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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

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

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### YuanShengTai Dairy Farm Limited 原生态牧业有限公司

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 1431)**

#### **PROPOSALS FOR GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES; RE-ELECTION OF DIRECTORS; PROPOSED AMENDMENTS TO THE BYE-LAWS AND PROPOSED ADOPTION OF NEW BYE-LAWS; AND NOTICE OF ANNUAL GENERAL MEETING**

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

A notice convening the 2022 AGM to be held at EAST Beijing, Workshop 2, No. 22, Jiuxianqiao Road, Chaoyang District, Beijing, the PRC on Tuesday, 28 June 2022 at 2:00 p.m. is set out on pages AGM-1 to AGM-5 of this circular.

A form of proxy for use in connection with the 2022 AGM is enclosed with this circular. If you do not intend to attend the 2022 AGM but wish to exercise your right as a Shareholder, you are requested to complete the form of proxy and return the same to the Company’s branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong in accordance with the instructions printed thereon not later than 48 hours before the time appointed for holding the 2022 AGM (i.e. on or before 2:00 p.m. on Sunday, 26 June 2022 (Hong Kong time) or its adjournment. Completion and return of the form of proxy will not preclude you from subsequently attending and voting in person at the 2022 AGM or its adjournment should you so wish and, in such event, the authority of your proxy will be revoked.

**In view of the ongoing Novel Coronavirus (COVID-19) epidemic, the Company strongly recommends Shareholders to exercise their voting rights by appointing the chairman of the 2022 AGM as their proxy to vote on the relevant resolutions at the 2022 AGM as an alternative to attending the 2022 AGM in person.**

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## **PRECAUTIONARY MEASURES FOR THE 2022 AGM**

The Company will implement the following measures at the 2022 AGM, including:

- compulsory body temperature checks
- refusal of entry of those with a high temperature
- wearing of surgical face masks throughout the 2022 AGM
- no distribution of corporate gifts and refreshments

**Any person who does not comply with the precautionary measures will be denied entry into the 2022 AGM venue.**

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

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## DEFINITIONS

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

“2022 AGM”	the AGM to be held at EAST Beijing, Workshop 2, No. 22, Jiuxianqiao Road, Chaoyang District, Beijing, the PRC on Tuesday, 28 June 2022 at 2:00 p.m.
“AGM”	the annual general meeting of the Company
“Audit Committee”	the audit committee of the Board
“Board”	the board of Directors
“Bye-laws”	the bye-laws of the Company as adopted by the Shareholders on 7 November 2013 and as amended, supplemented or otherwise modified from time to time
“close associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Company”	YuanShengTai Dairy Farm Limited (原生態牧業有限公司), a company incorporated in Bermuda with limited liability, the issued Shares of which are listed and traded on the Main Board of the Stock Exchange (Stock Code: 1431)
“controlling shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“core connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“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
“INED(s)”	independent non-executive Director(s)
“Issue Mandate”	the general and unconditional mandate proposed to be granted to the Directors at the 2022 AGM to allot, issue and deal with Shares not exceeding 20% of the aggregate number of the issued Share as at the date of passing the relevant resolution for approving such mandate
“Latest Practicable Date”	19 April 2022, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information to be contained in this circular

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## DEFINITIONS

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“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended, supplemented or otherwise modified from time to time
“Nomination Committee”	the nomination committee of the Board
“PRC”	the People’s Republic of China and for the purposes of this circular excluding Hong Kong, the Macau Special Administration Region and Taiwan
“Remuneration Committee”	the remuneration committee of the Board
“Repurchase Mandate”	the general and unconditional mandate proposed to be granted to the Directors at the 2022 AGM to repurchase Shares not exceeding 10% of the aggregate number of the issued Shares as at the date of the passing of the relevant resolution granting such mandate
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) with a nominal value of HK\$0.01 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed thereto under the Listing Rules
“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs as amended, supplemented or otherwise modified from time to time and administered by the Securities and Futures Commission of Hong Kong
“%”	per cent.

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## EXPECTED TIMETABLE

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Latest time for lodging transfer of Shares . . . . .	4:30 pm, Wednesday, 22 June 2022
Book closure period (both days inclusive) . . . . .	Thursday, 23 June 2022 to Tuesday, 28 June 2022
Record date for determining entitlement to attend and vote at the 2022 AGM . . . . .	Tuesday, 28 June 2022
2022 AGM . . . . .	Tuesday, 28 June 2022
Announcement on poll results of 2022 AGM. . . . .	Tuesday, 28 June 2022
Re-opening of register of members . . . . .	Wednesday, 29 June 2022

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## LETTER FROM THE BOARD

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### YuanShengTai Dairy Farm Limited 原生態牧業有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 1431)

*Executive Directors:*

Mr. Zhao Hongliang (趙洪亮)  
Mr. Fu Wenguo (付文國)  
Mr. Chen Xiangqing (陳祥慶)  
Mr. Liu Gang (劉剛)

*Non-executive Directors:*

Mr. Leng Youbin (冷友斌)  
Mr. Liu Hua (劉華)  
Mr. Cai Fangliang (蔡方良)

*INEDs:*

Ms. Liu Jinping (劉晉萍)  
Mr. Meng Jingzong (alias Owens Meng) (蒙靜宗)  
Mr. Zhang Yuezhou (張月周)  
Mr. Zhu Zhanbo (朱戰波)

*Registered Office:*

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

*Headquarters and Principal Place of  
Business in the PRC:*

Qingxiang Street  
Kedong, Qiqihar  
Heilongjiang Province  
The PRC

*Principal Place of Business in  
Hong Kong:*

31/F, 148 Electric Road  
North Point  
Hong Kong

27 April 2022

*To the Shareholders*

Dear Sir or Madam,

**PROPOSALS FOR  
GENERAL MANDATES TO ISSUE SHARES AND  
REPURCHASE SHARES;  
RE-ELECTION OF DIRECTORS;  
PROPOSED AMENDMENTS TO THE BYE-LAWS AND  
PROPOSED ADOPTION OF NEW BYE-LAWS; AND  
NOTICE OF ANNUAL GENERAL MEETING**

#### INTRODUCTION

The Directors wish to seek the approval of the Shareholders at the 2022 AGM for, among other matters, the grant of the Issue Mandate and the Repurchase Mandate, the extension of the Issue Mandate, the proposed re-election of Directors, and the proposed amendments to the Bye-laws and proposed adoption of new Bye-laws.

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## LETTER FROM THE BOARD

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The purpose of this circular is to give you (i) the information regarding the ordinary and special resolutions (as the case may be) to be proposed at the 2022 AGM relating to the granting to the Directors the Issue Mandate and the Repurchase Mandate, the extension of the Issue Mandate, the re-election of the Directors, and the amendments to the Bye-laws and adoption of new Bye-laws; and (ii) the notice of the 2022 AGM.

### **ISSUE MANDATE**

The Company's existing mandate to issue Shares was approved by its then Shareholders at the AGM held on 28 May 2021. Unless otherwise renewed, the existing mandate to issue Shares will lapse at the conclusion of the 2022 AGM.

An ordinary resolution will be proposed at the 2022 AGM to grant the Issue Mandate to the Directors. Based on 4,690,496,400 issued Shares as at the Latest Practicable Date and assuming that no further Shares are issued and no Shares are repurchased or cancelled after the Latest Practicable Date and up to the date of the 2022 AGM, the Directors will be able to allot, issue and deal with up to a total of 938,099,280 Shares if the Issue Mandate is granted at the 2022 AGM, which will remain in effect until the earliest of (i) the conclusion of the next AGM; (ii) the expiration of the period within which the next AGM is required to be held by the Bye-laws, the Companies Act 1981 of Bermuda or any applicable laws of Bermuda; and (iii) the passing of an ordinary resolution of the Shareholders in general meeting of the Company revoking or varying the authority given to the Directors.

### **REPURCHASE MANDATE**

The Company's existing mandate to repurchase Shares was approved by its then Shareholders at the AGM held on 28 May 2021. Unless otherwise renewed, the existing mandates to repurchase will lapse at the conclusion of the 2022 AGM.

An ordinary resolution will be proposed at the 2022 AGM to grant the Repurchase Mandate to the Directors. The Repurchase Mandate, if granted, will be effective until whichever is the earliest of (i) the conclusion of the next AGM; (ii) the expiration of the period within which the next AGM is required to be held by the Bye-laws, the Companies Act 1981 of Bermuda or any applicable laws of Bermuda; and (iii) the passing of an ordinary resolution by the Shareholders in a general meeting of the Company revoking or varying the authority given to the Directors.

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

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## LETTER FROM THE BOARD

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### EXTENSION OF GENERAL MANDATE TO ISSUE SHARES

Subject to the passing of the ordinary resolutions to grant the Issue Mandate and the Repurchase Mandate, an ordinary resolution will be proposed at the 2022 AGM to extend the Issue Mandate by the addition to the aggregate number of the issued Shares which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to such general mandate of an amount representing the aggregate number of the Shares repurchased by the Company pursuant to the Repurchase Mandate provided that such extended amount shall not exceed 10% of the aggregate number of the issued Shares as at the date of passing the resolution for approving the Issue Mandate.

### RE-ELECTION OF DIRECTORS

In accordance with bye-laws 108(A) and (B) of the Bye-laws, Mr. Zhao Hongliang, (“**Mr. Zhao**”) Mr. Chen Xiangqing (“**Mr. Chen**”), Mr. Zhang Yuezhou (“**Mr. Zhang**”) and Mr. Zhu Zhanbo (“**Mr. Zhu**”), will retire from office by rotation at the 2022 AGM.

All the above retiring Directors, being eligible, have offered themselves for re-election. Details of each of the retiring Directors to be re-elected at the 2022 AGM are set out in Appendix I to this circular in accordance with the relevant requirements under the Listing Rules.

