

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in Asia Investment Finance Group Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or the transfer was effected for transmission to the purchaser or the transferee.

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



ASIA INVESTMENT FINANCE GROUP LIMITED

亞投金融集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 33)

- (1) PROPOSED RE-ELECTION OF DIRECTORS;
(2) PROPOSED GRANT OF GENERAL MANDATES
TO ISSUE NEW SHARES
AND REPURCHASE BY THE COMPANY OF ITS OWN SHARES;
(3) ADOPTION OF NEW SHARE OPTION SCHEME AND
TERMINATION OF EXISTING SHARE OPTION SCHEME;
(4) PROPOSED AMENDMENTS TO THE MEMORANDUM AND
ARTICLES OF ASSOCIATION; AND
(5) NOTICE OF ANNUAL GENERAL MEETING**

A notice convening an Annual General Meeting (“AGM”) of Asia Investment Finance Group Limited to be held at Unit 3201, Bank of America Tower, 12 Harcourt Road, Central, Hong Kong on Monday, 26 June 2017 at 11:00 a.m. is set out on pages 35 to 43 of this circular. A form of proxy for use at the AGM is enclosed with this circular.

If you are not able to attend the AGM, please complete and sign the form of proxy in accordance with the instructions printed thereon and return it to the Company’s branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the AGM (i.e. no later than 11:00 a.m. on Saturday, 24 June 2017) or any adjournment thereof. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the AGM or any adjournment thereof should you so wish.

24 May 2017

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	3
Introduction	3
Re-election of Directors	4
Issue Mandate and Repurchase Mandate	4
Adoption of the New Share Option Scheme and Termination of the Existing Share Option Scheme	6
Proposed Amendments to Memorandum and Articles of Association	8
The Annual General Meeting	9
Responsibility Statement	9
Recommendations	10
General	10
Appendix I — Details of Directors proposed to be re-elected	11
Appendix II — Explanatory Statement	16
Appendix III — Summary of the principal terms of the New Share Option Scheme	20
Appendix IV — Comparison between existing and new Memorandum and Articles of Association	28
Notice of the Annual General Meeting	35

DEFINITIONS

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

“Annual General Meeting”	the Annual General Meeting of the Company to be held at Unit 3201, Bank of America Tower, 12 Harcourt Road, Central, Hong Kong on Monday, 26 June 2017 at 11:00 a.m. or any adjournment thereof
“Annual Report”	annual report of the Company in respect of the year ended 31 December 2016
“Memorandum and Articles of Association”	the memorandum and articles of association of the Company
“Board”	the board of Directors
“close associate(s)”	has the meaning ascribed to this term under the Listing Rules
“Company”	Asia Investment Finance Group Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange
“core connected person(s)”	has the meaning ascribed to this term under the Listing Rules
“Director(s)”	the director(s) of the Company
“Existing Share Option Scheme”	share option scheme adopted by the Company on 30 October 2007
“Group”	the Company and all of its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Mandate”	the general mandate proposed to be granted to the Directors at the Annual General Meeting to issue further new Shares with number not exceeding 20% of the number issued shares of the Company at the date of the passing of the relevant resolution granting such mandate
“Latest Practicable Date”	19 May 2017, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Share Option Scheme”	share option scheme proposed to be adopted by the Company at the Annual General Meeting
“Option(s)”	the option(s) for subscription for Share(s) to be granted under the Existing Share Option Scheme or the New Share Option Scheme
“Participant(s)”	the eligible participants of the New Share Option Scheme
“Repurchase Mandate”	the repurchase mandate proposed to be granted to the Directors at the Annual General Meeting to repurchase such number of Shares up to 10% of the number of the issued shares of the Company at the date of the passing of the relevant resolution granting such mandate
“SFO”	the Securities and Futures Ordinance (Chapter 571 of Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers issued by the Securities and Futures Commission of Hong Kong, as amended from time to time
“%”	per cent



ASIA INVESTMENT FINANCE GROUP LIMITED

亞投金融集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 33)

Executive Directors

Ms. Cheung Kwan (*Chairperson*)
Mr. Wei Jiafu
Mr. Huang Shenglan
Mr. Cheng Wen
Mr. Wong Kwong Sum

Registered office:

P. O. Box 309
Ugland House
Grand Cayman KY1-1104
Cayman Islands

Independent Non-executive Directors

Mr. Anthony Espina
Mr. Wong Tin Yau, Kelvin
Mr. Ge Ming
Mr. Ho Chun Chung, Patrick

*Head office and principal place of
business in Hong Kong:*

Unit 3201
Bank of America Tower
12 Harcourt Road
Central
Hong Kong

24 May 2017

To the Shareholders

Dear Sir or Madam,

- (1) PROPOSED RE-ELECTION OF DIRECTORS;
(2) PROPOSED GRANT OF GENERAL MANDATES
TO ISSUE NEW SHARES
AND REPURCHASE BY THE COMPANY OF ITS OWN SHARES;
(3) ADOPTION OF NEW SHARE OPTION SCHEME AND
TERMINATION OF EXISTING SHARE OPTION SCHEME;
(4) PROPOSED AMENDMENTS TO THE MEMORANDUM AND
ARTICLES OF ASSOCIATION; AND
(5) NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

At the Annual General Meeting, resolutions will be proposed, among other matters:

- (a) to re-elect the Directors;
- (b) to grant the Issue Mandate to the Directors;

LETTER FROM THE BOARD

- (c) to grant the Repurchase Mandate to the Directors;
- (d) to increase the number of Shares to be allotted and issued under the Issue Mandate by an additional number representing such number of Shares repurchased under the Repurchase Mandate;
- (e) to adopt the New Share Option Scheme and to terminate the Existing Share Option Scheme; and
- (f) to approve the proposed amendments to the Memorandum and Articles of Association.

The purpose of this circular is to provide you with information in relation to the resolutions to be proposed at the Annual General Meeting for the re-election of retiring Directors, the grant of the Issue Mandate, the Repurchase Mandate, the extension of the Issue Mandate to the Shares repurchased pursuant to the Repurchase Mandate, the adoption of the New Share Option Scheme, termination of the Existing Share Option Scheme and the proposed amendments to the Memorandum and Articles of Association and to give you the notice of the Annual General Meeting.

RE-ELECTION OF DIRECTORS

According to Article 130, one-third of the Directors for the time being (excluding those appointed pursuant to Article 114 or 115), or if their number is not a multiple of three, then the number nearest to but not less than one-third shall retire from office by rotation at every Annual General Meeting provided that every Director shall be subject to retirement by rotation at least once every three years. A retiring Director shall be eligible for re-election. Mr. Wong Kwong Sum shall retire from office at Annual General Meeting and shall offer himself for re-election.

