company for the time being and may include any individual or partnership.
“Bye-laws”	these Bye-laws in their present form or as supplemented or amended or substituted from time to time.
“Board” or “Directors”	the Board of Directors of the Company or the Directors present at a meeting of Directors at which a quorum is present.
“capital”	the share capital from time to time of the Company.
“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. <i>(Amended on September 24, 2004)</i>
“Company”	China Automobile New Retail (Holdings) Limited <i>(Amended on August 23, 2010)</i> <i>(Amended on June 27, 2019)</i>
“competent regulatory authority”	a competent regulatory authority in the territory where the shares of the Company are listed or quoted on a stock exchange in such territory.
“debenture” and “debenture holder”	include debenture stock and debenture stockholder respectively.

“Designated Stock Exchange”	a stock exchange which is an appointed stock exchange for the purposes of the Act in respect of which the shares of the Company are listed or quoted and where such appointed stock exchange deems such listing or quotation to be the primary listing or quotation of the shares of the Company.
“dollars” and “\$”	dollars, the legal currency of Hong Kong.
<u>“electronic communication”</u>	<u>a communication sent, transmitted, conveyed and received by wire, by radio, by optical means or by other electron magnetic 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 office of the Company.
<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>“Meeting Location”</u>	<u>has the meaning given to it in Bye-law 64A.</u>
“Member”	a duly registered holder from time to time of the shares in the capital of the Company.
“month”	a calendar month.
“Notice”	written notice unless otherwise specifically stated and as further defined in these Bye-laws.
“Office”	the registered office of the Company for the time being.
“paid up”	paid up or credited as paid up.

<u>“physical meeting”</u>	<u>a general meeting held and conducted by physical attendance and participation by Members and/or proxies at the Principal Meeting Place and/or where applicable, one or more Meeting Locations.</u>
<u>“Principal Meeting Place”</u>	<u>shall have the meaning given to it in Bye-law 59(2).</u>
“Register”	the principal register and where applicable, any branch register of Members of the Company to be kept pursuant to the provisions of the Act.
“Registration Office”	in respect of any class of share capital such place as the Board may from time to time determine to keep a branch register of Members in respect of that class of share capital and where (except in cases where the Board otherwise directs) the transfers or other documents of title for such class of share capital are to be lodged for registration and are to be registered.
“Seal”	common seal or any one or more duplicate seals of the Company (including a securities seal) for use in Bermuda or in any place outside Bermuda.
“Secretary”	any person firm or corporation appointed by the Board to perform any of the duties of secretary of the Company and includes any assistant, deputy, temporary or acting secretary.
“Statutes”	the Act and every other act of the Legislature of Bermuda for the time being in force applying to or affecting the Company, its memorandum of association and/or these Bye-laws.
“year”	a calendar year.

2. In these Bye-laws, unless there be something within the subject or context inconsistent with such construction:
- (a) words importing the singular include the plural and vice versa;
 - (b) words importing a gender include every gender;
 - (c) words importing persons include companies, associations and bodies of persons whether corporate or not;
 - (d) the words:
 - (i) “may” shall be construed as permissive;
 - (ii) “shall” or “will” shall be construed as imperative;
 - (e) expressions referring to writing shall, unless the contrary intention appears, be construed as including printing, lithography, photography and other modes of representing words or figures in a visible form, and including where the representation takes the form of electronic display, provided that both the mode of service of the relevant document or notice and the Member’s election comply with all applicable Statutes, rules and regulations; expressions referring to writing shall, unless the contrary intention appears, be construed as including printing, lithography, photography and other modes of representing or reproducing words or figures in a legible and non-transitory form or, to the extent permitted by and in accordance with the Statutes and other applicable laws, rules and regulations, any visible substitute for writing (including an electronic communication), or modes of representing or reproducing words partly in one visible form and partly in another visible form, and including where the representation takes the form of electronic display, provided that both the mode of service of the relevant document or notice and the Member’s election comply with all applicable Statutes, rules and regulations;
 - (f) references to any act, ordinance, statute or statutory provision shall be interpreted as relating to any statutory modification or re enactment thereof for the time being in force;
 - (g) save as aforesaid words and expressions defined in the Statutes shall bear the same meanings in these Bye-laws if not inconsistent with the subject in the context;

- (h) a resolution shall be a special resolution when it has been passed by a majority of not less than three fourths of votes cast by such Members as, being entitled so to do, vote in person or, in the case of such Members as are corporations, by their respective duly authorised representative or, where proxies are allowed, by proxy at a general meeting of which not less than twenty one (21) clear days' notice, specifying (without prejudice to the power contained in these Bye-laws to amend the same) the intention to propose the resolution as a special resolution, has been duly given. Provided that, except in the case of an annual general meeting, if it is so agreed by a majority in number of the Members having the right to attend and vote at any such meeting, being a majority together holding not less than ninety five (95) per cent. in nominal value of the shares giving that right, and in the case of an annual general meeting, if it is so agreed by all Members entitled to attend and vote thereat a resolution may be proposed and passed as a special resolution at a meeting of which less than twenty one (21) clear days' Notice has been given;
- (i) a resolution shall be an ordinary resolution when it has been passed by a simple majority of votes cast by such Members as, being entitled so to do, vote in person or, in the case of any Member being a corporation, by its duly authorised representative or, where proxies are allowed, by proxy at a general meeting of which not less than fourteen (14) clear days' Notice has been duly given;
- (j) a special resolution shall be effective for any purpose for which an ordinary resolution is expressed to be required under any provision of these Bye-laws or the Statutes; ~~and~~
- (k) references to a document being executed include references to it being executed under hand or under seal or by electronic signature or by electronic communication or by any other method and references to a notice or document include a notice or document recorded or stored in any digital, electronic, electrical, magnetic or other retrievable form or medium and information in visible form whether having physical substance or not; *(Amended on September 24, 2004)*
- (l) a reference to a meeting: shall mean a meeting convened and held in any manner permitted by these Bye-laws and any Member or Director attending and participating at a meeting by means of electronic facilities shall be deemed to be present at that meeting for all purposes of the Statutes and these Bye-laws, and attend, participate, attending, participating, attendance and participation shall be construed accordingly;
- (m) references to a person's participation in the business of a general meeting include without limitation and as relevant the right (including, in the case of a corporation, through a duly authorised representative) to speak or communicate, vote, be represented by a proxy and have access in hard copy or electronic form to all documents which are required by the Statutes or these Bye-laws to be made available at the meeting, and participate and participating in the business of a general meeting shall be construed accordingly;
- (n) 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

- (o) where a Member is a corporation, any reference in these Bye-laws to a Member shall, where the context requires, refer to a duly authorised representative of such Member.

SHARE CAPITAL

3. (1) The share capital of the Company shall be divided into shares of a par value of \$0.01 each or such other amount as the Company may determine from time to time.
(Amended on February 19, 2008)
- (2) Subject to the Act, the Company's memorandum of association and, where applicable, the rules of any Designated Stock Exchange and/or any competent regulatory authority, any power of the Company to purchase or otherwise acquire its own shares shall be exercisable by the Board upon such terms and subject to such conditions as it thinks fit.
- (3) Neither the Company nor any of its subsidiaries shall directly or indirectly give financial assistance to a person who is acquiring or proposing to acquire shares in the Company for the purpose of that acquisition whether before or at the same time as the acquisition takes place or afterwards PROVIDED that nothing in this Bye-law shall prohibit transactions permitted by the Act.

ALTERATION OF CAPITAL

4. The Company may from time to time by ordinary resolution in accordance with Section 45 of the Act:
- (a) increase its capital by such sum, to be divided into shares of such amounts, as the resolution shall prescribe;
- (b) consolidate and divide all or any of its capital into shares of larger amount than its existing shares;
- (c) divide its shares into several classes and without prejudice to any special rights previously conferred on the holders of existing shares attach thereto respectively any preferential, deferred, qualified or special rights, privileges, conditions or such restrictions which in the absence of any such determination by the Company in general meeting, as the Directors may determine provided always that where the Company issues shares which do not carry voting rights, the words "non voting" shall appear in the designation of such shares and where the equity capital includes shares with different voting rights, the designation of each class of shares, other than those with the most favourable voting rights, must include the words "restricted voting" or "limited voting";

- (d) sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the memorandum of association (subject, nevertheless, to the Act), and may by such resolution determine that, as between the holders of the shares resulting from such sub division, one or more of the shares may have any such preferred rights or be subject to any such restrictions as compared with the other or others as the Company has power to attach to unissued or new shares;
 - (e) change the currency denomination of its share capital;
 - (f) make provision for the issue and allotment of shares which do not carry any voting rights; and
 - (g) cancel any shares which, at the date of the passing of the resolution, have not been taken, or agreed to be taken, by any person, and diminish the amount of its capital by the amount of the shares so cancelled.
5. The Board may settle as it considers expedient any difficulty which arises in relation to any consolidation and division under the last preceding Bye-law and in particular but without prejudice to the generality of the foregoing may issue certificates in respect of fractions of shares or arrange for the sale of the shares representing fractions and the distribution of the net proceeds of sale (after deduction of the expenses of such sale) in due proportion amongst the Members who would have been entitled to the fractions, and for this purpose the Board may authorise some person to transfer the shares representing fractions to their purchaser or resolve that such net proceeds be paid to the Company for the Company's benefit. Such purchaser will not be bound to see to the application of the purchase money nor will his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale.
6. The Company may from time to time by special resolution, subject to any confirmation or consent required by law, reduce its authorised or issued share capital or, save for the use of share premium as expressly permitted by the Act, any share premium account or other undistributable reserve.
(Amended on September 24, 2004)
7. Except so far as otherwise provided by the conditions of issue, or by these Bye-laws, any capital raised by the creation of new shares shall be treated as if it formed part of the original capital of the Company, and such shares shall be subject to the provisions contained in these Bye-laws with reference to the payment of calls and instalments, transfer and transmission, forfeiture, lien, cancellation, surrender, voting and otherwise.