The Nomination Committee has assessed and reviewed the annual written confirmation of independence from each of the INEDs based on the independence criteria as set out in Rule 3.13 of the Listing Rules and confirmed that all the INEDs, including Mr. Zhang and Mr. Zhu remain independent. Further, the Nomination Committee has also evaluated the performance of each of the retiring Directors during the year ended 31 December 2021 based on the nomination policy of the Company, which was disclosed in the annual report of the Company, and found their performance satisfactory. The Nomination Committee also considered that the experience of Mr. Zhang and Mr. Zhu, as well as their skills and other perspectives as set out in Appendix I to this circular can bring further contributions to the Board and its diversity. Therefore, upon the nomination by the Nomination Committee, the Board has recommended that the retiring Directors, namely Mr. Zhao, Mr. Chen, Mr. Zhang and Mr. Zhu, to stand for re-election as Directors at the 2022 AGM. Each of Mr. Zhao, Mr. Chen, Mr. Zhang and Mr. Zhu abstained from voting at the relevant Board meeting on the respective propositions of their recommendations for re-election by the Shareholders. The Board also believes that the continuous appointment of the retiring Directors contributes to the stability and diversity of the Board.



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## LETTER FROM THE BOARD

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### AMENDMENTS TO THE BYE-LAWS AND ADOPTION OF NEW BYE-LAWS

In order to (i) bring the Bye-laws in line with the relevant requirements of the Listing Rules on shareholder protection for overseas issuers (Appendix 3 to the Listing Rules) which came into effect on 1 January 2022; and (ii) incorporate certain housekeeping amendments (collectively, the “**Proposed Amendments**”), the Board proposes to adopt a new set of amended and restated bye-laws (the “**New Bye-laws**”), incorporating the Proposed Amendments, in substitution for, and to the exclusion of, the existing Bye-laws.

Major changes brought about by the Proposed Amendments are set out below:

1. to delete the definition of “business day”;
2. to add the definition of “close associate” and update the relevant provisions in the Bye-laws;
3. to provide that a resolution shall be an extraordinary resolution when it has been passed by a majority of not less than two thirds of votes cast by the Shareholders who are entitled to do so;
4. to update the authorised share capital of the Company;
5. to delete the provision in relation to the Company’s purchase of redeemable shares that purchases not made through the market or by tender shall be limited to a maximum price and if purchases are by tender, such tender shall be made available to all Shareholders alike;
6. to provide that subject to the Listing Rules, the Company may give financial assistance to acquire its own shares;
7. to allow inspection of the branch register of shareholders for at least two hours during business hours by the Shareholders;
8. to allow the Company to publish notice by way of advertisement in newspaper or any other means in accordance with the Listing Rules where the register of shareholder is closed for inspection;
9. to allow the transfer of shares in any manner permitted by and in accordance with the Listing Rules or by an instrument of transfer in the usual or common form or in a form prescribed by the Listing Rules or in any other form approved by the Board and may be under hand and the register of shareholders to be kept in a form otherwise legible if it complies with the Listing Rules;
10. to provide that the Company shall hold an annual general meeting in each financial year and such annual general meeting shall be held within six months after the end of the Company’s financial year;

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## LETTER FROM THE BOARD

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11. to provide that the Company shall convene a special general meeting and add resolutions to a meeting agenda on the requisition of one or more Shareholders holding not less than one-tenth of the total voting rights of paid-up capital of the Company;
12. to clarify that an annual general meeting of the Company must be called by notice of not less than twenty-one clear days, while all other general meeting must be called by notice of not less than fourteen clear days;
13. to provide that all Shareholders have the right to (a) speak at a general meeting; and (b) vote at a general meeting except where a Shareholder is required by the Listing Rules to abstain from voting to approve the matter under consideration;
14. to provide that an instrument of proxy purporting to be signed on behalf of a corporation by an officer shall be assumed to be signed by a duly authorised officer on behalf of a corporation unless the contrary appears;
15. to provide that subject to certain exceptions under the Listing Rules, a Director shall not vote on any Board resolution approving any contract or arrangement or any other proposal in which he or any of his close associate(s) has a material interest nor shall be counted in the quorum present at the meeting;
16. to provide that any Director appointed by the Board to fill a causal vacancy shall hold office until the following annual general meeting of the Company and shall then be eligible for re-election;
17. to provide that Shareholders may by extraordinary resolution remove the auditor until the conclusion of the next annual general meeting of the Company and shall by ordinary resolution at that meeting appoint another auditor; and
18. to clarify that the remuneration of the auditor of the Company shall be fixed by ordinary resolution at the meeting at which they are appointed.

Details of the Proposed Amendments are set out in Appendix III to this circular. Notwithstanding the Proposed Amendments, the contents of other bye-laws of the Bye-laws shall remain unchanged.

The Company has been advised by its legal advisers that the Proposed Amendments are not inconsistent with the requirements of the Listing Rules and the laws of Bermuda respectively. The Company also confirms that there is nothing unusual about the Proposed Amendments for a company listed on the Stock Exchange.

A special resolution will be proposed at the 2022 AGM for the Shareholders to, among others, consider and, if thought fit, approve the Proposed Amendments and adoption of New Bye-laws. The amendments to the Bye-laws and adoption of New Bye-laws will take effect on the date on which the relevant resolution is approved at the 2022 AGM.

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## LETTER FROM THE BOARD

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### 2022 AGM

The notice of the 2022 AGM is set out on pages AGM-1 to AGM-5 of this circular. At the 2022 AGM, (i) ordinary resolutions will be proposed to approve, among others, the granting of the Issue Mandate and the Repurchase Mandate, the extension of the Issue Mandate by the addition thereto of the number of Shares repurchased pursuant to the Repurchase Mandate and the re-election of Directors; and (ii) a special resolution will be proposed to approve the amendments to the Bye-laws and adoption of New Bye-laws. A form of proxy for use in connection with the 2022 AGM is enclosed with this circular and such form of proxy is also published on the respective websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.ystdfarm.com](http://www.ystdfarm.com)) and ([www.ystdairyfarm.com](http://www.ystdairyfarm.com)). In order to be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and deposited at the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited located at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, not later than 48 hours before the time appointed for holding the 2022 AGM (i.e. on or before 2:00 p.m. on Sunday, 26 June 2022 (Hong Kong time) or its adjournment. Completion and return of the form of proxy will not preclude any Shareholder from attending and voting in person at the 2022 AGM or its adjournment should he/she/it so wish. If the Shareholder attends and votes at the 2022 AGM, the authority of the proxy will be revoked.

**In view of the ongoing Novel Coronavirus (COVID-19) epidemic, the Company strongly recommends Shareholders to exercise their voting rights by appointing the chairman of the 2022 AGM as their proxy to vote on the relevant resolutions at the 2022 AGM as an alternative to attending the 2022 AGM in person.**

### VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of the Shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Therefore, all resolutions proposed at the 2022 AGM will be voted by poll and the Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

### RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility for the accuracy of the information contained herein, 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.

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## LETTER FROM THE BOARD

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### RECOMMENDATION

The Directors believe that the proposals for the granting of the Issue Mandate and the Repurchase Mandate, the extension of the Issue Mandate, the re-election of Directors, and the amendments to the Bye-laws and adoption of New Bye-laws as set out in the notice of the 2022 AGM are in the interests of the Company and the Shareholders as a whole. Therefore, they recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the 2022 AGM as set out in the notice of the 2022 AGM on pages AGM-1 to AGM-5 of this circular.

Yours faithfully  
For and on behalf of the Board  
**YuanShengTai Dairy Farm Limited**  
**Zhao Hongliang**  
*Chairman*

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## APPENDIX I      DETAILS OF DIRECTORS PROPOSED TO BE RE-ELECTED

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*The following are the particulars of the retiring Directors (as required by the Bye-laws and the Listing Rules) proposed to be re-elected at the 2022 AGM.*

### EXECUTIVE DIRECTORS (“EDs”)

#### Mr. Zhao Hongliang (趙洪亮)

Mr. Zhao, aged 55, is an ED and the chairman of the Group. He is primarily responsible for the overall strategic development of the Group. He is also a member of the Remuneration Committee. Mr. Zhao completed his high school education in the PRC in July 1983.

Mr. Zhao is the founder of the Group. He has past experience in raising dairy cows and cattle management in Heilongjiang Province, the PRC. In 1995, he started to invest in various sectors in the PRC, including real properties, trading of construction materials and mining. Simultaneously, he had been all along paying close attention to the dairy farming industry in the PRC. In 2008, he was awarded as one of the “Outstanding Private Entrepreneurs\* (優秀民營企業家), and in the following year, he was awarded as one of “Top Ten Outstanding Young Entrepreneurs of the Farming District of Heilongjiang” (黑龍江墾區十大傑出青年企業家). Mr. Zhao has accumulated substantial experience in making investments in the PRC and has maintained a sound financial capability.

In 2008, Mr. Zhao invested in the dairy farming industry in the PRC and as a result, the Company’s first operating entity, namely Heilongjiang Kedong Ruixinda YuanShengTai Dairy Farming Joint Stock Co., Ltd.\* (黑龍江克東瑞信達原生態牧業股份有限公司) (“**YST Heilongjiang**”), was established in September 2008.

Mr. Zhao is a director and the sole shareholder of a then controlling shareholder (as defined under the Listing Rules) of the Company. Mr. Zhao is a director of each of the following subsidiaries of our Company: YST Heilongjiang, Royal Dairy Farm Limited (“**Royal Dairy Farm**”) and Natural Dairy Farm Limited (“**Natural Dairy Farm**”). Other than his relationship in the Company, Mr. Zhao has not held any directorship in any publicly listed company in the past three years.

Mr. Zhao has entered into a service contract with the Company for a term of three years which shall be automatically renewed thereafter until being terminated by either party giving to the other not less than three months’ prior notice in writing and is subject to retirement by rotation and re-election at the AGM in accordance with the Bye-laws. He is currently entitled to a basic salary of RMB780,000 per annum (subject to an annual increment of not more than 10% of the annual salary immediately prior to such increase after 31 December 2021 at the discretion of the Board). In addition, he is also entitled to a discretionary management bonus provided that the aggregate amount of the bonuses payable to all the EDs for any financial year of the Company may not exceed 10% of the audited consolidated net profit of the Group (after taxation, minority interests and payment of such bonuses but before extraordinary items) in respect of that financial year of the Company. Mr. Zhao shall not be counted in the quorum in respect of any resolution of the Board approving the amount of annual salary, management bonus and other benefits payable to him. Mr. Zhao’s emolument was determined by the Board upon the recommendation of the Remuneration Committee with reference to his experience, responsibilities and the prevailing market conditions. The aggregate emolument of Mr. Zhao for the year ended 31 December 2021 amounted to RMB917,000.