According to Article 114, Ms. Cheung Kwan, Mr. Wei Jiafu, Mr. Huang Shenglan and Mr. Cheng Wen who were appointed by the Board after 27 June 2016 (date of previous annual general meeting of the Company) as Executive Directors, and Mr. Wong Tin Yau, Kelvin and Mr. Ge Ming who were appointed by the Board on 19 October 2016 and 9 May 2017 respectively as Independent Non-executive Directors, they shall retire from office at the Annual General Meeting and shall offer themselves for re-election.

Details of the Directors proposed to be re-elected at the Annual General Meeting are set out in Appendix I to this circular.

ISSUE MANDATE AND REPURCHASE MANDATE

Issue Mandate

As at the Latest Practicable Date, a total of 9,333,072,000 Shares were in issue. Subject to the passing of the proposed resolution for the approval of the General Mandate and in accordance with the terms therein, the Directors would be granted a new general mandate to allot and issue up to a maximum of 1,866,614,400 Shares, representing 20% of the issued

LETTER FROM THE BOARD

Shares at the time of the passing of the resolution approving the Issue Mandate on the basis that no further Shares will be issued or repurchased by the Company prior to the Annual General Meeting.

The Issue Mandate shall be effective until whichever is the earliest of:

- (a) the conclusion of the next Annual General Meeting of the Company; or
- (b) the expiration of the period within which the next Annual General Meeting of the Company is required by the Articles of Association, or any other applicable laws of the Cayman Islands to be held; or
- (c) the passing of an ordinary resolution by the Shareholders in general meeting revoking or varying the authority given to the Directors.

In addition, a separate ordinary resolution will be proposed at the Annual General Meeting to extend the Issue Mandate granted to the Directors to allot, issue and deal with additional shares in the capital of the Company by the number of shares repurchased by the Company pursuant to the Repurchase Mandate.

The Directors have no immediate plans to issue any new Shares other than any Shares which may fall to be issued under the Share Option Scheme or conversion of convertible bonds of the Company.

Repurchase Mandate

At the Annual General Meeting, and as part of the special business of the Annual General Meeting, an ordinary resolution will be proposed to grant the Repurchase Mandate to the Directors. Subject to the passing of the proposed resolution for the approval of the Repurchase Mandate and in accordance with the terms therein, the Directors would be granted a new general mandate to repurchase up to a maximum of 933,307,200 Shares, representing the 10% of the issued Shares at the time of the passing of the resolution approving the Repurchase Mandate on the basis that no further Shares will be issued or repurchased by the Company prior to the Annual General Meeting.

The Repurchase Mandate shall be effective until whichever is the earliest of:

- (a) the conclusion of the next Annual General Meeting of the Company; or
- (b) the expiration of the period within which the next Annual General Meeting of the Company is required by the Articles of Association, or any other applicable laws of the Cayman Islands to be held; or
- (c) the passing of an ordinary resolution by the Shareholders in general meeting revoking or varying the authority given to the Directors.

LETTER FROM THE BOARD

Under the Listing Rules, the Company is required to give to the Shareholders all information which is reasonably necessary to enable Shareholders to make an informed decision as to whether to vote for or against the resolution to approve the grant to the Directors of the Repurchase Mandate. The explanatory statement required by the Listing Rules to be included in this circular is set out in Appendix II of this circular.

ADOPTION OF THE NEW SHARE OPTION SCHEME AND TERMINATION OF THE EXISTING SHARE OPTION SCHEME

The Existing Share Option Scheme of the Company was adopted by the Company on 30 October 2007 and will expire on 29 October 2017. The Board proposes and recommends to the Shareholders at the Annual General Meeting to approve the adoption of the New Share Option Scheme and the termination of the Existing Share Option Scheme. Accordingly, an ordinary resolution will be proposed at the AGM to approve the adoption of the New Share Option Scheme and the termination of the Existing Share Option Scheme.

Adoption of the New Share Option Scheme

The purpose of the New Share Option Scheme is to provide incentives or rewards to Participants of the New Share Option Scheme for their contribution to, and continuing efforts to promote the interests of, the Group.

The Participants include any employees of the Group (including any directors, whether executive or non-executive and whether independent or not, of the Company or any of its subsidiaries) and any distributor, contractor, business partner, promoter, service provider, customer, supplier, consultant, agent and adviser or any person who, in the sole discretion of the Board, has contributed or may contribute to the Group.

The rules of the New Share Option Scheme provide that the Company may specify the Participants to whom Options shall be granted, the number of Shares subject to each Option and the date on which the Options shall be granted.

The basis for determining the subscription price is also specified precisely in the rules of the New Share Option Scheme. There is no performance target specified in the New Share Option Scheme. The Directors consider that the aforesaid criteria and rules will serve to preserve the value of the Company and encourage Participants to acquire proprietary interests in the Company.

As at the Latest Practicable Date, the total issued share capital of the Company comprised 9,333,072,000 Shares. Subject to the approval of the New Share Option Scheme by the Shareholders and assuming that there is no change in the issued share capital between the period from the Latest Practicable Date to the date of the adoption of the New Share Option Scheme, the number of Shares which may fall to be allotted and issued upon exercise in full of all the Options that may be granted under New Share Option Scheme, when aggregated with any Share subject to any other share option schemes of the Company, would be 933,307,200 Shares, representing 10% of the Shares in issue as at the Latest Practicable Date.

LETTER FROM THE BOARD

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

The New Share Option Scheme constitutes a share option scheme governed by Chapter 17 of the Listing Rules. The New Share Option Scheme is conditional upon:

- (a) the passing of the ordinary resolution by the Shareholders at the Annual General Meeting to approve the adoption of the New Share Option Scheme; and
- (b) the Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in, any Shares which may fall to be allotted and issued pursuant to the exercise of the Options under the New Share Option Scheme.

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

None of the Directors is a trustee of the New Share Option Scheme nor has a direct or indirect interest in such trustee (if any).

A summary of the principal terms of the New Share Option Scheme is set out in Appendix III to this circular. A copy of the rules of the New Share Option Scheme is available for inspection at the head office and principal place of business of the Company at Unit 3201, Bank of America Tower, 12 Harcourt Road, Central, Hong Kong during normal business hours (i.e. from 10:00 a.m. to 12:00 noon and 2:30 p.m. to 4:00 p.m. on Monday to Friday, except Saturdays, Sundays and public holidays of Hong Kong) from the date hereof up to and including the date at the Annual General Meeting.