SHARE RIGHTS

8. Subject to any special rights conferred on the holders of any shares or class of shares, any share in the Company (whether forming part of the present capital or not) may be issued with or have attached thereto such rights or restrictions whether in regard to dividend, voting, return of capital or otherwise as the Company may by ordinary resolution determine or, if there has not been any such determination or so far as the same shall not make specific provision, as the Board may determine.

9. Subject to Sections 42 and 43 of the Act, these Bye-laws, and to any special rights conferred on the holders of any shares or attaching to any class of shares, any preference shares may be issued or converted into shares that, at a determinable date or at the option of the Company or the holder if so authorised by its memorandum of association, are liable to be redeemed on such terms and in such manner as the Company before the issue or conversion may by ordinary resolution of the Members determine. Where the Company purchases for redemption a redeemable share, purchases not made through the market or by tender shall be limited to a maximum price as may from time to time be determined by the Company in general meeting, either generally or with regard to specific purchases. If purchases are by tender, tenders shall be available to all Members alike.

(Amended on September 24, 2004)

VARIATION OF RIGHTS

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

- (a) the necessary quorum ~~(other than at an adjourned meeting)~~ shall be two persons (or in the case of a Member being a corporation, its duly authorised representative) holding or representing by proxy not less than one-third ~~in nominal value~~ of the issued shares of that class ~~and at any adjourned meeting of such holders, two holders present in person (or in the case of a Member being a corporation, its duly authorised representative) or by proxy (whatever the number of shares held by them) shall be a quorum;~~
- (b) every holder of shares of the class shall be entitled on a poll to one vote for every such share held by him; and
- (c) any holder of shares of the class present in person or by proxy may demand a poll.

(Amended on September 24, 2004)

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 Act, these Bye-laws, any direction that may be given by the Company in general meeting and, where applicable, the rules of any Designated Stock Exchange 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. 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 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 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.

(Amended on September 24, 2004)

13. The Company may in connection with the issue of any shares exercise all powers of paying commission and brokerage conferred or permitted by the Act. Subject to the Act, the commission may be satisfied by the payment of cash or by the allotment of fully or partly paid shares or partly in one and partly in the other.
14. Except as required by law, no person shall be recognised by the Company as holding any share upon any trust and the Company shall not be bound by or required in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any fractional part of a share or (except only as otherwise provided by these Bye-laws or by law) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.
15. Subject to the Act and these Bye-laws, the Board may at any time after the allotment of shares but before any person has been entered in the Register as the holder, recognise a renunciation thereof by the allottee in favour of some other person and may accord to any allottee of a share a right to effect such renunciation upon and subject to such terms and conditions as the Board considers fit to impose.

SHARE CERTIFICATES

16. Every share certificate shall be issued under the Seal or a facsimile thereof 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. 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 or that such certificates need not be signed by any person.
17. (1) In the case of a share held jointly by several persons, the Company shall not be bound to issue more than one certificate therefor and delivery of a certificate to one of several joint holders shall be sufficient delivery to all such holders.
- (2) Where a share stands in the names of two or more persons, the person first named in the Register shall as regards service of notices and, subject to the provisions of these Bye-laws, all or any other matters connected with the Company, except the transfer of the shares, be deemed the sole holder thereof.
18. Every person whose name is entered, upon an allotment of shares, as a Member in the Register shall be entitled, without payment, to receive one certificate for all such shares of any one class or several certificates each for one or more of such shares of such class upon payment for every certificate after the first of such reasonable out of pocket expenses as the Board from time to time determines.
19. Share certificates shall be issued within the relevant time limit as prescribed in the Act or as the Designated Stock Exchange may from time to time determine, whichever is the shorter, after allotment or, except in the case of a transfer which the Company is for the time being entitled to refuse to register and does not register, after lodgment of a transfer with the Company.
- (Amended on September 24, 2004)*
20. (1) Upon every transfer of shares the certificate held by the transferor shall be given up to be cancelled, and shall forthwith be cancelled accordingly, and a new certificate shall be issued to the transferee in respect of the shares transferred to him at such fee as is provided in paragraph (2) of this Bye-law. If any of the shares included in the certificate so given up shall be retained by the transferor a new certificate for the balance shall be issued to him at the aforesaid fee payable by the transferor to the Company in respect thereof.
- (2) The fee referred to in paragraph (1) above shall be an amount not exceeding the relevant maximum amount as the Designated Stock Exchange may from time to time determine provided that the Board may at any time determine a lower amount for such fee.

(Amended on September 24, 2004)

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

CALLS ON SHARES

25. Subject to these Bye-laws and to the terms of allotment, the Board may from time to time make calls upon the Members in respect of any moneys unpaid on their shares (whether on account of the nominal value of the shares or by way of premium), and each Member shall (subject to being given at least fourteen (14) clear days' Notice specifying the time and place of payment) pay to the Company as required by such notice the amount called on his shares. A call may be extended, postponed or revoked in whole or in part as the Board determines but no member shall be entitled to any such extension, postponement or revocation except as a matter of grace and favour.
26. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be made payable either in one lump sum or by instalments.
(Amended on September 24, 2004)
27. A person upon whom a call is made shall remain liable for calls made upon him notwithstanding the subsequent transfer of the shares in respect of which the call was made. The joint holders of a share shall be jointly and severally liable to pay all calls and instalments due in respect thereof or other moneys due in respect thereof.
28. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the amount unpaid from the day appointed for payment thereof to the time of actual payment at such rate (not exceeding twenty per cent. (20%) per annum) as the Board may determine, but the Board may in its absolute discretion waive payment of such interest wholly or in part.
29. No Member shall be entitled to receive any dividend or bonus or to be present and vote (save as proxy for another Member) at any general meeting either personally or by proxy, or be reckoned in a quorum, or exercise any other privilege as a Member until all calls or instalments due by him to the Company, whether alone or jointly with any other person, together with interest and expenses (if any) shall have been paid.
30. On the trial or hearing of any action or other proceedings for the recovery of any money due for any call, it shall be sufficient to prove that the name of the Member sued is entered in the Register as the holder, or one of the holders, of the shares in respect of which such debt accrued, that the resolution making the call is duly recorded in the minute book, and that notice of such call was duly given to the Member sued, in pursuance of these Bye-laws; and it shall not be necessary to prove the appointment of the Directors who made such call, nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.
31. Any amount payable in respect of a share upon allotment or at any fixed date, whether in respect of nominal value or premium or as an instalment of a call, shall be deemed to be a call duly made and payable on the date fixed for payment and if it is not paid the provisions of these Bye-laws shall apply as if that amount had become due and payable by virtue of a call duly made and notified.

32. On the issue of shares the Board may differentiate between the allottees or holders as to the amount of calls to be paid and the times of payment.
33. The Board may, if it thinks fit, receive from any Member willing to advance the same, and either in money or money's worth, all or any part of the moneys uncalled and unpaid or instalments payable upon any shares held by him and upon all or any of the moneys so advanced (until the same would, but for such advance, become presently payable) pay interest at such rate (if any) as the Board may decide. The Board may at any time repay the amount so advanced upon giving to such Member not less than one month's notice in writing 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 of the forfeiture shall be served upon the person who was before forfeiture the holder of the share. No forfeiture shall be invalidated by any omission or neglect to give such notice.
36. The Board may accept the surrender of any share liable to be forfeited hereunder and, in such case, references in these Bye-laws to forfeiture will include surrender.
37. Until cancelled in accordance with the requirements of the Act, a forfeited share shall be the property of the Company and may be sold, re allotted or otherwise disposed of to such person, upon such terms and in such manner as the Board determines, and at any time before a sale, re allotment or disposition the forfeiture may be annulled by the Board on such terms as the Board determines.

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

REGISTER OF MEMBERS

43. (1) The Company shall keep in one or more books a Register 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, in respect of any shares that are not fully paid, and the amount paid or agreed to be considered as paid on such shares; and
 - (b) the date on which each person was entered in the Register; and
 - (c) the date on which any person ceased to be a Member.
- (2) Subject to the Act, the Company may keep an overseas or local or other branch register of Members resident in any place, and the Board may make and vary such regulations as it determines in respect of the keeping of any such register and maintaining a Registration Office in connection therewith.

(Amended on September 24, 2004)

44. The Register and branch register of Members, as the case may be, shall be open to inspection between 10 a.m. and 12 noon on every business day by Members without charge or by any other person, upon a maximum payment of five Bermuda dollars, at the Office or such other place in Bermuda at which the Register is kept in accordance with the Act or, if appropriate, upon a maximum payment of ten dollars at the Registration Office. The Register including any overseas or local or other branch register of Members may, after notice has been given by advertisement in an appointed newspaper and where applicable, any other newspapers in accordance with the requirements of any Designated Stock Exchange or by any means in such manner as may be accepted by the Designated Stock Exchange to that effect, be closed at such times or for such periods in accordance with the terms equivalent to the relevant section of the Companies Ordinance (Cap. 622 of the Laws of Hong Kong as amended from time to time) and in any event 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.