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## APPENDIX I      DETAILS OF DIRECTORS PROPOSED TO BE RE-ELECTED

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### **Mr. Chen Xiangqing (陳祥慶)**

Mr. Chen, aged 49, was appointed as an ED and the chief financial officer of the Group on 10 September 2015. Mr. Chen was employed by Heilongjiang Feihe Dairy Co., Ltd.\* (黑龍江飛鶴乳業有限公司) (“**Feihe Dairy**”) from April 2003 to June 2012, and had assumed various offices, including the accounts manager, finance manager and internal control manager, respectively.

Mr. Chen graduated from the Heilongjiang Bayi Agricultural University\* (黑龍江八一農墾大學) (“**Bayi University**”) in July 1996, majoring in agricultural economy management. He is a holder of the certificate of accounting professional in the PRC. He has been accredited as a certified internal auditor by The Institute of Internal Auditors since November 2010.

Mr. Chen joined the Group in December 2012 as the head of finance department of the Group, in which he was responsible for overseeing the financial and auditing matters of the Group. Mr. Chen is a director of each of the following subsidiaries of our Company: Royal Dairy Farm and Natural Dairy Farm. Mr. Chen has 17 years’ working experience in the domestic raw milk industry of the PRC.

Mr. Chen has entered into a service contract with the Company for a term of three years which shall be automatically renewed thereafter until being terminated by either party giving to the other not less than three months’ prior notice in writing and is subject to retirement by rotation and re-election at the AGM in accordance with the Bye-laws. Pursuant to his service contract with the Company, he is currently entitled to a basic salary of RMB595,000 per annum. In addition, he is also entitled to a discretionary bonus to be determined at the discretion of the Board or, if so delegated, the Remuneration Committee. The aggregate emolument of Mr. Chen for the year ended 31 December 2021 amounted to RMB725,000. The remuneration of Mr. Chen was recommended by the Remuneration Committee and determined by the Board based on his qualifications, experience, level of responsibilities undertaken and prevailing market conditions.

As at the Latest Practicable Date, Mr. Chen beneficially owned 3,500,000 Shares, representing 0.04% of the total number of issued Shares.

### **INEDs**

### **Mr. Zhang Yuezhou (張月周)**

Mr. Zhang, aged 58, was appointed as an INED on 7 November 2013. He is also the chairman of the Remuneration Committee and a member of each of the Audit Committee and the Nomination Committee. Currently, Mr. Zhang is engaged in the provision of dairy farm management consultancy services in the PRC. He was awarded a bachelor’s degree in animal husbandry in July 1987 and a master’s degree in agricultural extension in 2006 by the Nanjing Agricultural University (南京農業大學). Mr. Zhang obtained the qualification of an animal husbandry expert in the PRC in May 1995. Mr. Zhang has over 30 years of experience in the dairy products industry and since March 2010, he has been the general manager of Shanghai Yuanfan Farming Technology Co. Ltd.\* (上海源凡牧業科技有限公司), responsible for overseeing its overall operations.

## **APPENDIX I            DETAILS OF DIRECTORS PROPOSED TO BE RE-ELECTED**

Mr. Zhang has entered into an appointment letter for a term of three years which shall be automatically renewed thereafter until being terminated by either party giving to the other not less than three months' prior notice in writing and is subject to retirement by rotation and re-election at the AGM in accordance with the Bye-laws. Pursuant to his appointment letter, he is entitled to a director's fee of HK\$125,000 per annum. The emolument for Mr. Zhang was determined by the Board on the recommendation of the Remuneration Committee with reference to Mr. Zhang's responsibilities and duties within the Company and the prevailing market conditions.

### **Mr. Zhu Zhanbo (朱戰波)**

Mr. Zhu, aged 52, was appointed as an INED with effect from 7 November 2013. He is also the chairman of the Nomination Committee and a member of each of the Audit Committee and the Remuneration Committee. Mr. Zhu has over 20 years' experience in teaching and scientific research. He graduated from the Bayi University in veterinary science in July 1993, and obtained a master's degree from the Department of Animal Science and Technology of the same university in July 2004. He then obtained a doctorate degree from the Jilin University (吉林大學) in July 2012.

By profession, he is a university professor. Mr. Zhu has been teaching at the Bayi University since July 1993.

Mr. Zhu has entered into an appointment letter for a term of three years which shall be automatically renewed thereafter until being terminated by either party giving to the other not less than three months' prior notice in writing and is subject to retirement by rotation and re-election at the AGM in accordance with the Bye-laws. He is entitled to a director's fee of HK\$125,000 per annum. The emolument for Mr. Zhu was determined by the Board on the recommendation of the Remuneration Committee with reference to Mr. Zhu's responsibilities and duties within the Company and the prevailing market conditions.

### **GENERAL**

Save as disclosed above and as at the Latest Practicable Date, each of the above retiring Directors (i) does not hold any directorships in the last three years in any other public companies, the securities of which are listed on any securities market in Hong Kong and/or overseas; (ii) does not hold any other positions with the Company or any of its subsidiaries nor does he have any other relationship with any other Director, senior management, substantial shareholder or controlling shareholder of the Company; and (iii) does not have any interests in the shares or securities of the Company within the meaning of Part XV of the SFO.

Save as disclosed herein, there is no information required to be disclosed pursuant to any of the requirements set out in Rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules in respect of each of the above retiring Directors and there are no other matters that need to be brought to the attention of the Shareholders in respect of each of the above retiring Directors' re-election.

\* denotes English translation of the name of a Chinese company or entity, or vice versa, and is provided for identification purposes only

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

## **1. REPURCHASE OF SECURITIES FROM CONNECTED PARTIES**

Under the Listing Rules, a company is prohibited from knowingly purchasing securities on the Stock Exchange from a “core connected person”, that is, a director, chief executive or substantial shareholder of the Company or any of its subsidiaries or their respective close associates and a core connected person is prohibited from knowingly selling his/her/its securities to the Company.

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

## **2. SHARE CAPITAL**

As at the Latest Practicable Date, there were a total of 4,690,496,400 issued Shares. Subject to the passing of the ordinary resolution for the approval of the Repurchase Mandate and assuming that no further Shares are issued and no Shares are repurchased or cancelled after the Latest Practicable Date and up to the date of the 2022 AGM, the Directors would be authorised to repurchase up to a maximum of 469,049,640 Shares, representing 10% of the aggregate number of the issued Shares as at the 2022 AGM date up to (i) the conclusion of the next AGM; (ii) the expiration of the period within which the next AGM is required to be held by the Bye-laws, the Companies Act 1981 of Bermuda or any applicable laws of Bermuda; or (iii) the passing of an ordinary resolution by the Shareholders in general meeting of the Company revoking or varying the authoring given to the Director, whichever occurs first.

## **3. REASONS FOR REPURCHASES**

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

## **4. FUNDING OF REPURCHASES**

Pursuant to the Repurchase Mandate, repurchases would be funded entirely from the Company’s available cash flow or working capital facilities which will be funds legally available under the Bermuda laws, the memorandum of association of the Company, the Bye-laws and the Listing Rules for such purpose.



## 5. IMPACT ON WORKING CAPITAL OR GEARING LEVEL

An exercise of the Repurchase Mandate in full would have a material adverse impact on the working capital or gearing position of the Company compared with that as at 31 December 2021, being the date of its latest published audited consolidated financial statements. The Directors do not, however, intend to make any repurchase in circumstances that would have a material adverse impact on the working capital or gearing position of the Company.

## 6. SHARE PRICES

The highest and lowest prices at which the Shares had been traded on the Main Board of the Stock Exchange during each of the twelve months preceding the Latest Practicable Date were as follows:

Month	Prices (HK\$)	
	Highest	Lowest
<b>2021</b>		
April	0.720	0.670
May	0.700	0.570
June	0.660	0.510
July	0.580	0.405
August	0.480	0.340
September	0.380	0.320
October	0.395	0.320
November	0.385	0.310
December	0.320	0.234
<b>2022</b>		
January	0.290	0.234
February	0.285	0.246
March	0.285	0.221
April (up to and including the Latest Practicable Date)	0.255	0.233

## 7. DIRECTORS AND THEIR CLOSE ASSOCIATES

None of the Directors or, to the best of their knowledge having made all reasonable enquiries, their close associates, have any present intention to sell to the Company or its subsidiaries any of the Shares if the Repurchase Mandate is approved at the 2022 AGM.

## 8. UNDERTAKING OF THE DIRECTORS

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

## 9. EFFECT OF TAKEOVERS CODE

If a Shareholder's proportionate interest in the voting rights of the Company increases as a result of the Company exercising its powers to repurchase Shares pursuant to the Repurchase Mandate, such an increase will be treated as an acquisition for the purpose of Rule 32 of the Takeovers Code. As a result, a Shareholder or a group of Shareholders acting in concert (as defined in the Takeovers Code) could obtain or consolidate control of the Company and become(s) obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

According to the register of interests in Shares and short positions maintained by the Company under section 336 of the SFO, as at the Latest Practicable Date, the following Shareholders were interested or deemed to be interested in 5% or more of the issued Shares:

Name of Shareholders	Capacity/ Nature of interest	Number of issued Shares held	Number of underlying Shares held	Total	Approximate percentage of shareholding	Approximate percentage of shareholding if Repurchase Mandate is exercised in full
China Feihe Limited ("Feihe") <sup>(Note 1)</sup>	Beneficial owner/ Personal Interest	3,342,320,920	–	3,342,320,920	71.26%	79.17%
Garland Glory Holdings Limited ("Garland Glory") <sup>(Note 2)</sup>	Interest in a controlled corporation/ Corporate Interest	3,342,320,920	–	3,342,320,920	71.26%	79.17%
LYB International Holding Limited ("LYB") <sup>(Note 2)</sup>	Interest in controlled corporations/ Corporate Interest	3,342,320,920	–	3,342,320,920	71.26%	79.17%
Harneys Trustees Limited ("Harneys") <sup>(Note 2)</sup>	Trustee of a trust/Other Interest	3,342,320,920	–	3,342,320,920	71.26%	79.17%
Mr. Leng Youbin ("Mr. Leng") <sup>(Note 1)</sup>	Interest in controlled corporations and founder of a discretionary trust/ Corporate and other Interest	3,342,320,920	–	3,342,320,920	71.26%	79.17%

*Notes:*

- (1) 3,342,320,920 Shares were beneficially owned by Feihe which is owned as to 50.21% by Mr. Leng, a non-executive Director. Therefore, Mr. Leng is deemed or taken to be interested in 3,342,320,920 Shares beneficially owned by Feihe by virtue of the SFO.
- (2) 3,342,320,920 Shares were held by Harneys as the trustee of Leng Family Trust, which in its capacity as trustee holds the entire issued share capital of LYB, which in turn holds the entire issued share capital of Garland Glory, which in turn holds 43.32% of Feihe. Leng Family is a discretionary trust established by Mr. Leng as the settlor and the only discretionary object. Accordingly, each of Harneys, LYB and Garland Glory was deemed or taken to be interest in 3,342,320,920 Shares directly held by Feihe.