Termination of Existing Share Option Scheme

As the Board considers that it is not necessary to have two share option schemes in force at the same time, an ordinary resolution will be proposed at the Annual General Meeting for the Shareholders to terminate the Existing Share Option Scheme at the same time when the New Share Option Scheme becomes unconditional. As at the Latest Practicable Date, there is no outstanding Option granted under the Existing Share Option Scheme. The Board may grant Options before the date of the Annual General Meeting to eligible participants under the Existing Share Option Scheme within the scheme limit of 936,807,200 Shares as refreshed in the preceding annual general meeting on 27 June 2016. On 30 December 2010, the Company offered 12,000,000 Options to several employees (no Directors were involved) pursuant to the Existing Share Option Scheme subject to the acceptance with conditions by the grantees. As none of the aforesaid grantees has accepted the conditions for acceptance before the prescribed deadline, the offered Options have lapsed. On 5 February 2016, the Company granted 737,640,000 Options to several eligible participants. On 26 April 2016, all such 737,640,000

LETTER FROM THE BOARD

Options have been either (i) cancelled pursuant to agreements with the grantees and approved by the Board, or (ii) for those not yet accepted by grantees, cancelled by the Board. Save as disclosed above, there are no other Options granted, exercised, cancelled or lapsed since 30 October 2007 (the date of adoption of the Existing Share Option Scheme). After the operations of the Existing Share Option Scheme are terminated pursuant to resolution passed at the Annual General Meeting, no further Options will be offered or granted but the provisions of the Existing Share Option Scheme will remain in full force to the extent necessary to give effect to the exercise of any Options granted prior thereto or otherwise as may be required in accordance with the provisions of the Existing Share Option Scheme.

PROPOSED AMENDMENTS TO MEMORANDUM AND ARTICLES OF ASSOCIATION

The Board proposes to amend the Memorandum and Articles of Association with a view to:

- (i) expressly provide that the Directors may elect among themselves more than one person to act as Chairmen of the Board;
- (ii) reflect the existing name of the Company;
- (iii) reflect the latest authorised share capital of the Company; and
- (iv) make reference to the existing Company Ordinance (chapter 622 of the laws of Hong Kong) and Companies Law (2016 Revision, cap. 22 of the laws of the Cayman Islands) instead of the predecessor ordinance or revision.

A table showing a comparison between the existing Memorandum and Articles of Association and the proposed amended Memorandum and Articles of Association are set out in Appendix IV to this circular.

The legal advisers to the Company as to Hong Kong laws and Cayman Islands laws have respectively confirmed that the proposed new Memorandum and Articles of Association comply with the requirements of the Listing Rules and are not inconsistent with the applicable laws of the Cayman Islands. The Company also confirms that there is nothing unusual about the proposed amendments to the Memorandum and Articles of Association.

Shareholders are advised that the new Memorandum and Articles of Association are available only in English and Chinese translation of the amendments to the Memorandum and Articles of Association provided in Appendix IV in Chinese is for reference only. In case of any inconsistency, the English version shall prevail.

Special resolution for approving the proposed amendments to the Memorandum and Articles of Association will be proposed at the Annual General Meeting for the Shareholders to consider.

LETTER FROM THE BOARD

THE ANNUAL GENERAL MEETING

A notice convening the Annual General Meeting to be held at Unit 3201, Bank of America Tower, 12 Harcourt Road, Central, Hong Kong on Monday, 26 June 2017 at 11:00 a.m. is set out on pages 35 to 43 of this circular.

A form of proxy for use at the Annual General Meeting is enclosed. Whether or not you are able to attend the AGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar, and transfer office in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the Annual General Meeting (i.e. no later than 11:00 a.m. on Saturday, 24 June 2017) or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Annual General Meeting or any adjournment thereof should you so wish.

Pursuant to Rule 13.39 of the Listing Rules and Article 90, all votes of the Shareholders at the general meetings 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. In this regard, the resolutions set out in the Notice of the Annual General Meeting will be put to vote by way of poll.

As at the Latest Practicable Date, no Shareholder has a material interest in the resolutions proposed to be passed at the Annual General Meeting (including the proposed re-election of Directors, the proposed grant of the Issue Mandate and the Repurchase Mandate, the extension of the Issue Mandate to the Shares repurchased under the Repurchase Mandate, the proposed adoption of the New Share Option Scheme, termination of the Existing Share Option Scheme and the proposed amendments to the Memorandum and Articles of Association). As such, no Shareholder is required to abstain from voting on the resolutions in relation thereto at the Annual General Meeting.

RESPONSIBILITY STATEMENT

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

LETTER FROM THE BOARD

RECOMMENDATIONS

The Directors believe that the proposed re-election of Directors, the proposed grant of the Issue Mandate and the Repurchase Mandate, the extension of the Issue Mandate to the Shares repurchased pursuant to the Repurchase Mandate, the proposed adoption of the New Share Option Scheme, termination of the Existing Share Option Scheme and the proposed amendments to the Memorandum and Articles of Association are fair and reasonable and are in the best interests of the Company and the Shareholders as a whole and recommend the Shareholders to vote in favour of the above resolutions to be proposed at the Annual General Meeting.

GENERAL

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

Yours faithfully
For and on behalf of the Board of
Asia Investment Finance Group Limited
Wei Jiafu
Executive Director

The details of the Directors who will retire from office at the Annual General Meeting and being eligible, will offer themselves for re-election at the Annual General Meeting, are set out below:

Ms. CHEUNG Kwan (張軍) (“**Ms. Cheung**”), aged 60, was appointed as an Executive Director of the Company on 14 September 2016. Ms. Cheung has around 20 years of experience in project investment, corporation management, merger and acquisition. Her investments in diverse industries ranges from mining, resources, clean energy, cultural industry, health industry and agriculture. Particularly, under the national project of “Belt and Road” policy, she has gained extensive experience and strong business network. Ms. Cheung has served as director and senior manager of various companies. Currently, she is the Chairperson as well as managing director of the board of Kazakhstan Potash Corporation Limited, a company listed on the Australian Securities Exchange (Stock code: KPC Australia). Ms. Cheung is also an executive director of Burwill Holdings Limited (Stock code: 0024.HK) since November 2015. Save as disclosed above, Ms. Cheung did not hold any directorships in any other listed public companies in the past three years. Ms. Cheung, as the single largest shareholder of the Company, does not have any relationship with any other director, senior management or substantial shareholders of the Company.

Ms. Cheung has not entered into any director service contract with the Company and shall retire and be subject to re-election in accordance with the Articles of Association. With effect from 1 March 2017, the emolument payable to Ms. Cheung has been changed from HK\$800,000 to HK\$500,000 per month subject to annual adjustment to be determined by the board of the Company with recommendation from the remuneration committee of the Board by reference to the performance of the Company and Ms. Cheung.