(Amended on September 24, 2004)

RECORD DATES

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

TRANSFER OF SHARES

46. Subject to these Bye-laws, any Member may transfer all or any of his shares 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.

(Amended on September 24, 2004)

47. The instrument of transfer shall be executed by or on behalf of the transferor and the transferee provided that the Board may dispense with the execution of the instrument of transfer by the transferee in any case which it thinks fit in its discretion to do so. Without prejudice to Bye-law 46 the Board may also resolve, either generally or in any particular case, upon request by either the transferor or transferee, to accept mechanically executed transfers. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register in respect thereof. Nothing in these Bye-laws shall preclude the Board from recognising a renunciation of the allotment or provisional allotment of any share by the allottee in favour of some other person.

(Amended on September 24, 2004)

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

(Amended on September 24, 2004)

TRANSMISSION OF SHARES

52. If a Member dies, the survivor or survivors where the deceased was a joint holder, and his legal personal representatives where he was a sole or only surviving holder, will be the only persons recognised by the Company as having any title to his interest in the shares; but nothing in this Bye-law will release the estate of a deceased Member (whether sole or joint) from any liability in respect of any share which had been solely or jointly held by him.
53. Subject to Section 52 of the Act, any person becoming entitled to a share in consequence of the death or bankruptcy or winding up of a Member may, upon such evidence as to his title being produced as may be required by the Board, elect either to become the holder of the share or to have some person nominated by him registered as the transferee thereof. If he elects to become the holder he shall notify the Company in writing either at the Registration Office or Office, as the case may be, to that effect. If he elects to have another person registered he shall execute a transfer of the share in favour of that person. The provisions of these Bye-laws relating to the transfer and registration of transfers of shares shall apply to such notice or transfer as aforesaid as if the death or bankruptcy of the Member had not occurred and the notice or transfer were a transfer signed by such Member.
54. A person becoming entitled to a share by reason of the death or bankruptcy or winding up of a Member shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share. However, the Board may, if it thinks fit, withhold the payment of any dividend payable or other advantages in respect of such share until such person shall become the registered holder of the share or shall have effectually transferred such share, but, subject to the requirements of Bye-law 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 Bye-law, the Company may cease sending cheques for dividend entitlements or dividend warrants by post if such cheques or warrants have been left uncashed on two consecutive occasions. However, the Company may exercise the power to cease sending cheques for dividend entitlements or dividend warrants after the first occasion on which such a cheque or warrant is returned undelivered.
- (2) The Company shall have the power to sell, in such manner as the Board thinks fit, any shares of a Member who is untraceable, but no such sale shall be made unless:
- (a) all cheques or warrants in respect of dividends of the shares in question, being not less than three in total number, for any sum payable in cash to the holder of such shares in respect of them sent during the relevant period in the manner authorised by the Bye-laws of the Company have remained uncashed;

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

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

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

GENERAL MEETINGS

- 56. An annual general meeting of the Company shall be held in each financial year within six months after the end of the Company’s financial year ~~other than the year of incorporation at such time (within a period of not more than fifteen (15) months after the holding of the last preceding annual general meeting unless a longer period would not infringe the rules of the Designated Stock Exchange, if any) and place as may be determined by the Board.~~

57. ~~Each general meeting, other than an annual general meeting, shall be called a special general meeting. General meetings may be held in any part of the world as may be determined by the Board.~~ Each general meeting, other than an annual general meeting, shall be called a special general meeting. All general meetings (including an annual general meeting, any adjourned meeting or postponed meeting) may be held as a physical meeting in any part of the world and at one or more locations as provided in Bye-law 64A, as a hybrid meeting or as an electronic meeting, as may be determined by the Board in its absolute discretion.
58. The Board may whenever it thinks fit call special general meetings, and one or more Members holding at the date of deposit of the requisition not less than one tenth of the voting rights (on a one vote per share basis) in the paid-up share capital of the Company ~~carrying the right of voting at general meetings of the Company~~ shall at all times have the right, by written requisition to the Board or the Secretary of the Company, to require a special general meeting to be called by the Board for the transaction of any business specified in such requisition and/or add resolutions to the agenda of a meeting; and such meeting shall be held within two (2) months after the deposit of such requisition. If within twenty one (21) days of such deposit the Board fails to proceed to convene such meeting the requisitionists themselves may do so in accordance with the provisions of Section 74(3) of the Act.

NOTICE OF GENERAL MEETINGS

59. (1) An annual general meeting and any special general meeting at which the passing of a special resolution is to be considered shall be called by not less than twenty one (21) clear days' Notice. All other special general meetings may be called by not less than fourteen (14) clear days' Notice, ~~but a~~ general meeting may be called by shorter notice 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 not less than ninety five per cent. (95%) in nominal value of the issued shares giving that right.

- (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 convening an annual general meeting shall specify the meeting as such. Notice of every general meeting shall be given to all Members other than to such Members as, under the provisions of these Bye-laws or the terms of issue of the shares they hold, are not entitled to receive such notices from the Company, to all persons entitled to a share in consequence of the death or bankruptcy or winding up of a Member and to each of the Directors and the Auditors. 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 this Bye-law, the principal place of the meeting (the "Principal Meeting Place"), (c) if the general meeting is to be a hybrid meeting or an electronic meeting, the notice shall include a statement to that effect and with details of the electronic facilities for attendance and participation by electronic means at the meeting or where such details will be made available by the Company prior to the meeting, and (d) particulars of resolutions to be considered at the meeting and, in case of special business, the general nature of the business. The Notice convening an annual general meeting shall specify the meeting as such. Notice of every general meeting shall be given to all Members other than to such Members as, under the provisions of these Bye-laws or the terms of issue of the shares they hold, are not entitled to receive such notices from the Company, to all persons entitled to a share in consequence of the death or bankruptcy or winding-up of a Member and to each of the Directors and the Auditors.~~

(Amended on September 24, 2004)

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

PROCEEDINGS AT GENERAL MEETINGS

61. (1) All business shall be deemed special that is transacted at a special general meeting, and also all business that is transacted at an annual general meeting, with the exception of sanctioning dividends, the reading, considering and adopting of the accounts and balance sheet and the reports of the Directors and Auditors and other documents required to be annexed to the balance sheet, the election of Directors and appointment of Auditors and other officers in the place of those retiring, the fixing of the remuneration of the Auditors, and the voting of remuneration or extra remuneration to the Directors.
- (2) No business other than the appointment of a chairman of a meeting shall be transacted at any general meeting unless a quorum is present at the commencement of the business. Two (2) Members entitled to vote and present in person or by proxy or (in the case of a member being a corporation) by its duly authorised representative shall form a quorum for all purposes.

62. ~~If within thirty (30) minutes (or such longer time not exceeding one hour as the chairman of the meeting may determine to wait) after the time appointed for the meeting a quorum is not present, the meeting, if convened on the requisition of Members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week at the same time and place or to such time and place as the Board may 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.~~If within thirty (30) minutes (or such longer time not exceeding one hour as the chairman of the meeting may determine to wait) after the time appointed for the meeting a quorum is not present, the meeting, if convened on the requisition of Members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week at the same time and (where applicable) same place(s) or to such time and (where applicable) such place(s) and in such form and manner referred to in Bye-law 57 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. The president of the Company or the chairman shall preside as chairman at every general meeting. If at any meeting the president or the chairman, as the case may be, is not present within fifteen (15) minutes after the time appointed for holding the meeting, or if neither of them is willing to act as chairman, the 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.
64. ~~The chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place as the meeting shall determine, but no business shall be transacted at any adjourned meeting other than business which might lawfully have been transacted at the meeting had the adjournment not taken place. When a meeting is adjourned for fourteen (14) days or more, at least seven (7) clear days' notice of the adjourned meeting shall be given specifying the time and place of the adjourned meeting but it shall not be necessary to specify in such notice the nature of the business to be transacted at the adjourned meeting and the general nature of the business to be transacted. Save as aforesaid, it shall be unnecessary to give notice of an adjournment.~~Subject to Bye-law 64C, the chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time (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 chairman shall determine, but no business shall be transacted at any adjourned meeting other than the business which might lawfully have been transacted at the meeting had the adjournment not taken place. When a meeting is adjourned for fourteen (14) days or more, at least seven (7) clear days' Notice of the adjourned meeting shall be given specifying the details set out in Bye-law 59(2) but it shall not be necessary to specify in such notice the nature of the business to be transacted at the adjourned meeting and the general nature of the business to be transacted. Save as aforesaid, it shall be unnecessary to give notice of an adjournment.

(Amended on September 24, 2004)

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

64B. The Board and, at any general meeting, the chairman of the meeting may from time to time make arrangements for managing attendance and/or participation and/or voting at the Principal Meeting Place, any Meeting Location(s) and/or participation in an electronic meeting or a hybrid meeting by means of electronic facilities (whether involving the issue of tickets or some other means of identification, passcode, seat reservation, electronic voting or otherwise) as it shall in its absolute discretion consider appropriate, and may from time to time change any such arrangements, provided that a Member who, pursuant to such arrangements, is entitled to attend, in person or by proxy, at any Meeting Location shall be entitled so to attend at one of the other Meeting Locations; and the entitlement of any Member so to attend the meeting or adjourned meeting or postponed meeting at such Meeting Location or Meeting Locations shall be subject to any such arrangement as may be for the time being in force and by the Notice of meeting or adjourned meeting or postponed meeting stated to apply to the meeting.