In the event that the Directors exercise in full the Repurchase Mandate, the total interests of the above Shareholders would be increased to the respective approximate percentages shown in the last column of the table on page App II-3. Accordingly, on the basis of 4,690,496,400 Shares in issue as at the Latest Practicable Date and assuming there is no further issue or repurchase of Shares during the period from the Latest Practicable Date up to and including the date of the 2022 AGM, the interests in the Company of each of Feihe, Garland Glory, LYB, Harneys and Mr. Leng would be increased to approximately 79.17% respectively of the total issued Shares.

Such increase would result in the aggregate amount of the issued share capital of the Company in the public hands being reduced to less than 25% but would not give rise to an obligation under Rules 26 and 32 of the Takeovers Code for each of Feihe, Garland Glory, LYB, Harneys and Mr. Leng to make a mandatory offer in respect of all the issued Shares. However, the Directors do not have any plan or intend to repurchase Shares to such an extent as would result in the public shareholding falling below the prescribed minimum percentage of 25% required by the Listing Rules. Save as aforesaid, the Directors are not aware of any consequences which may arise under the Takeovers Code as a result of any repurchase of the Shares made under the Repurchase Mandate.

#### **10. SHARES REPURCHASE MADE BY THE COMPANY**

No repurchases of Shares have been made by the Company (whether on the Stock Exchange or otherwise) in the six months immediately preceding the Latest Practicable Date.

## APPENDIX III      PROPOSED AMENDMENTS TO THE BYE-LAWS

*Terms used in this Appendix shall have the same meanings as defined in the Bye-laws published on 26 November 2013 unless the context requires otherwise.*

The major Proposed Amendments are as follows:–

No.	Existing Bye-laws	Bye-laws as amended by the Proposed Amendments
1.	<p><b>Bye-law 1</b></p> <p>“business day” shall mean a day on which the Designated Stock Exchange generally is open for the business of dealing in securities in Hong Kong. For the avoidance of doubt, where the Designated Stock Exchange is closed for the business of dealing in securities in Hong Kong on a business day by reason of a Number 8 or higher typhoon signal, black rainstorm warning or other similar event, such day shall for the purposes of these Bye-Laws be counted as a business day.</p> <p>(C) A resolution shall be a Special Resolution when it has been passed by a majority of not less than three-fourths of the votes cast by such shareholders as, being entitled so to do, vote in person or by proxy or in the cases of shareholders which are corporations, by their respective duly authorised representatives at a general meeting of which Notice has been given in accordance with Bye-Law 66.</p>	<p><b>Bye-law 1</b></p> <p><del>“business day” shall mean a day on which the Designated Stock Exchange generally is open for the business of dealing in securities in Hong Kong. For the avoidance of doubt, where the Designated Stock Exchange is closed for the business of dealing in securities in Hong Kong on a business day by reason of a Number 8 or higher typhoon signal, black rainstorm warning or other similar event, such day shall for the purposes of these Bye-Laws be counted as a business day.</del></p> <p><u>“close associates” in relation to any Director, shall have the meaning as ascribed to it in the Listing Rules except that for purposes of Bye-law 107 where the transaction or arrangement to be approved by the Board is a connected transaction under Chapter 14A of the Listing Rules, it shall have the same meaning as that ascribed to “associate” in the Listing Rules;</u></p> <p>(C) A resolution shall be a Special Resolution when it has been passed by a majority of not less than three-fourths of the votes cast by such shareholders as, being entitled so to do, vote in person or by proxy or in the cases of shareholders which are corporations, by their respective duly authorised representatives at a general meeting of which Notice has been given in accordance with Bye-Law <del>66</del><u>65</u>.</p>

**APPENDIX III      PROPOSED AMENDMENTS TO THE BYE-LAWS**

No.	Existing Bye-laws	Bye-laws as amended by the Proposed Amendments
	<p>(D) A resolution shall be an Ordinary Resolution when it has been passed by a simple majority of the votes cast by such shareholders as, being entitled so to do, vote in person or, in the case of any shareholder being a corporation, by its duly authorised representative or where proxies are allowed, by proxy at a general meeting of which' Notice has been duly given in accordance with Bye-Law 66.</p>	<p>(D) <u>A resolution shall be an extraordinary resolution (“Extraordinary Resolution”) when it has been passed by a majority of not less than two thirds of votes cast by such shareholders as, being entitled so to do, vote in person or, in the case of such shareholders as are corporations, by their respective duly authorised representative or, where proxies are allowed, by proxy at a general meeting of which Notice has been duly given in accordance with Bye-law 65.</u></p> <p>(<del>D</del>E) A resolution shall be an Ordinary Resolution when it has been passed by a simple majority of the votes cast by such shareholders as, being entitled so to do, vote in person or, in the case of any shareholder being a corporation, by its duly authorised representative or where proxies are allowed, by proxy at a general meeting of which' Notice has been duly given in accordance with Bye-Law 6665.</p>

## APPENDIX III      PROPOSED AMENDMENTS TO THE BYE-LAWS

No.	Existing Bye-laws	Bye-laws as amended by the Proposed Amendments
	<p>(E) A resolution in writing signed (in such manner as to indicate, expressly or impliedly, unconditional approval) by or on behalf of the persons for the time being entitled to receive notice of and to attend and vote at general meetings of the Company shall, for the purpose of these Bye-Laws, be treated as an Ordinary Resolution duly passed at a general meeting of the Company duly convened and held 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 person to sign, and where the resolution states a date as being the date of his signature thereof by any shareholder 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, and signed by one or more relevant shareholders. 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 114 or in relation to the removal and appointment of the Auditors pursuant to section 89 (5) of the Companies Act.</p>	<p>(EF) A resolution in writing signed (in such manner as to indicate, expressly or impliedly, unconditional approval) by or on behalf of the persons for the time being entitled to receive notice of and to attend and vote at general meetings of the Company shall, for the purpose of these Bye-Laws, be treated as an Ordinary Resolution duly passed at a general meeting of the Company duly convened and held 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 person to sign, and where the resolution states a date as being the date of his signature thereof by any shareholder 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, and signed by one or more relevant shareholders. 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 114 or in relation to the removal and appointment of the Auditors pursuant to section 89 (5) of the Companies Act.</p>
	<p>(F) 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.</p>	<p>(FG) 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.</p>

## APPENDIX III      PROPOSED AMENDMENTS TO THE BYE-LAWS

No.	Existing Bye-laws	Bye-laws as amended by the Proposed Amendments
2.	<p><b>Bye-law 6</b></p> <p><b>INITIAL AND ALTERATIONS OF CAPITAL</b></p> <p>The authorised share capital of the Company on the date of its incorporation is HK\$58,000 divided into 5,800,000 shares of HK\$0.01 each.</p>	<p><b>Bye-law 6</b></p> <p><del>INITIAL AND ALTERATIONS OF CAPITAL</del></p> <p>The authorised share capital of the Company on the date of its incorporation on which these Bye-laws came into effect is <del>HK\$58,000</del> <u>HK\$500,000,000</u> divided into <del>5,800,000</del> <u>50,000,000,000</u> shares of HK\$0.01 each.</p>
3.	<p><b>Bye-law 15</b></p> <p>Subject to the Statutes, the power of the Company to purchase or otherwise acquire its shares (including its redeemable shares) (as contained in its memorandum of association), and warrants or other securities for the subscription or purchase of its own shares (including redeemable shares) shall be exercise by the Directors upon such terms and subject to such conditions as they think fit provided that, in respect of a purchase of redeemable shares:</p> <p>(i) the price per share for purchases proposed to be made otherwise than by tender in the manner prescribed in (ii) below or on or through a stock exchange on which such shares are listed with the consent of the Company shall not exceed one hundred (100) per cent. of the average closing prices for dealings in one or more board lots of such shares on the principal stock exchange on which the shares are traded for the five (5) trading days immediately before the date on which the purchase is made (whether conditionally or otherwise); and</p> <p>(ii) where any such purchase is proposed to be made by tender, tenders shall be made available to all holders of such shares on the same terms.</p>	<p><b>Bye-law 15</b></p> <p>Subject to the Statutes, the power of the Company to purchase or otherwise acquire its shares (including its redeemable shares) (as contained in its memorandum of association), and warrants or other securities for the subscription or purchase of its own shares (including redeemable shares) shall be exercise by the Directors upon such terms and subject to such conditions as they think fit. <del>provided that, in respect of a purchase of redeemable shares:</del></p> <p><del>(i) the price per share for purchases proposed to be made otherwise than by tender in the manner prescribed in (ii) below or on or through a stock exchange on which such shares are listed with the consent of the Company shall not exceed one hundred (100) per cent. of the average closing prices for dealings in one or more board lots of such shares on the principal stock exchange on which the shares are traded for the five (5) trading days immediately before the date on which the purchase is made (whether conditionally or otherwise); and</del></p> <p><del>(ii) where any such purchase is proposed to be made by tender, tenders shall be made available to all holders of such shares on the same terms.</del></p>