As at the Latest Practicable Date, Ms. Cheung who is a substantial shareholder of the Company and has total interest of 3,450,000,000 shares of the Company within the meaning of Part XV of Securities and Futures Ordinance and such interest includes 1,450,000,000 shares beneficially owned by Ms. Cheung and 1,000,000,000 shares beneficially owned by Internet Finance Investment Company Limited (“**Internet Finance**”), which is a company wholly owned by Ms. Cheung. Internet Finance also beneficially owns convertible bonds of nominal value HK\$100,000,000, which are convertible into 1,000,000,000 ordinary shares of the Company.

In relation to the proposed re-election of Ms. Cheung, there is no information relating to Ms. Cheung that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules and there is no other matter that needs to be brought to the attention of the Shareholders.

Dr. WEI Jiafu (魏家福) (“**Dr. Wei**”), aged 68, was appointed as an Executive Director of the Company on 14 September 2016. Dr. Wei has over 30 years of experience in corporation management. During the period from November 1998 to 2011, Dr. Wei was the president of China Ocean Shipping (Group) Company (“**COSCO Group**”), which is a company listed in the Fortune Global 500 since the year of 2007, From 2011 to July 2013, Dr. Wei was re-designated as the chairman of the Board of COSCO Group. Chairman and executive director (Hong Kong and China) of China COSCO Holdings Company Limited (Stock code: 1919.HK).

During the period from April 2001 to November 2013, Dr. Wei was the vice chairman and non-executive director of China Merchants Bank Co., Ltd (Stock code: 3968.HK). Currently, Dr. Wei is the chief executive officer and executive director of Kazakhstan Potash Corporation Limited, a company listed on the Australian Securities Exchange (Stock code: KPC. Australia) since November 2015. Dr. Wei is an executive director of Burwill Holdings Limited (Stock code: 0024.HK) since December 2015. Save as disclosed above, Dr. Wei did not hold any directorships in any other listed public companies in the past three years. Dr. Wei does not have any relationship with any other director, senior management or substantial or controlling shareholders of the Company.

Dr. Wei has not entered into any director service contract with the Company and shall retire and be subject to re-election in accordance with the Articles of Association. With effect from 1 March 2017, the emolument payable to Dr. Wei has been changed from HK\$330,000 to HK\$130,000 per month subject to annual adjustment to be determined by the board of the Company with recommendation from the remuneration committee of the Board by reference to the performance of the Company and Dr. Wei.

As at the Latest Practicable Date, Dr. Wei does not have any interest in the Shares within the meaning of Part XV of the SFO. He is subject to retirement by rotation and re-election at general meeting of the Company in accordance with Articles of Association. In relation to the proposed re-election of Dr. Wei, there is no information relating to Dr. Wei that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules and there is no other matter that needs to be brought to the attention of the Shareholders.

Mr. HUANG Shenglan (黃勝藍), (“**Mr. Huang**”) aged 65, was appointed as the Executive Director of the Company on 28 September 2016. Mr. Huang was an executive director and the Deputy Governor of China Everbright Bank, Head Office, an executive director and the General Manager of China Everbright Technology Limited and an independent non-executive director of Chongqing Road & Bridge Co. Ltd. and Symphony Holdings Limited. Mr. Huang holds a diploma in Arts from Huazhong Normal University and in International Economics from Huadong Normal University and a certificate in International Economic Law from Xiamen University and in Advanced Management Programme from the Business School of Harvard University, USA. Mr. Huang is an independent non-executive director of China LotSynergy Holdings Limited and a non-executive director of China Fortune Investments (Holding) Limited and Burwill Holdings Limited. Save as disclosed above, Mr. Huang did not hold any directorship in other listed public companies in the last three years.

Mr. Huang has not entered into any director service contract with the Company and shall retire in accordance with the Articles of Association. With effect from 1 March 2017, the emolument payable to Mr. Huang has been changed from HK\$330,000 to HK\$130,000 per month subject to annual adjustment to be determined by the board of the Company with recommendation from the remuneration committee of the Board by reference to the performance of the Company and Mr. Huang.

As at the Latest Practicable Date, Mr. Huang does not have any interest in the Shares within the meaning of Part XV of the SFO. Mr. Huang has no relationships with any other directors, senior management, substantial or controlling shareholders of the Company. In relation to the proposed re-election of Mr. Huang, there is no information relating to Mr. Huang that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules and there is no other matter that needs to be brought to the attention of the Shareholders.

Mr. CHENG Wen (程文) (“Mr. Cheng”), aged 49, was appointed as an Executive Director of the Company on 28 September 2016. Mr. Cheng was a vice CEO of InvesTech Holdings Limited (Stock Code: 01087) from 16 November 2013 to 23 December 2015. Mr. Cheng is in charge of overall financial management, investing management, risk controls and internal controls of InvesTech Holdings Limited. Mr. Cheng graduated in Fuzhou University in June 1989 with a bachelor degree of engineering management. He obtained a doctor degree in corporate management in June 2004 in Sun Yat-Sen University. Mr. Cheng has over 20 years of experiences in financial and corporate management. Throughout his career, he worked in, among others, China Construction Bank (Shenzhen Branch), China Cinda Asset Management Co., Ltd. and Bank of China (Shenzhen Branch). Mr. Cheng has been an independent non-executive director and a member of certain committees of Finsoft Corporation (Stock Code: 8018) from 23 March 2015 to 30 September 2015. Save as disclosed above, Mr. Cheng did not hold any directorship in other listed public companies in the last three years.

Mr. Cheng has not entered into any director service contract with the Company and shall retire and be subject to re-election in accordance with the Articles of Association. With effect from 1 March 2017, the emolument payable to Mr. Cheng has been changed from HK\$330,000 to HK\$130,000 per month subject to annual adjustment to be determined by the board of the Company with recommendation from the remuneration committee of the Board by reference to the performance of the Company and Mr. Cheng.

As at the Latest Practicable Date, Mr. Cheng does not have any interest in the Shares within the meaning of Part XV of the SFO. Mr. Cheng has no relationships with any other directors, senior management, substantial or controlling shareholders of the Company. In relation to the proposed re-election of Mr. Cheng, there is no information relating to Mr. Cheng that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules and there is no other matter that needs to be brought to the attention of the Shareholders.