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

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

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

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

64E. If, after the sending of Notice of a general meeting but before the meeting is held, or after the adjournment of a meeting but before the adjourned meeting is held (whether or not Notice of the adjourned meeting is required), the Directors, in their absolute discretion, consider that it is inappropriate, impracticable, unreasonable or undesirable for any reason to hold the general meeting on the date or at the time or place or by means of electronic facilities specified in the Notice calling the meeting, they may change or postpone the meeting to another date, time and/or place and/or change the electronic facilities and/or change the form of the meeting (a physical meeting, an electronic meeting or a hybrid meeting) without approval from the Members. Without prejudice to the generality of the foregoing, the Directors shall have the power to provide in every Notice calling a general meeting the circumstances in which a postponement of the relevant general meeting may occur automatically without further notice, including without limitation where a number 8 or higher typhoon signal, black rainstorm warning or other similar event is in force at any time on the day of the meeting.

This Bye-law shall be subject to the following:

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

64F. All persons seeking to attend and participate in an electronic meeting or a hybrid meeting shall be responsible for maintaining adequate facilities to enable them to do so. Subject to Bye-law 64C, any inability of a person or persons to attend or participate in a general meeting by way of electronic facilities shall not invalidate the proceedings of and/or resolutions passed at that meeting.

64G. Without prejudice to other provisions in Bye-law 64, a physical meeting may also be held by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting.

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

VOTING

66. Subject to any special rights or restrictions as to voting for the time being attached to any shares by or in accordance with these Bye-laws, at any general meeting on a show of hands every Member present in person or by proxy or being a corporation, is present by a representative duly authorised under Section 78 of the Act 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 Bye-laws, 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 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:

- (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
- (c) by a Member or Members present in person or in the case of a Member being a corporation by its duly authorised representative or by proxy and representing not less than one tenth of the total voting rights of all Members having the right to vote at the meeting; or
- (d) 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; or
- (e) if required by the rules of the Designated Stock Exchange, by the chairman of the meeting and/or the Director or Directors who, individually or collectively, hold proxies in respect of shares representing five per cent or more of the total voting rights of all the members having the right to vote at the meeting.

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 a Member.

(Amended on September 24, 2004)

(Amended on September 23, 2005)

67. Unless a poll is duly demanded and the demand is not withdrawn, a declaration by the chairman that a resolution has been carried, or carried unanimously, or by a particular majority, or not carried by a particular majority, or lost, and an entry to that effect made in the minute book of the Company, shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded for or against the resolution.
68. If a poll is duly demanded the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The Company shall only be required to disclose the voting figures on a poll if such disclosure is required by the rules of the Designated Stock Exchange.
- (Amended on September 23, 2005)*
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.
71. On a poll votes may be given either personally or by proxy. All resolutions put to the Members at electronic meetings shall be voted on by a poll, which poll votes may be cast by such electronic means as the Board may, in its sole discretion, deem appropriate for the purposes of the electronic meetings.
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. 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 may vote, either in person or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders be present at any meeting the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the Register in respect of the joint holding. Several executors or administrators of a deceased Member in whose name any share stands shall for the purposes of this Bye-law be deemed joint holders thereof.

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 postponed meeting or poll, as the case may be.
- (2) Any person entitled under Bye-law 53 to be registered as the holder of any shares may vote at any general meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that forty eight (48) hours at least before the time of the holding of the meeting or adjourned meeting or postponed meeting, as the case may be, at which he proposes to vote, he shall satisfy the Board of his entitlement to such shares, or the Board shall have previously admitted his right to vote at such meeting in respect thereof.
76. (1) ~~No Member shall, unless the Board otherwise determines, be entitled to attend, speak 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. Save as aforesaid, all Members (including a Member which is a clearing house (or its nominee(s))) shall have the right to speak and vote at a general meeting except where a Member is required by the rules of the Designated Stock Exchange to abstain from voting to approve the matter under consideration. Where any Member is, under the rules of the 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.~~
- (2) ~~Where the Company has knowledge that any Member is, under the rules of the Designated Stock Exchange, 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.~~

(Amended on September 24, 2004)

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 at which the vote objected to is given or tendered or at which the error occurs. Any objection or error shall be referred to the chairman of the meeting and shall only vitiate the decision of the meeting on any resolution if the chairman decides that the same may have affected the decision of the meeting. The decision of the chairman on such matters shall be final and conclusive.

(Amended on September 24, 2004)

PROXIES

78. Any Member (including a clearing house) entitled to attend, speak and vote at a meeting of the Company shall be entitled to appoint another person as his proxy to attend, speak and vote instead of him. Any 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 (including a clearing house) shall be entitled to exercise the same powers on behalf of the Member which he or they represent as such Member could exercise.

(Amended on September 25, 1996 and September 24, 2004)

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 fact.

80. ~~The instrument appointing a proxy and (if required by the Board) the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, shall be delivered to such place or one of such places (if any) as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the meeting (or, if no place is so specified at the Registration Office or the Office, as may be appropriate) not less than forty eight (48) hours before the time appointed for holding the meeting or adjourned 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 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.~~(1) The Company may, at its absolute discretion, provide an electronic address for the receipt of any document or information relating to proxies for a general meeting (including any instrument of proxy or invitation to appoint a proxy, any document necessary to show the validity of, or otherwise relating to, an appointment of proxy (whether or not required under these Bye-laws) and notice of termination of the authority of a proxy). If such an electronic address is provided, the Company shall be deemed to have agreed that any such document or information (relating to proxies as aforesaid) may be sent by electronic means to that address, subject as hereafter provided and subject to any other limitations or conditions specified by the Company when providing the address. Without limitation, the Company may from time to time determine that any such electronic address may be used generally for such matters or specifically for particular meetings or purposes and, if so, the Company may provide different electronic addresses for different purposes. The Company may also impose any conditions on the transmission of and its receipt of such electronic communications including, for the avoidance of doubt, imposing any security or encryption arrangements as may be specified by the Company. If any document or information required to be sent to the Company under this Bye-law is sent to the Company by electronic means, such document or information is not treated as validly delivered to or deposited with the Company if the same is not received by the Company at its designated electronic address provided in accordance with this Bye-law or if no electronic address is so designated by the Company for the receipt of such document or information.
- (2) The instrument appointing a proxy and (if required by the Board) the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, shall be delivered to such place or one of such places (if any) as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the meeting (or, if no place is so specified at the Registration Office or the Office, as may be appropriate), or if the Company has provided an electronic address in accordance with the preceding paragraph, shall be received at the electronic address specified, not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting or postponed meeting at which the person named in the instrument proposes to vote. No instrument appointing a proxy shall be valid after the expiration of twelve (12) months from the date named in it as the date of its execution, except at an adjourned meeting or postponed meeting in cases where the meeting was

originally held within twelve (12) months from such date. Delivery of an instrument appointing a proxy shall not preclude a Member from attending and voting 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 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. 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.~~Instruments of proxy shall be in any common form or in such other form as the Board may approve (provided that this shall not preclude the use of the two-way form) and the Board may, if it thinks fit, send out with the notice of any meeting forms of instrument of proxy for use at the meeting. The instrument of proxy shall be deemed to confer authority to vote on any amendment of a resolution put to the meeting for which it is given as the proxy thinks fit. The instrument of proxy shall, unless the contrary is stated therein, be valid as well for any adjournment or postponement of the meeting as for the meeting to which it relates. The Board may decide, either generally or in any particular case, to treat a proxy appointment as valid notwithstanding that the appointment or any of the information required under these Bye-laws has not been received in accordance with the requirements of these Bye-laws. Subject to aforesaid, if the proxy appointment and any of the information required under these Bye-laws is not received in the manner set out in these Bye-laws, the appointee shall not be entitled to vote in respect of the shares in question.
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 convening the meeting or other document sent therewith) two (2) hours at least before the commencement of the meeting or adjourned meeting or postponed meeting, or the taking of the poll, at which the instrument of proxy is used.
83. Anything which under these Bye-laws a Member may do by proxy he may likewise do by his duly appointed attorney and the provisions of these Bye-laws relating to proxies and instruments appointing proxies shall apply mutatis mutandis in relation to any such attorney and the instrument under which such attorney is appointed.

CORPORATIONS ACTING BY REPRESENTATIVES

84. (1) Any corporation which is a Member may in accordance with its constitutional documents or in the absence of such provision 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 as if it were an individual Member and such corporation shall for the purposes of these Bye-laws be deemed to be present in person at any such meeting if a person so authorised is present thereat.
- (2) Where a Member is a clearing house (or its nominee(s) and, in each case, being a corporation), it may authorise such persons as it thinks fit to act as its representatives, who enjoy rights equivalent to the rights of other Members, at any meeting of the Company (including but not limited to general meetings and creditors meetings) or at any meeting of any class of Members provided that the authorisation shall specify the number and class of shares in respect of which each such representative is so authorised. Each person so authorised under the provisions of this Bye-law shall be deemed to have been duly authorised without further evidence of the facts and be entitled to exercise the same rights and powers on behalf of the clearing house (or its nominee(s)) as if such person was the registered holder of the shares of the Company held by the clearing house (or its nominee(s)) in respect of the number and class of shares specified in the relevant authorisation including the right to speak and vote individually on a show of hands or on a poll.
- (3) Any reference in these Bye-laws to a duly authorised representative of a Member being a corporation shall mean a representative authorised under the provisions of this Bye-law.