**APPENDIX III      PROPOSED AMENDMENTS TO THE BYE-LAWS**

No.	Existing Bye-laws	Bye-laws as amended by the Proposed Amendments
4.	<p><b>Bye-law 16</b></p> <p>(A) Subject to the Statutes, and without prejudice to paragraph (D) of this Bye-Law, the Company may in accordance with an employees' share scheme provide money on such terms as the Directors think fit for the acquisition of fully or partly paid shares in the Company or its holding company. For the purposes of this Bye-Law, an employees' share scheme is a scheme for encouraging or facilitating the holding of shares or debentures in the Company by or for the benefit of bona fide employees or former employees of the Company (including any such bona fide employee or former employee who is or was a Director), the Company's subsidiary or holding company or a subsidiary of the Company's holding company, or the wives, husbands, widows, widowers or children or step-children under the age of twenty-one (21) of such employees or former employees (including as aforesaid).</p> <p>(B) Subject to the Statutes, the Company may make loans to persons (including directors) employed or formerly employed in good faith by the Company with a view to enabling those persons to acquire fully or partly paid shares in the Company or its holding company to be held by them by way of beneficial ownership.</p>	<p><b>Bye-law 16</b></p> <p><del>(A) Subject to the Statutes, and without prejudice to paragraph (D) of this Bye-Law, the Company may in accordance with an employees' share scheme provide money on such terms as the Directors think fit for the acquisition of fully or partly paid shares in the Company or its holding company. For the purposes of this Bye-Law, an employees' share scheme is a scheme for encouraging or facilitating the holding of shares or debentures in the Company by or for the benefit of bona fide employees or former employees of the Company (including any such bona fide employee or former employee who is or was a Director), the Company's subsidiary or holding company or a subsidiary of the Company's holding company, or the wives, husbands, widows, widowers or children or step-children under the age of twenty-one (21) of such employees or former employees (including as aforesaid):</del></p> <p>(B) Subject to the Statutes, the Company may make loans to persons (including directors) employed or formerly employed in good faith by the Company with a view to enabling those persons to acquire fully or partly paid shares in the Company or its holding company to be held by them by way of beneficial ownership.</p>



## APPENDIX III PROPOSED AMENDMENTS TO THE BYE-LAWS

No.	Existing Bye-laws	Bye-laws as amended by the Proposed Amendments
	<p>(C) The conditions subject to which money and loans are provided under paragraphs (A) and (B) of this Bye-Law may include a provision to the effect that when an employee ceases to be employed by the Company, a subsidiary or holding company of the Company or a subsidiary of the holding company of the Company, the shares bought with such financial assistance shall or may be sold to the Company on such terms as the Directors think fit.</p> <p>(D) The Company may otherwise in accordance with the Statutes give such financial assistance for the purpose of an acquisition of its shares and other securities and any derivative securities on the Company's securities in such manner and on such terms as the Directors shall think fit.</p>	<p><del>(C) The conditions subject to which money and loans are provided under paragraphs (A) and (B) of this Bye-Law may include a provision to the effect that when an employee ceases to be employed by the Company, a subsidiary or holding company of the Company or a subsidiary of the holding company of the Company, the shares bought with such financial assistance shall or may be sold to the Company on such terms as the Directors think fit.</del></p> <p><del>(D) Subject to the rules of the Designated Stock Exchange, the Company may otherwise in accordance with the Statutes give such financial assistance for the purpose of an acquisition of its shares and other securities and any derivative securities on the Company's securities in such manner and on such terms as the Directors shall think fit.</del></p>
5.	<p><b>Bye-law 18</b></p> <p>(A) The Directors shall cause to be kept the Principal Register and there shall be entered therein the particulars required under the Companies Act.</p> <p>(B) Directors consider it necessary or appropriate, the Company may establish and maintain a local or branch register of shareholders at such location outside Bermuda as the Directors think fit and, while the issued share capital of the Company is, with the consent of the Directors, listed on any stock exchange in Hong Kong, the Company shall keep a branch register of shareholders in Hong Kong.</p>	<p><b>Bye-law 18</b></p> <p>(A) The Directors shall cause to be kept the Principal Register and there shall be entered therein the particulars required under the Companies Act.</p> <p>(B) Directors consider it necessary or appropriate, the Company may establish and maintain a local or branch register of shareholders at such location outside Bermuda as the Directors think fit and, while the issued share capital of the Company is, with the consent of the Directors, listed on any stock exchange in Hong Kong, the Company shall keep a branch register of shareholders in Hong Kong.</p>

**APPENDIX III      PROPOSED AMENDMENTS TO THE BYE-LAWS**

No.	Existing Bye-laws	Bye-laws as amended by the Proposed Amendments
		<p>(C) <u>The register and branch register of shareholders, as the case may be, shall be open to inspection between 10 a.m. and 12 noon during business hours by members of the public without charge at the Registered Office or such other place at which the register is kept in accordance with the Companies Act. The register including any overseas or local or other branch register of shareholders 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 (electronic or otherwise) in such manner as may be accepted by the Designated Stock Exchange to that effect, be closed at such times or for such periods not exceeding in the whole thirty (30) days in each year as the Board may determine and either generally or in respect of any class of shares.</u></p>
6.	<p><b>Bye-law 40</b></p> <p>Subject to the Companies Act, all transfers of shares shall be effected by transfer in writing in the usual or common form or (during the Relevant Period) in such standard form prescribed by the stock exchange in the Relevant Territory or in such other form as the Directors may accept and may be under hand only 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 means of execution as the Directors may approve from time to time.</p>	<p><b>Bye-law 40</b></p> <p>(1) Subject to the Companies Act, all transfers of shares shall be effected by transfer in writing in the usual or common form or (during the Relevant Period) in such standard form prescribed by the stock exchange in the Relevant Territory or in such other form as the Directors may accept and may be under hand only 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 means of execution as the Directors may approve from time to time.</p>

## APPENDIX III      PROPOSED AMENDMENTS TO THE BYE-LAWS

No.	Existing Bye-laws	Bye-laws as amended by the Proposed Amendments
	<p>The instrument of transfer of any share shall be executed by or on behalf of the transferor and the transferee provided that the Directors may dispense with the execution of the instrument of transfer by the transferor or the transferee or accept mechanically executed transfers in any case in which they in their absolute discretion think fit to do so. 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 Directors from recognising a renunciation of the allotment or provisional allotment of any share by the allottee in favour of some other person.</p>	<p>(2) <u>Subject to these Bye laws, any shareholder may transfer all or any of his shares in any manner permitted by and in accordance with the rules of the Designated Stock Exchange or by an instrument of transfer in the usual or common form or in a form prescribed by the Designated Stock Exchange or in any other form approved by the Board and may be under hand or, if the transferor or transferee is a clearing house or its nominee(s), by hand or by machine imprinted signature or by such other manner of execution as the Board may approve from time to time. The register of members of the Company in respect of its listed shares (whether the register or a branch register) may be kept by recording the particulars required by Section 40 of the Companies Act in a form otherwise than legible if such recording otherwise complies with the laws applicable to and the Listing Rules that are or shall be applicable to such listed shares.</u></p> <p>The instrument of transfer of any share shall be executed by or on behalf of the transferor and the transferee provided that the Directors may dispense with the execution of the instrument of transfer by the transferor or the transferee or accept mechanically executed transfers in any case in which they in their absolute discretion think fit to do so. 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 Directors from recognising a renunciation of the allotment or provisional allotment of any share by the allottee in favour of some other person.</p>

**APPENDIX III      PROPOSED AMENDMENTS TO THE BYE-LAWS**

No.	Existing Bye-laws	Bye-laws as amended by the Proposed Amendments
7.	<p><b>Article 47</b></p> <p>The registration of transfers may be suspended and the register closed, on giving notice by advertisement in any newspaper and, where applicable, in the Newspapers or by any electronic means in such manner as may be accepted by the stock exchange in the Relevant Territory, at such times and for such periods as the Directors may from time to time determine and either generally or in respect of any class of shares, provided that the register shall not be closed for periods exceeding in the whole thirty (30) days in any year.</p>	<p><b>Article 47</b></p> <p>The registration of transfers may be suspended and the register <u>may be</u> closed, on giving notice by advertisement in any newspaper and, where applicable, in the Newspapers or by any electronic means in such manner as may be accepted by the stock exchange in the Relevant Territory, at such times and for such periods as the Directors may from time to time determine and either generally or in respect of any class of shares, provided that the register shall not be closed for periods exceeding in the whole thirty (30) days in any year.</p>
8.	<p><b>Bye-law 62</b></p> <p>The Company shall in each year other than the year in which its statutory meeting is convened hold a general meeting as its annual general meeting in addition to any other meeting in that year and shall specify the meeting as such in the notice calling it; and not more than fifteen (15) months (or such longer period as may be permitted by the rules of the stock exchange on which any securities of the Company are listed with the permission of the Company) shall elapse between the date of one annual general meeting of the Company and that of the next. The annual general meeting shall be held in the Relevant Territory or elsewhere as may be determined by the Directors and at such time and place as the Directors shall appoint. A meeting of the shareholders or any class thereof may be held by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting.</p>	<p><b>Bye-law 62</b></p> <p>The Company shall in each <u>financial</u> year other than the <u>financial</u> year in which its statutory meeting is convened hold a general meeting as its annual general meeting in addition to any other meeting in that year and shall specify the meeting as such in the notice calling it; and <u>such annual general meeting must be held within six (6) months after the end of the Company's financial year not more than fifteen</u> <del>(15) months</del> (or such longer period as may be permitted by the rules of the stock exchange on which any securities of the Company are listed with the permission of the Company) <del>shall elapse between the date of one annual general meeting of the Company and that of the next.</del> The annual general meeting shall be held in the Relevant Territory or elsewhere as may be determined by the Directors and at such time and place as the Directors shall appoint. A meeting of the shareholders or any class thereof may be held by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting <u>and shall be counted in the quorum of the meeting.</u></p>