Dr. WONG Tin Yau, Kelvin (黃天祐), (“Dr. Wong”), JP, aged 56, was appointed as an Independent Non-executive Director of the Company on 19 October 2016. Dr. Wong obtained his Master of Business Administration degree from Andrews University in Michigan, the USA in 1992 and his Doctor of Business Administration degree from The Hong Kong Polytechnic University in 2007. Dr. Wong served as an independent non-executive director for several Hong Kong listed companies from 2004 to 2016, and is currently an executive director, a deputy managing director, the chairman of the corporate governance committee and a member of the executive committee of COSCO SHIPPING Ports Limited (formerly known as COSCO Pacific Limited) (stock code: 01199), an independent non-executive director of China ZhengTong Auto Services Holdings Limited, I.T Limited, Huarong International Financial Holdings Limited and Bank of Qingdao Co., Ltd. He was also an independent non-executive

director of AAG Energy Holdings Limited and CIG Yangtze Ports PLC. All the aforementioned companies are listed in Hong Kong. In addition, Dr. Wong is an independent non-executive director of Shanghai Fosun Pharmaceutical (Group) Co., Ltd., a company with a dual listing both in Hong Kong and Shanghai, and Xinjiang Goldwind Science & Technology Co., Ltd. (“Xinjiang Goldwind”), a company with dual listing both in Hong Kong and Shenzhen. He was also an independent non-executive director of Xinjiang Goldwind from June 2011 to June 2016.

Dr. Wong is the immediate past chairman and was the chairman (2009–2014) of The Hong Kong Institute of Directors, a non-executive director of the Securities and Futures Commission, the chairman of the Investor Education Centre, a member of the Operations Review Committee of Independent Commission Against Corruption and a member of the Financial Reporting Council.

Dr. Wong has entered into an appointment letter with the Company with a term of two years from the date of his appointment of 19 October 2016 and shall retire and be subject to re-election in accordance with the Articles of Association. With effect from 9 May 2017, the emolument payable to Dr. Wong has been changed from HK\$15,000 to HK\$20,000 per month subject to annual adjustment to be determined by the Board of the Company under the recommendation from the remuneration committee of the Board by reference to the performance of the Company and Dr. Wong.

As at the Latest Practicable Date, Dr. Wong does not have any interest in the Shares within the meaning of Part XV of the SFO. Dr. Wong has no relationships with any other directors, senior management, substantial or controlling shareholders of the Company. Save as disclosed above, Dr. Wong did not hold any directorship in other listed public companies in the last three years. In relation to the proposed re-election of Dr. Wong, there is no information relating to Dr. Wong that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules and there is no other matter that needs to be brought to the attention of the Shareholders.

Mr. GE Ming (葛明), (“**Mr. Ge**”), aged 65, was appointed as an Independent Non-executive Director of the Company on 9 May 2017. Mr. Ge is a Certified Public Accountant and a senior fellow of the Chinese Institute of Certified Public Accountants. Mr. Ge is also a senior accountant as certified by the Ministry of Finance of the PRC and an overseas member of the Society of Chinese Accountants & Auditors. Mr. Ge graduated with a Master’s degree in Accountancy from the Research Institute for Fiscal Science, Ministry of Finance of the PRC, after his study during the period from 1979 to 1982. Mr. Ge has over 31 years of experience in the field of auditing and advisory services and has assisted in the listing of various PRC companies on the Stock Exchange. Mr. Ge has been an independent non-executive director of Ping An Insurance (Group) Company of China Ltd. (Stock code: 2318) since June 2015. Mr. Ge was a partner of Ernst & Young Hua Ming LLP and retired from his position in August 2014. Mr. Ge also served as an independent non-executive director of Shunfeng Photovoltaic International Limited (Stock code: 1165) from January 2011 to February 2013. Mr. Ge has been appointed as an independent non-executive director of Credit China FinTech Holdings Limited (Stock code: 8207) from year 2014 to present.

Mr. Ge has entered into a letter of appointment with the Company for a term of two years from the date of his appointment of 9 May 2017 and shall retire and be subject to re-election in accordance with the Articles of Association. The emolument payable to Mr. Ge is HK\$20,000 per month subject to annual adjustment to be determined by the board of the Company under the recommendation from the remuneration committee of the Board by reference to the performance of the Company and Mr. Ge.

As at the Latest Practicable Date, Mr. Ge does not have any interest in the Shares within the meaning of Part XV of the SFO. Mr. Ge has no relationships with any other directors, senior management, substantial or controlling shareholders of the Company. Save as disclosed above, Mr. Ge did not hold any directorship in other listed public companies in the last three years. In relation to the proposed re-election of Mr. Ge, there is no information relating to Mr. Ge that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules and there is no other matter that needs to be brought to the attention of the Shareholders.

Mr. WONG Kwong Sum (黃光森) (“Mr. Wong”), aged 50, was appointed as an Executive Director of the Company on 9 March 2015. Mr. Wong holds a Bachelor in Business Administration of West Coast Institute of Management & Technology, has over twenty years of experience in the construction materials supply and retail business. Mr. Wong was a director of Hong Kong Optical Company Limited. Currently, he is a standing committee members of the Chinese People’s Political Consultative Conference — Guangzhou Baiyun District.

Mr. Wong has not entered into any director service contract with the Company and shall retire and be subject to re-election in the forthcoming annual general meeting in accordance with the articles of association of the Company. With effect from 1 March 2017, the emolument payable to Mr. Wong has been changed from HK\$85,000 to HK\$50,000 per month subject to annual adjustment to be determined by the Board of the Company with recommendation from the remuneration committee of the Board by reference to the performance of the Company and Mr. Wong.

As at the Latest Practicable Date, Mr. Wong does not have any interest in the Shares within the meaning of Part XV of the SFO. Mr. Wong has no relationships with any other directors, senior management, substantial or controlling shareholders of the Company. Save as disclosed above, Mr. Wong did not hold any directorship in other listed public companies in the last three years. In relation to the proposed re-election of Mr. Wong, there is no information relating to Mr. Wong that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules and there is no other matter that needs to be brought to the attention of the Shareholders.

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

1. REPURCHASE OF SHARES FROM CONNECTED PARTIES

The Listing rules prohibit a company from knowingly purchasing shares on the Stock Exchange from a “core connected person”, (as defined in the Listing Rules) and a core connected person is prohibited from knowingly selling his/her/its securities to the company.

No core connected person of the Company has notified the Company that he/she/it has a present intention to sell any of the Shares held by him/her/it to the Company in the event that the Repurchase Mandate is approved by the Shareholders at the Annual General Meeting.

2. SHARE CAPITAL

As at the Latest Practicable Date, a total of 9,333,072,000 Shares were in issue and fully paid. Subject to the passing of the proposed resolution for the approval of the Repurchase Mandate and on the basis that no further Shares are issued or repurchased by the Company prior to the Annual General Meeting, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 933,307,200 Shares.

3. REASONS FOR THE REPURCHASE

The Directors believe that the Repurchase Mandate is in the best interests of the Company and the Shareholders as a whole. An exercise of the Repurchase Mandate may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets 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 laws of the Cayman Islands and the memorandum and articles of association of the Company for such purpose.