(Amended on September 24, 2004)

WRITTEN RESOLUTIONS OF MEMBERS

85. (1) Subject to the Act, a resolution in writing signed (in such manner as to indicate, expressly or impliedly, unconditional approval) by or on behalf of all persons for the time being entitled to receive notice of and to attend and vote at general meetings of the Company shall, for the purposes of these Bye-laws, be treated as a resolution duly passed at a general meeting of the Company and, where relevant, as a special resolution so passed. Any such resolution shall be deemed to have been passed at a meeting held on the date on which it was signed by the last Member to sign, and where the resolution states a date as being the date of his signature thereof by any Member the statement shall be prima facie evidence that it was signed by him on that date. Such a resolution may consist of several documents in the like form, each signed by one or more relevant Members.

- (2) Notwithstanding any provisions contained in these Bye-laws, a resolution in writing shall not be passed for the purpose of removing a Director before the expiration of his term of office under Bye-law 86(4) or for the purposes set out in Bye-law 154(3) relating to the removal and appointment of the Auditor.

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 at the statutory meeting of Members and thereafter at the annual general meeting in accordance with Bye-law 87 or at any special general meeting and shall have office until the next appointment of Directors or until their successors are elected or appointed. Any general meeting may authorise the Board to fill any vacancy in their number left unfilled at a general meeting.
- (2) The Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or, subject to authorisation by the Members in general meeting, as an addition to the existing Board but so that the number of Directors so appointed shall not exceed any maximum number determined from time to time by the Members in general meeting. Any Director so appointed by the Board shall hold office only until the ~~next following~~ first annual general meeting of the Company after his appointment, and shall then be eligible for re election at that meeting.
- (3) Neither a Director nor an alternate Director shall be required to hold any shares of the Company by way of qualification and a Director or alternate Director (as the case may be) who is not a Member shall be entitled to receive notice of and to attend and speak at any general meeting of the Company and of all classes of shares of the Company.
- (4) The Members may, at any general meeting convened and held in accordance with these Bye-laws, by ordinary resolution remove a Director (including a managing or other executive director) at any time before the expiration of his period of office notwithstanding anything to the contrary in these Bye-laws or in any agreement between the Company and such Director (but without prejudice to any claim for damages under any such agreement) provided that the notice of any such meeting convened for the purpose of removing a Director shall contain a statement of the intention so to do and be served on such Director fourteen (14) days before the meeting and at such meeting such Director shall be entitled to be heard on the motion for his removal.
- (Amended on September 27, 2006)*
- (5) A vacancy on the Board created by the removal of a Director under the provisions of subparagraph (4) above may be filled by the election or appointment by the Members at the meeting at which such Director is removed to hold office until the next appointment of Directors or until their successors are elected or appointed or, in the absence of such election or appointment such general meeting may authorise the Board to fill any vacancy in the number left unfilled.

- (6) The Company may from time to time in general meeting by ordinary resolution increase or reduce the number of Directors but so that the number of Directors shall never be less than two (2).

(Amended on September 24, 2004)

RETIREMENT OF DIRECTORS

87. (1) Notwithstanding any other provisions in the Bye-laws, at each annual general meeting one third of the Directors (including the chairman of the Board and/or the managing director of the Company) for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one third) shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall retire from office by rotation at least once every three years.
- (2) A retiring Director shall be eligible for re election and shall continue to act as Director throughout the meeting at which he retires. The Directors to retire by rotation shall include (so far as necessary to ascertain the number of directors to retire by rotation) any Director who wishes to retire and not to offer himself for re election. Any further Directors so to retire shall be those of the other Directors subject to retirement by rotation who have been longest in office since their last re election or appointment and so that as between persons who became or were last re elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. Any Director appointed pursuant to Bye-law 86(2) shall not be taken into account in determining which particular Directors or the number of Directors who are to retire by rotation.

(Amended on September 23, 2005)

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 provided that the minimum length of the period, during which such Notice(s) are given, shall be at least seven (7) days and that (if the Notices are submitted after the dispatch of the notice of the general meeting appointed for such election) the period for lodgment of such Notice(s) shall commence on the day after the dispatch of the notice of the general meeting appointed for such election and end no later than seven (7) days prior to the date of such general meeting.

(Amended on September 24, 2004)

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; or
- (4) becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors;
- (5) is prohibited by law from being a Director; or
- (6) ceases to be a Director by virtue of any provision of the Statutes or is removed from office pursuant to these Bye-laws.

(Amended on September 24, 2004)

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 Bye-law shall be subject to the same provisions as to removal as the other Directors of the Company, and he shall (subject to the provisions of any contract between him and the Company) ipso facto and immediately cease to hold such office if he shall cease to hold the office of Director for any cause.
- 91. Notwithstanding Bye-laws 96, 97, 98 and 99, an executive director appointed to an office under Bye-law 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 to be his alternate Director. Any person so appointed shall have all the rights and powers of the Director or Directors for whom such person is appointed in the alternative provided that such person shall not be counted more than once in determining whether or not a quorum is present. An alternate Director may be removed at any time by the body which appointed him and, subject thereto, the office of alternate Director shall continue until the next annual election of Directors or, if earlier, the date on which the relevant Director ceases to be a Director. Any appointment or removal of an alternate Director shall be effected by Notice signed by the appointor and delivered to the Office or head office or tendered at a meeting of the Board. An alternate Director may also be a Director in his own right and may act as alternate to more than

one Director. An alternate Director shall, if his appointor so requests, be entitled to receive notices of meetings of the Board or of committees of the Board to the same extent as, but in lieu of, the Director appointing him and shall be entitled to such extent to attend and vote as a Director at any such meeting at which the Director appointing him is not personally present and generally at such meeting to exercise and discharge all the functions, powers and duties of his appointor as a Director and for the purposes of the proceedings at such meeting the provisions of these Bye-laws shall apply as if he were a Director save that as an alternate for more than one Director his voting rights shall be cumulative.

93. An alternate Director shall only be a Director for the purposes of the Act and shall only be subject to the provisions of the Act insofar as they relate to the duties and obligations of a Director when performing the functions of the Director for whom he is appointed in the alternative and shall alone be responsible to the Company for his acts and defaults and shall not be deemed to be the agent of or for the Director appointing him. An alternate Director shall be entitled to contract and be interested in and benefit from contracts or arrangements or transactions and to be repaid expenses and to be indemnified by the Company to the same extent *mutatis mutandis* as if he were a Director but he shall not be entitled to receive from the Company any fee in his capacity as an alternate Director except only such part, if any, of the remuneration otherwise payable to his appointor as such appointor may by notice in writing 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 Bye-laws 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 Company in general meeting and shall (unless otherwise directed by the resolution by which it is voted) be divided amongst the Board in such proportions and in such manner as the Board may agree or, failing agreement, equally, except that any Director who shall hold office for part only of the period in respect of which such remuneration is payable shall be entitled only to rank in such division for a proportion of remuneration related to the period during which he has held office. Such remuneration shall be deemed to accrue from day to day.

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

other officers of such other company and any Director may vote in favour of the exercise of such voting rights in manner aforesaid notwithstanding that he may be, or about to be, appointed a director, managing director, joint managing director, deputy managing director, executive director, manager or other officer of such a company, and that as such he is or may become interested in the exercise of such voting rights in manner aforesaid.

101. Subject to the Act and to these Bye-laws, no Director or proposed or intending Director shall be disqualified by his office from contracting with the Company, either with regard to his tenure of any office or place of profit or as vendor, purchaser or in any other manner whatever, nor shall any such contract or any other contract or arrangement in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company or the Members for any remuneration, profit or other benefits realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established provided that such Director shall disclose the nature of his interest in any contract or arrangement in which he is interested in accordance with Bye-law 102 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 Bye-law, a general notice to the Board by a Director to the effect that:
- (a) he is a member or officer of a specified company or firm and is to be regarded as interested in any contract or arrangement which may after the date of the notice be made with that company or firm; or
 - (b) he is to be regarded as interested in any contract or arrangement which may after the date of the notice be made with a specified person who is connected with him;

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

103. (H) A Director shall not vote (nor be counted in the quorum) on any resolution of the Board approving any contract or arrangement or any other proposal in which he or any of his associates is materially interested, but this prohibition shall not apply to any of the following matters namely:
- (i) the giving of any security or indemnity either:-
 - (a) to the Director or his associate(s) in respect of money lent or obligations incurred or undertaken by him or any of them at the request of or for the benefit of the Company or any of its subsidiaries; ~~or any contract or arrangement for the giving to such Director or his associate(s) any security or~~

~~indemnity in respect of money lent by him or any of his associates or obligations incurred or undertaken by him or any of his associates at the request of or for the benefit of the Company or any of its subsidiaries;~~

- (b) to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his associate(s) has himself/themselves assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;
- ~~(ii) any contract or arrangement for the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his associate(s) has himself/themselves assumed responsibility in whole or in part whether alone or jointly under a guarantee or indemnity or by the giving of security;~~
- (iii) any ~~contract or arrangement~~proposal concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase, where the Director or his associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;
- ~~(iii)~~ any contract or arrangement in which the Director or his associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company;
- ~~(v) any contract or arrangement concerning any other company in which the Director or his associate(s) is/are interested only, whether directly or indirectly, as an officer or executive or a shareholder or in which the Director and any of his associates are not in aggregate beneficially interested in five (5) per cent or more of the issued shares or of the voting rights of any class of shares of such company (or of any third company through which his interest or that of any of his associates is derived); or~~
- (ivi) 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 associate(s) may benefit~~share option scheme;~~; or
- (b) the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme or other arrangement which relates ~~both to the directors~~Directors, his associates 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 such any privilege or advantage not accorded generally to the class of persons to which such scheme or fund relates.