## APPENDIX III      PROPOSED AMENDMENTS TO THE BYE-LAWS

No.	Existing Bye-laws	Bye-laws as amended by the Proposed Amendments
9.	<p><b>Bye-law 64</b></p> <p>The Directors may, whenever they think fit, convene a special general meeting, and special general meetings shall also be convened on requisition, as provided by the Companies Act, and, in default, may be convened by the requisitionists.</p>	<p><b>Bye-law 64</b></p> <p>The Directors may, whenever they think fit, convene a special general meeting. <u>Special general meetings shall also be convened on the requisition of one or more shareholders holding, at the date of deposit of the requisition, not less than one tenth of the paid up capital of the Company having the right of voting at general meetings. Such requisition shall be made in writing to the Directors or the Secretary for the purpose of requiring a special general meeting to be called by the Directors for the transaction of any business or resolution specified in such requisition. Such meeting shall be held within two months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Directors fail to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, in accordance with the provisions of Section 74(3) of the Companies Act</u> <del>and special general meetings shall also be convened on requisition, as provided by the Companies Act, and, in default, may be convened by the requisitionists.</del></p>

**APPENDIX III      PROPOSED AMENDMENTS TO THE BYE-LAWS**

<b>No.</b>	<b>Existing Bye-laws</b>	<b>Bye-laws as amended by the Proposed Amendments</b>
10.	<p><b>Bye-law 65</b></p> <p>An annual general meeting shall be called by Notice of not less than twenty-one (21) clear days and not less than twenty (20) clear business days and any special general meeting at which the passing of a special resolution is to be considered shall be called by Notice of not less than twenty one (21) clear days and not less than ten (10) clear business days. All other special general meetings may be called by Notice of not less than fourteen (14) clear days and not less than ten (10) clear business days. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the place, the day and the hour of meeting and particulars of the resolutions to be considered at the meeting, in case of special business, the general nature of that business and shall be given, in manner hereinafter mentioned or in such other manner, if any, as may be prescribed by the Company in general meeting, to such persons as are, under these Bye-Laws, entitled to receive such notices from the Company, provided that subject to the provisions of the Companies Act, a meeting of the Company shall notwithstanding that it is called by shorter notice than that specified in this Bye-Law be deemed to have been duly called if it is so agreed:</p>	<p><b>Bye-law 65</b></p> <p>An annual general meeting shall be called by Notice of not less than twenty-one (21) clear days and <del>not less than twenty (20) clear business days and any special general meeting at which the passing of a special resolution is to be considered shall be called by Notice of not less than twenty one (21) clear days and not less than ten (10) clear business days.</del> <u>All</u> other special general meetings may be called by Notice of not less than fourteen (14) clear days <del>and not less than ten (10) clear business days.</del> The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the place, the day and the hour of meeting and particulars of the resolutions to be considered at the meeting, in case of special business, the general nature of that business and shall be given, in manner hereinafter mentioned or in such other manner, if any, as may be prescribed by the Company in general meeting, to such persons as are, under these Bye-Laws, entitled to receive such notices from the Company, provided that subject to the provisions of the Companies Act, a meeting of the Company shall notwithstanding that it is called by shorter notice than that specified in this Bye-Law be deemed to have been duly called if it is so agreed:</p>

## APPENDIX III      PROPOSED AMENDMENTS TO THE BYE-LAWS

No.	Existing Bye-laws	Bye-laws as amended by the Proposed Amendments
	<p>(i) in the case of a meeting called as the annual general meeting, by all the shareholders entitled to attend and vote thereat; and</p> <p>(ii) in the case of any other meeting, by a majority in number of the shareholders having a right to attend and vote at the meeting, being a majority together holding not less than ninety-five (95) per cent. in nominal value of the shares giving that right.</p>	<p>(i) in the case of a meeting called as the annual general meeting, by all the shareholders entitled to attend and vote thereat; and</p> <p>(ii) in the case of any other meeting, by a majority in number of the shareholders having a right to attend and vote at the meeting, being a majority together holding not less than ninety-five (95) per cent. in nominal value of the shares giving that right.</p>
11.	<p><b>Article 68</b></p> <p>For all purposes the quorum for a general meeting shall be two shareholders present in person (or, in the case of a shareholder being a corporation, by its duly authorised representative) or by proxy and entitled to vote. No business shall be transacted at any general meeting unless the requisite quorum shall be present at the commencement of the meeting.</p>	<p><b>Article 68</b></p> <p>For all purposes the quorum for a general meeting shall be two shareholders present in person <u>or by proxy or, for quorum purposes only, two persons appointed by the clearing house</u> (or, in the case of a shareholder being a corporation, by its duly authorised representative) <del>or by proxy</del> and entitled to vote. No business shall be transacted at any general meeting unless the requisite quorum shall be present at the commencement of the meeting.</p>

**APPENDIX III      PROPOSED AMENDMENTS TO THE BYE-LAWS**

No.	Existing Bye-laws	Bye-laws as amended by the Proposed Amendments
12.	<p><b>Bye-law 82</b></p> <p>(A) Subject to paragraph (B) of this Bye-Law 83, no objection shall be raised to the qualification of any person exercising or purporting to exercise a vote or the admissibility of any vote except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made shall be referred to the Chairman, whose decision shall be final and conclusive.</p> <p>(B) At all times during the Relevant Period (but not otherwise), where the Company has knowledge that any shareholder is, under the Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution of the Company, any votes cast by or on behalf of such shareholder (whether by way of proxy or, as the case may be, corporate representative) in contravention of such requirement or restriction shall not be counted.</p>	<p><b>Bye-law 82</b></p> <p>(A) Subject to paragraph (B) of this Bye-Law 83, no objection shall be raised to the qualification of any person exercising or purporting to exercise a vote or the admissibility of any vote except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made shall be referred to the Chairman, whose decision shall be final and conclusive.</p> <p>(B) <u>All shareholders (including a shareholder which is a recognized clearing house (or its nominee(s))) have the right to (a) speak at a general meeting; and (b) vote at a general meeting except where a shareholder is required, by the rules of the Designated Stock Exchange, to abstain from voting to approve the matter under consideration.</u></p> <p>(C) At all times during the Relevant Period (but not otherwise), where the Company has knowledge that any shareholder is, under the Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution of the Company, any votes cast by or on behalf of such shareholder (whether by way of proxy or, as the case may be, corporate representative) in contravention of such requirement or restriction shall not be counted.</p>



**APPENDIX III      PROPOSED AMENDMENTS TO THE BYE-LAWS**

<b>No.</b>	<b>Existing Bye-laws</b>	<b>Bye-laws as amended by the Proposed Amendments</b>
13.	<p><b>Bye-law 85</b></p> <p>The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised.</p>	<p><b>Bye-law 85</b></p> <p>The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised. <u>In the case of an instrument of proxy purporting to be signed on behalf of a corporation by an officer thereof it shall be assumed, unless the contrary appears, that such officer was duly authorised to sign such instrument of proxy on behalf of the corporation without further evidence of the facts.</u></p>
14.	<p><b>Article 90</b></p> <p>(B) Where a shareholder is a clearing house (or its nominee and, in each case, being a corporation), it may authorise such persons as it thinks fit to act as its representatives at any meeting of the Company or at any meeting of any class of shareholders 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 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) in respect of the number and class of shares specified in the relevant authorisation including, where a show of hands is allowed, the right to vote individually on a show of hands.</p>	<p><b>Article 90</b></p> <p>(B) Where a shareholder is a clearing house (or its nominee and, in each case, being a corporation), it may <u>appoint proxy(ies) or</u> authorise such persons as it thinks fit to act as its representatives <u>who enjoy rights equivalent to the rights of other shareholders</u> at any meeting of the Company or at any meeting of any class of shareholders 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 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) in respect of the number and class of shares specified in the relevant authorisation including, <del>where a show of hands is allowed,</del> the right to vote individually on a show of hands.</p>

**APPENDIX III      PROPOSED AMENDMENTS TO THE BYE-LAWS**

<b>No.</b>	<b>Existing Bye-laws</b>	<b>Bye-laws as amended by the Proposed Amendments</b>
15.	<p><b>Bye-law 106</b></p> <p>(H) A Director shall not vote (nor be counted in the quorum) on any resolution of the Directors approving any contract or arrangement or proposal in which he or his associates is to his knowledge materially interested, and if he shall do so his vote shall not be counted (nor is he counted in the quorum for that resolution), but this prohibition shall not apply to any of the following matters namely:</p>	<p><b>Bye-law 106</b></p> <p>(H) A Director shall not vote (nor be counted in the quorum) on any resolution of the Directors approving any contract or arrangement or <u>any other proposal</u> in which he or his <u>close associates</u> is <del>to his knowledge</del> materially interested; <del>and if he shall do so his vote shall not be counted (nor is he counted in the quorum for that resolution),</del> but this prohibition shall not apply to any of the following matters namely:</p>

## APPENDIX III      PROPOSED AMENDMENTS TO THE BYE-LAWS

No.	Existing Bye-laws	Bye-laws as amended by the Proposed Amendments
	<p>(i) any contract or arrangement for the giving by the Company of any security or indemnity to the Director or his associates in respect of money lent or obligations incurred or undertaken by him or any of them for the benefit of the Company or any company in which the Company has interest;</p> <p>(ii) any contract or arrangement for the giving by the Company of any security to a third party in respect of a debt or obligation of the Company or any company in which the Company has an interest which the Director or his associates has himself/themselves guaranteed or secured or otherwise assumed responsibility in whole or in part;</p> <p>(iii) any contract or arrangement by the Director or his associates to subscribe for the shares or debentures or other securities of the Company to be issued pursuant to any offer or invitation to the shareholders or debenture or securities holders of the Company or to the public which does not provide the Director or his associates any privilege not accorded to any other shareholders or debenture or securities holders of the Company or to the public;</p>	<p>(i) <u>the giving of any security or indemnity either:</u></p> <p style="padding-left: 20px;">(a) <u>to the Director or his close associate(s) in respect of money lent or obligations incurred or undertaken by him or any of them at the request of or for the benefit of the Company or any of its subsidiaries; or</u></p> <p style="padding-left: 20px;">(b) <u>to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his close associate(s) has himself/themselves assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security; <del>any contract or arrangement for the giving by the Company of any security or indemnity to the Director or his associates in respect of money lent or obligations incurred or undertaken by him or any of them for the benefit of the Company or any company in which the Company has interest;</del></u></p>