An exercise of the Repurchase Mandate in full could have a material adverse impact on the working capital and gearing position of the Group compared with that as at 31 December 2016, being the date of its latest published audited consolidated accounts. 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 Group.

5. SHARE PRICES

The highest and lowest prices at which the Shares have traded on the Stock Exchange during each of the previous twelve calendar months preceding the Latest Practicable Date were as follows:

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2016		
April	0.265	0.165
May	0.249	0.204
June	0.260	0.189
July	0.226	0.152
August	0.175	0.124
September	0.169	0.119
October	0.153	0.136
November	0.152	0.122
December	0.138	0.112
2017		
January	0.125	0.110
February	0.134	0.105
March	0.107	0.069
April	0.107	0.061
May (Up to the Latest Practicable Date)	0.104	0.085

source: <http://www.hkex.com.hk>

6. UNDERTAKING

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 Annual General Meeting and exercised.

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

The Directors have undertaken to the Stock Exchange that they will exercise the powers of the Company to make repurchases pursuant to the Repurchase Mandate in accordance with the Listing Rules and applicable laws of the Cayman Islands.

7. TAKEOVERS CODE

If, on the exercise of the power to repurchase shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 of the Takeovers Code.

As at the Latest Practicable Date, to the best of the knowledge of the Directors, the following Shareholders were interested in 5% or more of the issued Shares as recorded in the register of interests in shares and short position of the Company under Section 336(1) of Part XV of the SFO:

Name of shareholder	Capacity	Number of Shares held	Approximate percentage of existing shareholding	Approximate percentage of shareholding if the Repurchase Mandate is exercised in full
Cheung Kwan	Beneficial Owner and interest in controlled corporation	2,450,000,000 (Note)	26.25%	29.16%

Note: 2,450,000,000 Shares include 1,450,000,000 Shares beneficially owned by Ms. Cheung Kwan and 1,000,000,000 beneficially owned by Internet Finance Investment Co. Ltd which is wholly owned by Ms. Cheung.

As at the Latest Practicable Date, so far as is known to the Directors, the largest substantial Shareholder (as defined under the listing rules of the Stock Exchange) was Cheung Kwan and her associated company. Cheung Kwan (including the interest in her associated company) was interested in 2,450,000,000 Shares representing approximately 26.25%. On the assumption that the number of Shares in issue remains unchanged from the Latest Practicable Date up to the expiry of the Repurchase Mandate and in the event that the Directors should exercise in full the power to repurchase Shares pursuant to the Repurchase Mandate, the interest in Shares held by Cheung Kwan (including her associated company) would be increased to approximately 29.16% of the then issued share capital of the Company. Such increase in the interest in Shares held by Cheung Kwan and its associate or by any other shareholders acting in concert with it will not give rise to an obligation to make a mandatory offer under Rules 26 and 32 of the Takeover Code. The Directors do not intend to exercise the power to repurchase Shares to an extent which would render any Shareholder or group of Shareholders obliged to make a mandatory offer under Rule 26 of the Takeovers Code.

The Directors have no intention to exercise any of the Repurchase Mandate to such an extent that the number of Shares in hands of the public falling below the prescribed minimum percentage (under the Listing Rules) of 25%.

8. SHARES REPURCHASE MADE BY THE COMPANY

The Company repurchased an aggregate of 35,000,000 Shares on the Stock Exchange in the six months preceding the Latest Practicable Date, with the details as follows:

Repurchase Date	No. of Shares	Purchase Price	
		Highest <i>HK\$</i>	Lowest <i>HK\$</i>
29 March 2017	26,500,000	0.082	0.076
31 March 2017	<u>8,500,000</u>	0.075	0.071
	<u><u>35,000,000</u></u>		

This appendix sets out further information of the New Share Option Scheme and also summarises the principal terms of the New Share Option Scheme but does not form part of nor is it intended to be, part of the New Share Option Scheme nor should it be taken as affecting the interpretation of the rules of the New Share Option Scheme.

NEW SHARE OPTION SCHEME

Summary of terms

The following is a summary of the principal terms of the New Share Option Scheme proposed to be approved by a resolution of the Shareholders at the Annual General Meeting :

(a) Purpose of the New Share Option Scheme

The purpose of the New Share Option Scheme is to enable the Company to provide incentive or reward to Participants for their contribution to, and continuing efforts to promote the interests of, the Group.

(b) Administration of the New Share Option Scheme

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

(c) Grant and acceptance of Options

Subject to the terms of the New Share Option Scheme, the Board may, in its absolute discretion, invite any Participant to take up Options to subscribe for Shares at a price calculated in accordance with paragraph (d) below.

An offer for the grant of an Option (“**the Offer**”) shall be made to a Participant in writing (and unless so made shall be invalid) in such form as the Board may from time to time determine either generally or on a case-by-case basis specifying the number of Shares and the Option Period (as defined below) in respect of which the Offer is made and further requiring the Participant to undertake to hold the Option on the terms on which it is to be granted and to be bound by the provisions of the New Share Option Scheme and shall remain open for acceptance by the Participant concerned (and by no other person, including his personal representative(s)) for a period of twenty-one (21) days inclusive of, and from the date on which the Offer is made (“**the Offer Date**”) provided that no such Offer shall be open for acceptance after the earlier of the date falling ten (10) years after the date on which the New Share Option Scheme was adopted (“**the Adoption Date**”) or the termination of the New Share Option Scheme.

An Offer shall be deemed to have been accepted by a Participant in respect of all Shares which are offered to such Participant when the duplicate letter comprising acceptance of the Offer duly signed by the Participant together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof is received by the Company. Such remittance shall in no circumstances be refundable.

Any Offer may be accepted by a Participant in respect of less than the number of Shares which are offered provided that it is accepted in respect of a board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof and such number is clearly stated in the duplicate letter comprising acceptance of the Offer duly signed by such Participant and received by the Company together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof within twenty-one (21) days from the Offer Date or such shorter period as the Board may from time to time determine.

Upon an Offer being accepted by a Participant in whole or in part in accordance with this paragraph (c), an Option in respect of the number of Shares in respect of which the Offer was so accepted will be deemed to have been granted by the Company to such Participant on the Offer Date. To the extent that the Offer is not accepted within twenty-one (21) days in the manner indicated in this paragraph (c) it will be deemed to have been irrevocably declined.

(d) Exercise of Options and Price of Shares

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

Shares to be allotted and issued upon the exercise of an Option will be subject to all the provisions of the Articles of Association for the time being in force and will rank *pari passu* in all respects with the existing fully paid Shares in issue on the date on which the Option is duly exercised or, if that date falls on a day when the register of members of the Company is closed, the first day of the reopening of the register of members (“**the Exercise Date**”) and accordingly will entitle the holders thereof to participate in all dividends or other distributions paid or made on or after the Exercise Date other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be before the Exercise Date. A Share allotted upon the exercise of an Option shall not carry voting rights until the name of the grantee has been duly entered onto the register of members of the Company as the holder thereof.