- ~~(2) A company shall be deemed to be a company in which a Director and/or his associate(s) owns five (5) per cent or more if and so long as (but only if and so long as) he and/or his associates, (either directly or indirectly) are the holders of or beneficially interested in five (5) per cent or more of any class of the equity share capital of such company or of the voting rights available to members of such company (or of any third company through which his interest or that of any of his associates is derived). For the purpose of this paragraph there shall be disregarded any shares held by a Director or his associate(s) as bare or custodian trustee and in which he or any of them has no beneficial interest, any shares comprised in a trust in which the interest of the Director or his associate(s) is/are in reversion or remainder if and so long as some other person is entitled to receive the income thereof, and any shares comprised in an authorised unit trust scheme in which the Director or his associate(s) is/are interested only as a unit holder.~~
- ~~(3) Where a company in which a Director and/or his associate(s) holds five (5) per cent. or more is materially interested in a transaction, then that Director and/or his associate(s) shall also be deemed materially interested in such transaction.~~

(Amended on September 24, 2004)

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

- (3) Without prejudice to the general powers conferred by these Bye-laws it is hereby expressly declared that the Board shall have the following powers:
- (a) To give to any person the right or option of requiring at a future date that an allotment shall be made to him of any share at par or at such premium as may be agreed.
 - (b) To give to any Directors, officers or servants of the Company an interest in any particular business or transaction or participation in the profits thereof or in the general profits of the Company either in addition to or in substitution for a salary or other remuneration.
 - (c) To resolve that the Company be discontinued in Bermuda and continued in a named country or jurisdiction outside Bermuda subject to the provisions of the Act.
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 Bye-laws) and for such period and subject to such conditions as it may think fit, and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Board may think fit, and may also authorise any such attorney to sub delegate all or any of the powers, authorities and discretions vested in him. Such attorney or attorneys may, if so authorised under the Seal of the Company, execute any deed or instrument under their personal seal with the same effect as the affixation of the 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 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 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 Act, of all charges specifically affecting the property of the Company and of any series of debentures issued by the Company and shall duly comply with the requirements of the Act in regard to the registration of charges and debentures therein specified and otherwise.

PROCEEDINGS OF THE DIRECTORS

114. The Board may meet for the despatch of business, adjourn 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 given in writing 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. Any Director may waive notice of any meeting either prospectively or retrospectively.
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.

(Amended on September 24, 2004)

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 Bye-laws, the continuing Directors or Director, notwithstanding that the number of Directors is below the number fixed by or in accordance with these Bye-laws as the quorum or that there is only one continuing Director, may act for the purpose of filling vacancies in the Board or of summoning general meetings of the Company but not for any other purpose.
118. The Board may elect a chairman and one or more deputy chairman of its meetings and determine the period for which they are respectively to hold such office. If no chairman or deputy chairman is elected, or if at any meeting neither the chairman nor any deputy chairman is present within five (5) minutes after the time appointed for holding the same, the Directors present may choose one of their number to be chairman of the meeting.
119. A 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 Bye-laws for regulating the meetings and proceedings of the Board so far as the same are applicable and are not superseded by any regulations imposed by the Board under the last preceding Bye-law.
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 Director, if appropriate, whose appointors are temporarily unable to act as aforesaid shall be valid and effectual as if a resolution had been passed at a meeting of the Board duly convened and held provided that such number is sufficient to constitute a quorum and that a copy of such resolution has been given or the contents thereof communicated to all the Directors for the time being entitled to receive notices of Board meetings in the same manner as notices of meetings are required to be given by these Bye-laws and further provided that no Director is aware of or has received any objection to the resolution from any Director. 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.

(Amended on September 24, 2004)

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 or 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 a president and vice president or chairman and deputy chairman, the Directors and Secretary and such additional officers (who may or may not be Directors) as the Board may from time to time determine, all of whom shall be deemed to be officers for the purposes of the Act and these Bye-laws.
- (2) The Directors shall, as soon as may be after each appointment or election of Directors, elect amongst the Directors a president and a vice president or a chairman and a deputy chairman; and if more than one (1) Director is proposed for either of these offices, the election to such office shall take place in such manner as the Directors may determine.
- (3) The officers shall receive such remuneration as the Directors may from time to time determine.
- (4) where the Company appoints and maintains a resident representatives ordinarily resident in Bermuda in accordance with the Act, the resident representative shall comply with the provisions of the Act.

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

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

(Amended on September 24, 2004)

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 Act or these Bye-laws or as may be prescribed by the Board.
129. The president or the chairman, as the case may be, shall act as chairman at all meetings of the Members and of the Directors at which he is present. In his absence a chairman shall be appointed or elected by those present at the meeting.
130. 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.
131. A provision of the Act or of these Bye-laws requiring or authorising a thing to be done by or to a Director and the Secretary shall not be satisfied by its being done by or to the same person acting both as Director and as or in place of the Secretary.

REGISTER OF DIRECTORS AND OFFICERS

132. (1) The Board shall cause to be kept in one or more books at its Office a Register of Directors and Officers and shall enter therein the following particulars with respect to each Director and Officer, that is to say:
 - (a) in the case of an individual, his or her present first name, surname and address; and
 - (b) in the case of a company, its name and registered office.

- (2) The Board shall within a period of fourteen (14) days from the occurrence of
- (a) any change among its Directors and Officers; or
 - (b) any change in the particulars contained in the Register of Directors and Officers,
- cause to be entered on the Register of Directors and Officers the particulars of such change and of the date on which it occurred.
- (3) The Register of Directors and Officers shall be open to inspection by members of the public without charge at the Office between 10:00 a.m. and 12:00 noon on every business day.
- (4) In this Bye-law “Officer” has the meaning ascribed to it in Section 92A(7) of the Act.
(Amended on September 24, 2004)

MINUTES

133. (1) The Board shall cause Minutes to be duly entered in books provided for the purpose:
- (a) of all elections and appointments of officers;
 - (b) of the names of the Directors present at each meeting of the Directors and of any committee of the Directors;
 - (c) of all resolutions and proceedings of each general meeting of the Members and meetings of the Board.
- (2) Minutes prepared in accordance with the Act and these Bye-laws shall be kept by the Secretary at the Office.
(Amended on September 24, 2004)

SEAL

134. (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 words “Securities Seal” on its face or in such other form as the Board may approve. The Board shall provide for the custody of each Seal and no Seal shall be used without the authority of the Board or of a committee of the Board authorised by the Board in that behalf. Subject as otherwise provided in these Bye-laws, any instrument to which a Seal is affixed shall be signed autographically by one Director and the Secretary or by two Directors or by such other person (including a Director) or persons as the Board 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 Bye-law 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 Bye-laws reference is made to the Seal, the reference shall, when and so far as may be applicable, be deemed to include any such other Seal as aforesaid.

AUTHENTICATION OF DOCUMENTS

135. 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

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

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

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

(Amended on September 24, 2004)

DIVIDENDS AND OTHER PAYMENTS

137. Subject to the Act, the Company in general meeting may from time to time declare dividends in any currency to be paid to the Members but no dividend shall be declared in excess of the amount recommended by the Board. The Company in general meeting may also make a distribution to the Members out of any contributed surplus (as ascertained in accordance with the Act).
138. No dividend shall be paid or distribution made out of contributed surplus if to do so would render the Company unable to pay its liabilities as they become due or the realisable value of its assets would thereby become less than the aggregate of its liabilities and its issued share capital and share premium accounts.
139. Except in so far as the rights attaching to, or the terms of issue of, any share otherwise provide:
- (a) all dividends shall be declared and paid according to the amounts paid up on the shares in respect of which the dividend is paid, but no amount paid up on a share in advance of calls shall be treated for the purposes of this Bye-law as paid up on the share; and
 - (b) all dividends shall be apportioned and paid pro rata according to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid.
140. 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.
141. 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.
142. No dividend or other moneys payable by the Company on or in respect of any share shall bear interest against the Company.

143. 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.
144. 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.
145. Whenever the Board or the Company in general meeting have 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 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.