## APPENDIX III      PROPOSED AMENDMENTS TO THE BYE-LAWS

No.	Existing Bye-laws	Bye-laws as amended by the Proposed Amendments
	<p>(iv) any contract or arrangement concerning an offer of the 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 associates is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer and/or for the purposes of making any representations, the giving of any covenants, undertakings or warranties or assuming any other obligations in connection with such offer;</p> <p>(v) any contract or arrangement in which the Director or his associates 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 respective interest in shares or debentures or other securities of the Company and/or his/their being the offeror or one of the offerors or is interested in one of the offerors for the purchase or effective acquisition of such shares, debentures or other securities;</p>	<p><del>(ii) any contract or arrangement for the giving by the Company of any security to a third party in respect of a debt or obligation of the Company or any company in which the Company has an interest which the Director or his associates has himself/themselves guaranteed or secured or otherwise assumed responsibility in whole or in part;</del></p> <p><del>(iii) any contract or arrangement by the Director or his associates to subscribe for shares or debentures or other securities of the Company to be issued pursuant to any offer or invitation to the shareholders or debenture or securities holders of the Company or to the public which does not provide the Director or his associates any privilege not accorded to any other shareholders or debenture or securities holders of the Company or to the public;</del></p> <p><u>(iiiv)</u> any contract or arrangement <u>proposal</u> concerning an offer of the 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 associates is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer and/or for the purposes of making any representations, the giving of any covenants, undertakings or warranties or assuming any other obligations in connection with such offer;</p>

## APPENDIX III      PROPOSED AMENDMENTS TO THE BYE-LAWS

No.	Existing Bye-laws	Bye-laws as amended by the Proposed Amendments
	<p>(vi) any proposal or arrangement for the benefit of employees of the Company or its subsidiaries including the adoption, modification or operation of a pension fund or retirement, death or disability benefit scheme or personal pension plan under which a Director or his associates and employees of the Company or of any of its subsidiaries may benefit and which has been approved by or is subject to and conditional on approval by the relevant taxing authorities for taxation purposes or relates to Directors, associate(s) of Directors and employees of the Company or of any of its subsidiaries and does not give the Director or his associates any privilege not accorded to the class of persons to whom such scheme or fund relates;</p> <p>(vii) any proposal or arrangement concerning the adoption, modification or operation of any employees' share scheme involving the issue or grant of options over shares or other securities by the Company to, or for the benefit of the employees of the Company or its subsidiaries under which the Director or his associates may benefit; and</p> <p>(viii) any contract, arrangement, transaction or proposal concerning the purchase and/or maintenance of any insurance policy for the benefit of any Director, his associate(s), officer or employee pursuant to these Bye-Laws.</p>	<p><del>(v) any contract or arrangement in which the Director or his associates 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 respective interest in shares or debentures or other securities of the Company and/or his/their being the offeror or one of the offerors or is interested in one of the offerors for the purchase or effective acquisition of such shares, debentures or other securities;</del></p> <p>(iii) any proposal or arrangement for <u>concerning</u> the benefit of employees of the Company or its subsidiaries including:</p> <p>(a) <u>the adoption, modification or operation of any employees' share scheme or any share incentive or share option scheme under which the Director or his close associate(s) may benefit; or</u></p>

## APPENDIX III      PROPOSED AMENDMENTS TO THE BYE-LAWS

No.	Existing Bye-laws	Bye-laws as amended by the Proposed Amendments
	<p>(I) If any question shall arise at any meeting of the Directors as to the materiality of the interest of a Director or any of his associates or as to the entitlement of any Director to vote or be counted in the quorum and such question is not resolved by his voluntarily agreeing to abstain from voting or not to be counted in the quorum, such question (unless it relates to the Chairman) shall be referred to the Chairman and his ruling in relation to such Director shall be final and conclusive except in a case where the nature or extent of the interest of the Director concerned or his associate(s) as known to such Director has not been fairly disclosed to the other Directors. If any question as aforesaid shall arise in respect of the Chairman such question shall be decided by a resolution of the Directors (for which purpose the Chairman shall not be counted in the quorum and shall not vote thereon) and such resolution shall be final and conclusive except in a case where the nature or extent of the interest of the Chairman or his associates as known to him has not been fairly disclosed to the other Directors.</p>	<p>(b) the adoption, modification or operation of a pension fund or retirement, death or disability benefit scheme <del>or personal pension plan under which a</del> <u>relates to the Director or his associates and employee(s) of the Company or of any of its subsidiaries may benefit and which has been approved by or is subject to and conditional on approval by the relevant taxing authorities for taxation purposes or relates to Directors, associate(s) of Directors and employees of the Company or of any of its subsidiaries and does not provide in respect of any</u> <del>give the Director, or his associate(s), as such any privilege or advantage not generally accorded to the class of persons to whom</del> <u>which</u> such scheme or fund relates;</p>

**APPENDIX III      PROPOSED AMENDMENTS TO THE BYE-LAWS**

No.	Existing Bye-laws	Bye-laws as amended by the Proposed Amendments
		<p>(iv) <u>any contract or arrangement in which the Director or his close associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company.</u></p> <p><del>(vii) any proposal or arrangement concerning the adoption, modification or operation of any employees' share scheme involving the issue or grant of options over shares or other securities by the Company to, or for the benefit of the employees of the Company or its subsidiaries under which the Director or his associates may benefit; and</del></p> <p><del>(viii) any contract, arrangement, transaction or proposal concerning the purchase and/or maintenance of any insurance policy for the benefit of any Director, his associate(s), officer or employee pursuant to these Bye-Laws.</del></p>

**APPENDIX III      PROPOSED AMENDMENTS TO THE BYE-LAWS**

No.	Existing Bye-laws	Bye-laws as amended by the Proposed Amendments
		<p>(I) If any question shall arise at any meeting of the Directors as to the materiality of the interest of a Director <u>(other than the Chairman of the meeting)</u> <del>or any of his associates</del> or as to the entitlement of any Director <u>(other than such Chairman)</u> to vote or be counted in the quorum and such question is not resolved by his voluntarily agreeing to abstain from voting <del>or not to be counted in the quorum</del>, such question <del>(unless it relates to the Chairman)</del> shall be referred to the Chairman and his ruling in relation to such Director shall be final and conclusive except in a case where the nature or extent of the interest of the Director concerned <del>or his associate(s)</del> as known to such Director has not been fairly disclosed to the other Directors. If any question as aforesaid shall arise in respect of the Chairman such question shall be decided by a resolution of the Directors (for which purpose the Chairman shall <del>not be counted in the quorum and shall not vote</del> thereon) and such resolution shall be final and conclusive except in a case where the nature or extent of the interest of the Chairman <del>or his associates</del> as known to him has not been fairly disclosed to the other Directors.</p>



**APPENDIX III      PROPOSED AMENDMENTS TO THE BYE-LAWS**

<b>No.</b>	<b>Existing Bye-laws</b>	<b>Bye-laws as amended by the Proposed Amendments</b>
16.	<p><b>Bye-law 111</b></p> <p>Subject to authorisation by the shareholders in a general meeting, the Directors shall until and unless such authorization shall be revoked, have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or (subject to the provisions of the Companies Act) as an additional Director but so that the number of Directors so appointed shall not exceed the maximum number determined from time to time by the shareholders in general meeting. Any Director appointed by the Board to fill a casual vacancy shall hold office until the first general meeting of Shareholders after his appointment and be subject to re-election at such meeting and any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.</p>	<p><b>Bye-law 111</b></p> <p>Subject to authorisation by the shareholders in a general meeting, the Directors shall until and unless such authorization shall be revoked, have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or (subject to the provisions of the Companies Act) as an additional Director but so that the number of Directors so appointed shall not exceed the maximum number determined from time to time by the shareholders in general meeting. Any Director <u>so</u> appointed by the Board to fill a casual vacancy shall hold office <u>only</u> until the <u>first next following annual general meeting of the Company Shareholders</u> after his appointment and be subject to re-election at such meeting and any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.</p>

## APPENDIX III      PROPOSED AMENDMENTS TO THE BYE-LAWS

No.	Existing Bye-laws	Bye-laws as amended by the Proposed Amendments
17.	<p><b>Article 113</b></p> <p>The Company may by Ordinary Resolution remove any Director (including a Managing Director or other Executive Director) before the expiration of his period of office notwithstanding anything in these Bye-Laws or in any agreement between the Company and such Director (but without prejudice to any claim which such Director may have for damages for any breach of any contract between him and the Company) and may elect another person in his stead provided that the notice of any general 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, the Director shall be entitled to be heard on the motion for his removal. Any person so elected shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election, but shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at such meeting.</p>	<p><b>Article 113</b></p> <p>The Company may by Ordinary Resolution remove any Director (including a Managing Director or other Executive Director) before the expiration of his <del>period</del> <u>term</u> of office notwithstanding anything in these Bye-Laws or in any agreement between the Company and such Director (but without prejudice to any claim which such Director may have for damages for any breach of any contract between him and the Company) and may elect another person in his stead provided that the notice of any general 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, the Director shall be entitled to be heard on the motion for his removal. Any person so elected shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election, but shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at such meeting.</p>
18.	<p><b>Bye-law 175</b></p> <p>(A) Auditors shall be appointed and the terms and tenure of such appointment and their duties at all times regulated in accordance with the provisions of the Companies Act.</p>	<p><b>Bye-law 175</b></p> <p>(A) Auditors shall be appointed and the terms and tenure of such appointment and their duties at all times regulated in accordance with the provisions of the Companies Act.</p>