The exercise price for Shares under the New Share Option Scheme may be determined by the Board at its absolute discretion but in any event will not be less than the highest of: (i) the closing price of the Shares on the Stock Exchange (as stated in the Stock Exchange's daily quotations sheet) on the Offer Date, which must be a Business Day (meaning a day on which the Stock Exchange is open for the business of dealing in securities); (ii) the average closing price of the Shares on the Stock Exchange (as stated in the Stock Exchange's daily quotations sheets) for the five (5) Business Days immediately preceding the Offer Date; and (iii) the nominal value of the Share on the Offer Date.

(e) Maximum number of Shares available for issue

- (i) Subject to the Listing Rules, the maximum number of Shares which may be issued upon exercise of all Options that may be granted at any time under the New Share Option Scheme shall not, when aggregated with any Shares subject to any other schemes involving the issue or grant of option over Shares by the Company to, or for the benefit of the Participants, exceed such number of Shares as shall represent 10% of the issued share capital of the Company as at the Adoption Date (“**the Scheme Mandate Limit**”). Options lapsed in accordance with the terms of the New Share Option Scheme will not be counted for the purpose of calculating the Scheme Mandate Limit.
- (ii) The Company may seek approval by the Shareholders in general meeting for “refreshing” the Scheme Mandate Limit under the New Share Option Scheme. However, the total number of Shares which may be issued upon exercise of all Options to be granted under the New Share Option Scheme and any other schemes of the Company under the limit as “refreshed” must not exceed 10% of the Shares in issue as at the date of passing the relevant resolution. Options previously granted under the New Share Option Scheme (including those outstanding, cancelled, lapsed in accordance with the New Share Option Scheme or exercised Options) will not be counted for the purpose of calculating the Scheme Mandate Limit as “refreshed”.
- (iii) The Company may seek separate approval by the Shareholders in general meeting for granting Options beyond the Scheme Mandate Limit provided the Options in excess of the Scheme Mandate Limit are granted only to Participants specifically identified by the Company before such approval is sought. The Company must send a circular to the Shareholders containing a generic description of the specified Participants who may be granted such Options, the number and terms of the Options to be granted, the purpose of granting Options to the specified Participants with an explanation as to how the terms of the Options serve such purpose, the information required under Rule 17.02(2)(d) and the disclaimer required under Rule 17.02(4) of the Listing Rules.

- (iv) The limit on the number of Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the New Share Option Scheme and any other schemes of the Company must not exceed 30% of the relevant class of Shares in issue from time to time. No Options may be granted under the New Share Option Scheme or any other schemes of the Company if this will result in this limit being exceeded.

(f) Grant of Options to connected persons or any of their associates

Any grant of Option to a Director, chief executive or substantial Shareholder (as defined in the Listing Rules) of the Company, or any of their respective associates (as defined in the Listing Rules), under the New Share Option Scheme must be approved by the Independent Non-executive Directors (excluding an Independent Non-executive Director who is the proposed grantee of the Option). Where any grant of Options to a substantial Shareholder (as defined in the Listing Rules) of the Company or an Independent Non-executive Director or any of their respective associates (as defined in the Listing Rules), would result in the Shares issued or to be issued upon exercise of all Options already granted or to be granted (including Options exercised, cancelled and outstanding) to such person in the twelve (12)-month period up to and including the date of such grant:

- (a) representing in aggregate over 0.1% of the relevant class of Shares in issue; and
- (b) having an aggregate value, based on the closing price of the Shares as stated in the daily quotation sheet issued by the Stock Exchange at the date of each grant, in excess of HK\$5 million,

such further grant of Options must be approved by the Shareholders in general meeting at which the grantee, his associates and all core connected persons of the Company (as defined in the Listing Rules) must abstain from voting in favour at such general meeting. Any vote taken at the general meeting to approve the grant of such Options must be taken by way of a poll.

A circular must be prepared by the Company explaining the proposed grant, disclosing (i) the number and terms of the Options to be granted, (ii) containing a recommendation from the independent non-executive Directors (excluding independent non-executive Director who is the proposed grantee of the Options) as to voting, (iii) the information required under Rule 17.02(2)(c) and (d) and the disclaimer required under Rule 17.02(4); and (iv) the information required under Rule 2.17 of the Listing Rules.

(g) Maximum entitlement of each Participant

The total number of Shares issued and to be issued upon exercise of the Options granted to each Participant or grantee (including exercised and outstanding Options) in any twelve (12)-month period up to the date of grant shall not exceed 1% of the Shares in issue at the date of grant (“**the Individual Limit**”). Where it is proposed that any Offer is to be made to a Participant (or where appropriate, an existing grantee) which would

result in the Shares issued and to be issued upon exercise of all Options granted and to be granted to such person (including exercised, cancelled and outstanding Options) in the twelve (12)-month period up to and including the relevant date of grant to exceed his, her or its Individual Limit, such Offer and any acceptance thereof must be conditional upon Shareholders' approval in general meeting with such Participant (or where appropriate, an existing grantee) and his, her or its close associates (as defined in the Listing Rules) (or his, her or its associates if such Participant is a connected person of the Company) abstaining from voting. The Company must send a circular to the Shareholders disclosing the identity of the Participant or grantee, the number and terms of Options to be granted (and Options previously granted) to such Participant, the information required under Rule 17.02(2)(d) the Listing Rules and the disclaimer under Rule 17.02(4) of the Listing Rules. The number and terms (including the subscription price) of Options to be granted to such Participant must be fixed before the date on which Shareholders' approval is sought and the date of the Board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the subscription price.

(h) Time of Exercise of Options

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

Although there is no specified minimum period under the New Share Option Scheme for which an Option must be held or the performance target which must be achieved before an Option can be exercised under the terms of the New Share Option Scheme, the Directors may make such grant subject to such terms and conditions in relation to the minimum period of the Options to be held and/or performance targets to be achieved as the Directors may determine in their absolute discretion.

(i) Restrictions on the time of grant of Options

Grant of Options may not be made after inside information has come to the Company's knowledge until the Company has announced the information in accordance with the relevant requirements of the Listing Rules. In particular, no Option may be granted during the period commencing one (1) month immediately preceding the earlier of (i) the date of the Board meeting for the approval of the Company's interim or annual results; and (ii) the deadline for the Company to publish its interim or annual results announcement, and ending on the date of such results announcement.

(j) Rights are personal to grantees

An Option is personal to the grantee and shall not be assignable. An Option shall not be sold, transferred, charged, mortgaged, encumbered or created with any interest in favour of any third party.