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

- (iii) the right of election may be exercised in respect of the whole or part of that portion of the dividend in respect of which the right of election has been accorded; and
 - (iv) the dividend (or that part of the dividend in respect of which a right of election has been accorded) shall not be payable in cash on shares in respect whereof the share election has been duly exercised (“the elected shares”) and in lieu thereof shares of the relevant class shall be allotted credited as fully paid up to the holders of the elected shares on the basis of allotment determined as aforesaid and for such purpose the Board shall capitalise and apply out of any part of the undivided profits of the Company (including profits carried and standing to the credit of any reserves or other special account other than the Subscription Rights Reserve) as the Board may determine, such sum as may be required to pay up in full the appropriate number of shares of the relevant class for allotment and distribution to and amongst the holders of the elected shares on such basis.
- (2)
 - (a) The shares allotted pursuant to the provisions of paragraph (1) of this Bye-law shall rank *pari passu* in all respects with shares of the same class (if any) then in issue save only as regards participation in the relevant dividend or in any other distributions, bonuses or rights paid, made, declared or announced prior to or contemporaneously with the payment or declaration of the relevant dividend unless, contemporaneously with the announcement by the Board of their proposal to apply the provisions of sub paragraph (a) or (b) of paragraph (2) of this Bye-law in relation to the relevant dividend or contemporaneously with their announcement of the distribution, bonus or rights in question, the Board shall specify that the shares to be allotted pursuant to the provisions of paragraph (1) of this Bye-law shall rank for participation in such distribution, bonus or rights.
 - (b) The Board may do all acts and things considered necessary or expedient to give effect to any capitalisation pursuant to the provisions of paragraph (1) of this Bye-law, with full power to the Board to make such provisions as it thinks fit in the case of shares becoming distributable in fractions (including provisions whereby, in whole or in part, fractional entitlements are aggregated and sold and the net proceeds distributed to those entitled, or are disregarded or rounded up or down or whereby the benefit of fractional entitlements accrues to the Company rather than to the Members concerned). The Board may authorise any person to enter into on behalf of all Members interested, an agreement with the Company providing for such capitalisation and matters incidental thereto and any agreement made pursuant to such authority shall be effective and binding on all concerned.
- (3) The Company may upon the recommendation of the Board by ordinary resolution resolve in respect of any one particular dividend of the Company that notwithstanding the provisions of paragraph (1) of this Bye-law a dividend may be satisfied wholly in the form of an allotment of shares credited as fully paid up without offering any right to shareholders to elect to receive such dividend in cash in lieu of such allotment.

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

RESERVES

147. 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

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

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

SUBSCRIPTION RIGHTS RESERVE

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

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

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

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

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

ACCOUNTING RECORDS

151. The Board shall cause true accounts to be kept of the sums of money received and expended by the Company, and the matters in respect of which such receipt and expenditure take place, and of the property, assets, credits and liabilities of the Company and of all other matters required by the Act or necessary to give a true and fair view of the Company's affairs and to explain its transactions.
152. The accounting records shall be kept at the Office or, subject to the Act, at such other place or places as the Board decides and shall always be open to inspection by the Directors of the Company. No Member (other than a Director of the Company) 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.
153. Subject to Section 88 of the Act and Bye-law 153A, 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 laid before the Company in general meeting in accordance with the requirements of the Act provided that this Bye-law shall not require a copy of those documents to be sent to any person whose address the Company is not aware of or to more than one of the joint holders of any shares or debentures.

- 153A. To the extent permitted by and subject to due compliance with all applicable Statutes, rules and regulations, including, without limitation, the rules of the Designated Stock Exchange, and to obtaining all necessary consents, if any, required thereunder, the requirements of Bye-law 153 shall be deemed satisfied in relation to any person by sending to the person in any manner not prohibited by the Statutes, a summary financial statement 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 financial statement, a complete printed copy of the Company's annual financial statement and the directors' report thereon.
- 153B. The requirement to send to a person referred to in Bye-law 153 the documents referred to in that provision or a summary financial report in accordance with Bye-law 153A shall be deemed satisfied where, in accordance with all applicable Statutes, rules and regulations, including, without limitation, the rules of the Designated Stock Exchange, the Company publishes copies of the documents referred to in Bye-law 153 and, if applicable, a summary financial report complying with Bye-law 153A, 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.

(Amended on September 24, 2004)

AUDIT

154. (1) Subject to Section 88 of the Act, at the annual general meeting or at a subsequent special general meeting in each year, the Members shall by ordinary resolution appoint an auditor to audit the accounts of the Company and such auditor shall hold office until the Members appoint another auditor. Such auditor may be a Member but no Director or officer or employee of the Company shall, during his continuance in office, be eligible to act as an auditor of the Company.
- (2) Subject to Section 89 of the Act, a person, other than a retiring Auditor, shall not be capable of being appointed Auditor at an annual general meeting unless notice in writing of an intention to nominate that person to the office of Auditor has been given not less than twenty-one (21) days before the annual general meeting and furthermore, the Company shall send a copy of any such notice to the retiring Auditor.
- (3) The Members may, at any general meeting convened and held in accordance with these Bye-laws, by special resolution remove the Auditor at any time before the expiration of his term of office and shall by ordinary resolution at that meeting appoint another Auditor in his stead for the remainder of his term.

(Amended on September 24, 2004)

155. Subject to Section 88 of the Act the accounts of the Company shall be audited at least once in every year.
156. The remuneration of the Auditor shall be fixed by the Company in general meeting by ordinary resolution or in such manner as the Members may determine.
157. If the office of auditor becomes vacant by the resignation or death of the Auditor, or by his becoming incapable of acting by reason of illness or other disability at a time when his services are required, the Directors may, subject to compliance with the rules of the Designated Stock Exchange, appoint another auditor to fill the vacancy in accordance with the Act.

(Amended on September 27, 2006)

158. 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.

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

(Amended on September 24, 2004)

NOTICES

160. ~~Any Notice or document (including any “corporate communication” within the meaning ascribed thereto under the rules of the Designated Stock Exchange), whether or not, to be given or issued under these Bye-laws from the Company to a Member shall be in writing or by cable, telex or facsimile transmission message or other form of electronic transmission or communication and any such Notice and document may be served or delivered by the Company on or to any Member either personally or by sending it through the post in a prepaid envelope addressed to such Member at his registered address as appearing in the Register or at any other address supplied by him to the Company for the purpose or, as the case may be, by transmitting it to any such address or transmitting it to any telex or facsimile transmission number or electronic number or address or website supplied by him to the Company for the giving of Notice to him or which the person transmitting the notice reasonably and bona fide believes at the relevant time will result in the Notice being duly received by the Member or may also be served by advertisement in appointed newspapers (as defined in the Act) or in newspapers published daily and circulating generally in the territory of and in accordance with the requirements of the Designated Stock Exchange or, to the extent permitted by the applicable laws, by placing it on the Company’s website or the website of the Designated Stock Exchange, and giving to the Member a notice stating that the notice or other document is available there (a “notice of availability”). The notice of availability may be given to the Member by any of the means set out above. 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. (Amended on September 24, 2004)~~(1) Any Notice or document (including any “corporate communication” within the meaning ascribed thereto under the rules of the Designated Stock Exchange), whether or not, to be given or issued under these Bye-laws from the Company 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 given or issued by the following means:

- (a) by serving it personally on the relevant person;
- (b) by sending it through the post in a prepaid envelope addressed to such Member at his registered address as appearing in the Register or at any other address supplied by him to the Company for the purpose;
- (c) by delivering or leaving it at such address as aforesaid;
- (d) by placing an advertisement in appointed newspapers or other publication and where applicable, (as defined in the Act) or in newspapers published daily and circulating generally in the territory of and in accordance with the requirements of the Designated Stock Exchange;

- (e) by sending or transmitting it as an electronic communication to the relevant person at such electronic address as he may provide under Bye-law 160(5), subject to the Company complying with the Statutes and any other applicable laws, rules and regulations from time to time in force with regard to any requirements for the obtaining of consent (or deemed consent) from such person;
- (f) by publishing it on the Company's website or the website to which the relevant person may have access, subject to the Company complying with the Statutes and any other applicable laws, rules and regulations from time to time in force with regard to any requirements for the obtaining of consent (or deemed consent) from such person and/or for giving notification to any such person that the notice, document or publication is available on the Company's computer network website (a "notice of availability"); 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 by any of the means set out above other than by posting it on a website.
- (3) In the case of joint holders of a share all notices shall be given to that one of the joint holders whose name stands first in the Register and notice so given shall be deemed a sufficient service on or delivery to all the joint holders.
- (4) Every person who, by operation of law, transfer, transmission, or other means whatsoever, shall become entitled to any share, shall be bound by every notice in respect of such share, which, previously to his name and address (including electronic address) being entered in the Register as the registered holder of such share, shall have been duly given to the person from whom he derives title to such share.
- (5) Every Member or a person who is entitled to receive notice from the Company under the provisions of the Statutes or these Bye-laws may register with the Company an electronic address to which notices can be served upon him.
- (6) Subject to any applicable laws, rules and regulations and the terms of these Bye-laws, any notice, document or publication, including but not limited to the documents referred to in Bye-laws 153, 153A and 160 may be given to a Member either in the English language or the Chinese language.