**APPENDIX III      PROPOSED AMENDMENTS TO THE BYE-LAWS**

No.	Existing Bye-laws	Bye-laws as amended by the Proposed Amendments
	<p>(B) The Company shall at each annual general meeting appoint one or more firms of auditors to hold office until the conclusion of the next annual general meeting on such terms and with such duties as may be agreed with the Directors, but if an appointment is not made, the Auditors in office shall continue in office until a successor is appointed. A Director, officer or employee of the Company or of any of its subsidiaries or a partner, officer or employee of any such Director, officer or employee shall not be appointed Auditors of the Company. The Directors may fill any casual vacancy in the office of Auditors, but while any such vacancy continues the surviving or continuing Auditor or Auditors (if any) may act. Save as otherwise provided by the Companies Act, the remuneration of the Auditors shall be fixed by or on the authority of the Company in the annual general meeting except that in any particular year the Company in general meeting may delegate the fixing of such remuneration to the Directors and the remuneration of any Auditors appointed to fill any casual vacancy may be fixed by the Directors.</p>	<p>(B) <del>The Company</del><u>shareholders</u> shall at each annual general meeting <u>by Ordinary Resolution</u> appoint one or more firms of auditors to hold office until the conclusion of the next annual general meeting on such terms and with such duties as may be agreed with the Directors, but if an appointment is not made, the Auditors in office shall continue in office until a successor is appointed. A Director, officer or employee of the Company or of any of its subsidiaries or a partner, officer or employee of any such Director, officer or employee shall not be appointed Auditors of the Company. The Directors may fill any casual vacancy in the office of Auditors, but while any such vacancy continues the surviving or continuing Auditor or Auditors (if any) may act. Save as otherwise provided by the Companies Act, the remuneration of the Auditors shall be fixed by or on the authority of the <del>Company</del><u>shareholders by Ordinary Resolution</u> in the annual general meeting except that in any particular year the Company in general meeting may delegate the fixing of such remuneration to <u>a body that is independent to the Directors Board</u> and the remuneration of any Auditors appointed to fill any casual vacancy may be fixed by the Directors.</p> <p>(C) <u>The shareholders may, at any general meeting convened and held in accordance with these Bye laws, by Extraordinary Resolution remove the Auditors at any time before the expiration of their term of office and shall by Ordinary Resolution at that meeting appoint another Auditors in their stead for the remainder of their term.</u></p>

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# NOTICE OF ANNUAL GENERAL MEETING

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## YuanShengTai Dairy Farm Limited 原生态牧业有限公司

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 1431)**

**NOTICE IS HEREBY GIVEN THAT** the annual general meeting (the “**AGM**”) of YuanShengTai Dairy Farm Limited (the “**Company**”) will be held at EAST Beijing, Workshop 2, No. 22, Jiuxianqiao Road, Chaoyang District, Beijing, the People’s Republic of China (the “**PRC**”) on Tuesday, 28 June 2022 at 2:00 p.m. for the following purposes:

### **As Ordinary Businesses**

1. To consider and adopt the audited consolidated financial statements of the Company and its subsidiaries and the reports of the directors of the Company (the “**Directors**”) and the independent auditor for the year ended 31 December 2021 (the “**Year**”).
2. To re-elect Mr. Zhao Hongliang as an executive Director (the “**ED**”).
3. To re-elect Mr. Chen Xiangqing as an ED.
4. To re-elect Mr. Zhang Yuezhou as an independent non-executive Director (the “**INED**”).
5. To re-elect Mr. Zhu Zhanbo as an INED.
6. To approve the Directors’ remuneration for the Year and to authorise the board of Directors (the “**Board**”) to fix the Directors’ remuneration for the year ending 31 December 2022.
7. To re-appoint Ernst & Young, Certified Public Accountants (“**E&Y**”) as the independent auditor of the Company for the ensuing year and to authorise the Board to fix its remuneration.

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### As Special Businesses

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

“That:

- (a) subject to paragraph (c) of this Resolution below, pursuant to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with unissued shares in the share capital of the Company (the “**Shares**”) or securities convertible into the Shares, or options or warrants for similar rights to subscribe for any Shares and to make or grant offers, agreements and options, including warrants to subscribe for the Shares, which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this Resolution above shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate number of Shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as defined below); or (ii) the exercise of any options granted under the share option scheme of the Company; or (iii) any scrip dividend or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the bye-laws of the Company (the “**Bye-laws**”) in force from time to time; or (iv) any issue of Shares upon the exercise of rights of subscription, conversion or exchange under the terms of any securities which are convertible into or exchange for Shares, shall not exceed the aggregate of:
  - (aa) 20% of the aggregate number of the issued Shares as at the date of the passing of this Resolution; and
  - (bb) (if the Directors are so authorised by a separate ordinary resolution of the shareholders of the Company) the aggregate number of any Shares repurchased by the Company subsequent to the passing of this Resolution (up to a maximum equivalent to 10% of the aggregate number of the issued Shares as at the date of the passing of this Resolution),

and the authority pursuant to paragraph (a) of this Resolution above shall be limited accordingly; and

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(d) for the purposes of this Resolution:

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

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required to be held by the Bye-laws, the Companies Act 1981 of Bermuda (the “**Companies Act**”) or any other applicable laws of Bermuda; and
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting of the Company revoking or varying the authority given to the Directors by this Resolution.

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

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

“**That:**

- (a) subject to paragraph (b) of this Resolution below, the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to purchase the Shares on the Stock Exchange or any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission of Hong Kong (the “**Commission**”) and the Stock Exchange for this purpose, subject to and in accordance with the Companies Act and all other applicable laws, the Code on Share Buy-backs administered by the Commission and the requirements of the Listing Rules, be and the same is hereby generally and unconditionally approved; and

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- (b) the aggregate number of the Shares which may be repurchased by the Company pursuant to the approval in paragraph (a) of this Resolution above during the Relevant Period (as defined below) shall not exceed 10% of the aggregate number of the issued Shares as at the date of the passing of this Resolution and the authority pursuant to paragraph (a) of this Resolution above shall be limited accordingly; and
- (c) for the purpose of this Resolution, “**Relevant Period**” shall have the same meaning as in Resolution 8(d).”
10. “**THAT** subject to the passing of Resolutions no. 8 and 9 set out in the notice convening the AGM of the Company (the “**Notice**”), the authority of the directors of the Company pursuant to Resolution no. 8 set out in the Notice be and is hereby approved to extend to cover such amount representing the aggregate number of the issued shares of the Company repurchased pursuant to the authority granted pursuant to Resolution no. 9 set out in the Notice.”

To, as special business, consider and, if thought fit, pass the following resolution as a special resolution:

11. “**THAT** the Bye-laws be amended in the manner as set out in the circular of the Company dated 27 April 2022 (the “**Circular**”) and the amended and restated bye-laws of the Company (the “**New Bye-laws**”) in the form of the document marked “A” and produced to the AGM and for the purpose of identification initiated by the chairman of the AGM, which consolidates all the proposed amendments mentioned in the Circular, be approved and adopted as the New Bye-laws in substitution for and to the exclusion of the existing Bye-laws with immediate effect after the close of the AGM and that the Directors be and are hereby authorised to do all things necessary to implement the adoption of the New Bye-laws.”

By Order of the Board  
**YuanShengTai Dairy Farm Limited**  
**Zhao Hongliang**  
*Chairman*

Hong Kong, 27 April 2022

*Registered Office:*

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

*Principal Place of Business in Hong Kong:*

31/F, 148 Electric Road  
North Point  
Hong Kong

*Headquarters and Principal Place of*

*Business in the PRC:*  
Qingxiang Street  
Kedong, Qiqihar  
Heilongjiang Province  
The PRC

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*Notes:*

1. Any member of the Company (the “**Member**”) entitled to attend and vote at the AGM convened by the Notice or its adjourned meeting (as the case may be) is entitled to appoint one (or, if he/she/it holds two or more Shares, more than one) proxy to attend and, on a poll, vote on his/her/its behalf subject to the provisions of the Bye-laws. A proxy need not be a Member but must be present in person at the AGM to represent the Member. If more than one proxy is so appointed, the appointment shall specify the number of Shares in respect of which such proxy is so appointed.
2. In order to be valid, the form of proxy must be deposited together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, at the offices of the Company’s branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not later than 48 hours before the time for holding the AGM (i.e. on or before 2:00 p.m. on Sunday, 26 June 2022 (Hong Kong time) or its adjourned meeting. Completion and return of a form of proxy will not preclude a Member from attending in person and voting at the AGM or its adjournment should he/she so wish. In the event of a Member who has lodged a form of proxy attending the AGM, the form of proxy will be deemed to have been revoked.

**In view of the ongoing Novel Coronavirus (COVID-19) epidemic, the Company strongly recommends Shareholders to exercise their voting rights by appointing the chairman of the AGM as their proxy to vote on the relevant resolutions at the AGM as an alternative to attending the AGM in person.**

3. For determining Members’ entitlement to attend and vote at the AGM, the register of Members will be closed from Thursday, 23 June 2022 to Tuesday, 28 June 2022 (both days inclusive), during which period no transfer of Shares will be effected. In order to qualify for attending the forthcoming AGM all transfers documents, accompanied by the relevant share certificates, must be lodged with the Company’s Hong Kong branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 22 June 2022.
4. In relation to the proposed Resolution no. 7 above, the Board concurs with the views of the audit committee of the Board and has recommended that E&Y be re-appointed as independent auditor of the Company.
5. In relation to the proposed Resolutions no. 8 and 10 above, approval is being sought from the Members for the grant to the Directors of a general mandate to authorise the allotment and issue of Shares under the Listing Rules. The Directors have no immediate plans to issue any new Shares other than the Shares which may fall to be issued under the share option scheme of the Company.
6. In relation to the proposed Resolution no. 9 above, the Directors wish to state that they will exercise the powers conferred thereby to repurchase Shares in circumstances which they consider appropriate for the benefit of the Members. An explanatory statement containing the information necessary to enable the Members to make an informed decision to vote on the proposed resolution as required by the Listing Rules is set out in Appendix II to the Company’s circular dated 27 April 2022.
7. In compliance with Rule 13.39(4) of the Listing Rules, voting on all proposed resolutions set out in the Notice will be decided by way of a poll.
8. The translation into Chinese language of this Notice is for reference only. In case of any inconsistency, the English version shall prevail.

## PRECAUTIONARY MEASURES FOR THE AGM

The Company will implement the following measures at the AGM, including:

- compulsory body temperature checks
- refusal of entry of those with a high temperature
- wearing of surgical face masks throughout the AGM
- no distribution of corporate gifts and refreshments

**Any person who does not comply with the precautionary measures will be denied entry into the AGM venue.**