(Amended on September 24, 2004)

161. 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 Nnotice or other document was so addressed and put into the post shall be conclusive evidence thereof;
- (b) if sent by electronic communication, shall be deemed to be given on the day on which it is transmitted from the server of the Company or its agent. ~~A notice placed on the Company's website or the website of the Designated Stock Exchange is deemed given by the Company to a Member on the day following that on which a notice of availability is deemed served on the Member;~~
- (c) if published on the Company's website, shall be deemed to have been served on the day on which the notice, document or publication first so appears on the Company's website to which the relevant person may have access or the day on which the notice of availability is deemed to have been served or delivered to such person under these Bye-laws, whichever is later;
- ~~(e)~~(d) if served or delivered in any other manner contemplated by these Bye-laws, shall be deemed to have been served or delivered at the time of personal service or delivery or, as the case may be, at the time of the relevant despatch, transmission or publication; and in proving such service or delivery a certificate in writing signed by the Secretary or other officer of the Company or other person appointed by the Board as to the fact and time of such service, delivery, despatch, transmission or publication shall be conclusive evidence thereof; and
- ~~(d)~~(e) if published as an advertisement in a newspaper or other publication permitted under these Bye-laws, shall be deemed to have been served on the day on which the advertisement first so appears~~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.~~

(Amended on September 24, 2004)

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

SIGNATURES

163. For the purposes of these Bye-laws, 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.

(Amended on September 24, 2004)

WINDING UP

164. (1) The Board shall have power in the name and on behalf of the Company to present a petition to the court for the Company to be wound up.
- (2) A resolution that the Company be wound up by the court or be wound up voluntarily shall be a special resolution.

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

INDEMNITY

166. (1) The Directors, Secretary and other officers and every Auditor for the time being of the Company and the liquidator or trustees (if any) for the time being acting in relation to any of the affairs of the Company and everyone of them, and everyone of their heirs, executors and administrators, shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them, their or any of their heirs, executors or administrators, shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, in their respective offices or trusts; and none of them shall be answerable for the acts, receipts, neglects or defaults of the other or others of them or for joining in any receipts for the sake of conformity, or for any bankers or other persons with whom any moneys or effects belonging to the Company shall or may be lodged or deposited for safe custody, or for insufficiency or deficiency of any security upon which any moneys of or belonging to the Company shall be placed out on or invested, or for any other loss, misfortune or damage which may happen in the execution of their respective offices or trusts, or in relation thereto; PROVIDED THAT this indemnity shall not extend to any matter in respect of any wilful negligence, wilful default, 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 wilful negligence, wilful default, fraud or dishonesty which may attach to such Director.

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

167. No Bye-law shall be rescinded, altered or amended and no new Bye-law shall be made until the same has been approved by a resolution of the Directors and confirmed by a special resolution of the Members. A special resolution shall be required to alter the provisions of the memorandum of association or to change the name of the Company.

INFORMATION

168. 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 to communicate to the public.

FINANCIAL YEAR

169. Unless the Board otherwise determines, the financial year of the Company shall end on 31 March each year and shall begin on 1 April each year.

NOTICE OF SPECIAL GENERAL MEETING



CHINA AUTOMOBILE NEW RETAIL (HOLDINGS) LIMITED 中國汽車新零售（控股）有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 526)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the special general meeting (the “SGM”) of China Automobile New Retail (Holdings) Limited (the “Company”) will be held at 14/F Fairmont House, 8 Cotton Tree Drive, Central, Hong Kong on 24 May 2022, Tuesday at 10:30 a.m. for the purpose of considering and, if thought fit, passing, with or without modifications, the following resolutions as ordinary resolutions of the Company:

ORDINARY RESOLUTIONS

1. “**THAT**

- (a) the agreement for the subscription of the 13th National Trust Financial Products (as defined and described in the circular of the Company dated 29 April 2022 (the “Circular”) dated 16 September 2020 entered into between 國民信託有限公司 (National Trust Company Limited*) (“National Trust”) and 寧波新江廈股份有限公司 (New JoySun Corp.*) (“New JoySun”) (a copy of which is tabled at the meeting and marked “A” and signed by the chairman of the meeting for identification purpose) and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified;
- (b) any one director of the Company be and is hereby authorised to, on behalf of the Company, do all such acts and sign, seal, execute and deliver all such documents and take all such actions as he/she may consider necessary or desirable for the purpose of or in connection with or to give effect to the agreement for the subscription of the 13th National Trust Financial Products and the transactions contemplated thereunder; and
- (c) any and all actions of the Company, or of any Director or officer of the Company, taken in connection with the foregoing resolutions prior to the execution hereof be and were hereby ratified, confirmed, approved and adopted in all respects as fully as if such action(s) had been presented to for approval, and approved by, the Company prior to such action being taken.

* For identification purpose only

NOTICE OF SPECIAL GENERAL MEETING

2. **“THAT**

- (a) the agreement for the subscription of the 7th Daye Trust Financial Products (as defined and described in the Circular) dated 8 August 2019 entered into between 大業信託有限責任公司 (Daye Trust Co., Ltd*) (**“Daye Trust”**) and New JoySun (a copy of which is tabled at the meeting and marked “B” and signed by the chairman of the meeting for identification purpose), which was amended and supplemented by a written direction dated 30 March 2020 issued by New JoySun to Daye Trust (a copy of which is tabled at the meeting and marked “C” and signed by the chairman of the meeting for identification purpose), and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified;
- (b) any one director of the Company be and is hereby authorised to, on behalf of the Company, do all such acts and sign, seal, execute and deliver all such documents and take all such actions as he/she may consider necessary or desirable for the purpose of or in connection with or to give effect to the agreement for the subscription of the 7th Daye Trust Financial Products and the transactions contemplated thereunder; and
- (c) any and all actions of the Company, or of any Director or officer of the Company, taken in connection with the foregoing resolutions prior to the execution hereof be and were hereby ratified, confirmed, approved and adopted in all respects as fully as if such action(s) had been presented to for approval, and approved by, the Company prior to such action being taken”

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

SPECIAL RESOLUTION

3. **“THAT**

- (a) the proposed amendments to the existing bye-laws of the Company (the **“Proposed Amendments”**), the details of which are set out in Appendix III to the circular of the Company dated 29 April 2022, be and are hereby approved;
- (b) the amended and restated bye-laws (the **“New Bye-laws”**), incorporating and consolidating all the Proposed Amendments and all previous amendments to the bye-laws of the Company approved by the Company in compliance with the applicable laws, in the form of the printed document produced to the SGM and for the purpose of identification signed by the Chairman of the SGM be and is hereby adopted, confirmed and approved as the bye-laws of the Company in substitution for and to the exclusion of the existing bye-laws of the Company; and

* For identification purpose only

NOTICE OF SPECIAL GENERAL MEETING

- (c) any Director of the Company be and is hereby authorised to do all things necessary to implement, effect and record the adoption of the New Bye-laws.”

By Order of the Board
CHINA AUTOMOBILE NEW RETAIL (HOLDINGS) LIMITED
Cheng Jianhe
Executive Director

Hong Kong, 29 April 2022

Notes:

1. A member of the Company entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or, if he is the holder of two or more shares, more than one proxy to attend and vote in his stead. A proxy need not be a member of the Company.
2. To be valid, the form of proxy together with a 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 with the Company’s branch share registrar in Hong Kong, Tricor Secretaries Limited at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong not later than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
3. Completion and return of the accompanying form of proxy will not preclude members of the Company from attending and voting in person at the meeting or any adjournment thereof should they so wish.
4. The transfer books and register of members of the Company will be closed from 19 May 2022 to 24 May 2022, both days inclusive, to determine the entitlement of shareholders of the Company to attend and vote at the SGM, during which period no share transfers can be registered. In order to be eligible to attend and vote at the SGM, all duly completed share transfer documents accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Tricor Secretaries Limited of Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong, no later than 4:30 p.m. on 18 May 2022.
5. Pursuant to Rule 13.39(4) of the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited, the resolutions as set out in this notice will be decided by poll at the meeting.

NOTICE OF SPECIAL GENERAL MEETING

In view of the current COVID-19 pandemic situation, the Company will implement the following precautionary measures at the SGM to protect the Shareholders and other attendees from risk of infection:

1. At the entrance of the SGM Venue, a compulsory body temperature check will be conducted on every person attending the SGM. Any person with a body temperature of over 37.3 degrees Celsius, or any individual who has any flu-like symptoms or is otherwise unwell will not be admitted to the SGM Venue.
2. Every attendees will be required to sign and complete a health declaration form before admission to the SGM Venue.
3. Seating at the SGM Venue will be arranged so as to allow for appropriate social distancing. As a result, there will be limited capacity for Shareholders to attend the SGM. The Company may limit the number of attendees at the SGM as may be necessary to avoid over-crowding.
4. Every attendee is required to wear a surgical face mask at any time within the SGM Venue.
5. Any attendee who declines any of the abovementioned measures will not be admitted to the SGM Venue.
6. No food or beverages or gifts will be provided to the attendees at the SGM.

To the extent permitted under the laws of Hong Kong, the Company reserves the right to deny entry to the SGM venue or require any person to leave the SGM Venue in order to ensure the safety of the attendees at the SGM.

The Company would like to remind the Shareholders to consider appointing the Chairman of the SGM as his/her/its proxy to vote on the resolution at the SGM as an alternative to attending the SGM in person. In order to be valid, the form of proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power of attorney or authority, must be deposited at the Company's Hong Kong branch share registrar, Tricor Secretaries Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, not less than 48 hours before the time appointed for holding the SGM.

Subject to the development of the COVID-19 situation, the Company may implement and/or adjust precautionary measures for the SGM at short notice as the public health situation changes, and may issue further announcement(s) on such measures as and when appropriate.

As at the date of this notice, the Board comprises Mr. Li Lixin, Mr. Cheng Jianhe and Ms. Jin Yaxue being executive Directors, Ms. Cheng Weihong being non-executive Director, Mr. He Chengying, Mr. Shin Yick Fabian and Mr. Kwong Kwan Tong being independent non-executive Directors.