(k) Rights on cessation of employment by dismissal

If the grantee of an Option is an employee of a member of the Group and ceases to be an employee on one or more of the grounds that he or she has been guilty of persistent or serious misconduct, bankruptcy, insolvency, composition with his or her creditors generally or conviction of any criminal offence (other than an offence which in the opinion of the Directors does not bring the grantee or the Group into disrepute), his or her Option (to the extent not already exercised) will lapse on the date of cessation of his or her employment, save as otherwise determined by the Board.

(l) Rights on death

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

(m) Rights on cessation of employment for other reasons

If the grantee of an Option who is an employee of a member of the Group ceases to be an Participant by resignation, retirement, expiry of employment contract or termination of employment for any reason other than any of the events specified in paragraph (k) or (l) before exercising the Option in full, the Option (to the extent not already exercised) shall lapse on the date of cessation or termination and shall not be exercisable, unless the Board otherwise determines. The date of cessation or termination as aforesaid shall be the last day on which the grantee was actually at work with the Company or its relevant subsidiary whether salary is paid in lieu of notice or not.

(n) Rights on a general or partial offer

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

(o) Rights on winding up

In the event a notice is given by the Company to its members to convene a general meeting for the purpose of considering and, if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date as it despatches such notice to each member of the Company give notice thereof to all grantees and any grantee or his or her personal representative(s) may by notice in writing to the Company

accompanied by a remittance for the full amount of the aggregate subscription price in respect of the relevant Option (such notice to be received by the Company no later than two (2) Business Days prior to the proposed general meeting) exercise the Option (to the extent not already exercised) either to its full extent or to the extent that he or she may specify in his or her notice and the Company shall as soon as possible and in any event no later than the Business Day immediately prior to the date of the proposed general meeting referred to above, allot and issue such number of Shares to the grantee credited as fully paid.

(p) Rights on reconstruction, compromise or arrangement

If a compromise or arrangement between the Company and its members or creditors is proposed for the purpose of or in connection with a scheme for the reconstruction or amalgamation of the Company, the Company shall give notice to the grantee on the same date as it despatches the notice to each member or creditor of the Company to consider such a compromise or arrangement, and thereupon the grantee (or his or her personal representative(s)) may by notice in writing to the Company accompanied by a remittance of the full amount of the subscription price in respect of which the notice is given (such notice to be received by the Company no later than two (2) Business Days prior to the proposed meeting) exercise the Option (to the extent not already exercised) either to its full extent or to the extent specified in the notice and the Company shall as soon as possible and in any event no later than the Business Day immediately prior to the date of the proposed general meeting allot and issue such number of Shares to the grantee credited as fully paid.

(q) Cancellation of Options

The Board may at any time cancel any Option granted but not exercised if the grantee so agrees. Any cancellation of Options granted but not exercised and the issuance of new Options to the same grantee may only be made under the New Share Option Scheme with available unissued Options (excluding the cancelled Options) within the Scheme Mandate Limit.

(r) Effect of alterations to share capital

In the event of any alteration in the capital structure of the Company by way of capitalisation of profits or reserves, rights issue, consolidation, subdivision or reduction of the share capital of the Company (other than an issue of Shares as consideration in respect of a transaction while any Option remains exercisable), such corresponding alterations (if any) will be made in (i) the number or nominal amount of Shares to which the New Share Option Scheme or any Option(s) relates; and/or (ii) the subscription price per Share; and/or (iii) the maximum number of Shares available for subscription; and/or (iv) the method of exercise of the Option, as the auditors or independent financial advisers for the time being of the Company shall at the request of the Company or any grantee certify in writing to be in their opinion fair and reasonable, provided that any such alterations shall be made on the basis that the grantee shall have the same proportion of the issued share capital of the Company to which he was entitled before such alteration and the aggregate

subscription price payable by the grantee on the full exercise of any Option shall remain as nearly as possible the same as (but not greater than) it was before such event, but so that no such alterations shall be made the effect of which would be to enable a Share to be issued at less than its nominal value. Save in the case of a capitalisation issue, the auditors or independent financial advisers for the time being of the Company must confirm to the Directors in writing that such adjustment(s), among others, satisfy the aforesaid requirements.

(s) Ranking of Shares

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

(t) Duration of the New Share Option Scheme

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

(u) Alterations to the terms of the New Share Option Scheme

- (i) The provisions relating to the matters set out in Rule 17.03 of the Listing Rules cannot be altered to the advantage of Participants without the prior approval of Shareholders in a general meeting.
- (ii) Any alterations to the terms and conditions of the New Share Option Scheme which are of a material nature or any change to the terms of Options granted must be approved by Shareholders, except where the alterations take effect automatically under the existing terms of the New Share Option Scheme.
- (iii) The amended terms of the New Share Option Scheme or the Options must still comply with the relevant requirements of Chapter 17 of the Listing Rules.
- (iv) Any change to the authority of the Directors in relation to any alteration to the terms of the New Share Option Scheme must be approved by the Shareholders in general meeting.

APPENDIX IV COMPARISON BETWEEN EXISTING AND NEW MEMORANDUM AND ARTICLES OF ASSOCIATION

The following table shows the comparison between the existing Memorandum and Articles of Association and new Memorandum and Articles of Association after the proposed amendments have taken effect (excluding the amendments arising from replacement of the existing references to “Companies Law (2011 Revision)” by “Companies Law (2016 Revision)”).

Clause No.	Existing Memorandum	New Memorandum
1	The name of the Company is Harmonic Strait Financial Holdings Limited 和協海峽金融集團有限公司.	The name of the Company is Asia Investment Finance Group Limited 亞投金融集團有限公司.
6	The share capital of the Company is HK\$500,000,000 divided into 5,000,000,000 shares of a nominal or par value of HK\$0.10 each with power for the Company insofar as is permitted by law, to redeem or purchase any of its shares and to increase or reduce the said capital subject to the provisions of the Companies Law (2011 Revision) and the Articles of Association and to issue any part of its capital, whether original, redeemed or increased with or without any preference, priority or special privilege or subject to any postponement of rights or to any conditions or restrictions and so that unless the conditions of issue shall otherwise expressly declare every issue of shares whether declared to be preference or otherwise shall be subject to the powers hereinbefore contained.	The share capital of the Company is HK\$10,000,000,000 divided into 100,000,000,000 shares of a nominal or par value of HK\$0.10 each with power for the Company insofar as is permitted by law, to redeem or purchase any of its shares and to increase or reduce the said capital subject to the provisions of the Companies Law (2016 Revision) and the Articles of Association and to issue any part of its capital, whether original, redeemed or increased with or without any preference, priority or special privilege or subject to any postponement of rights or to any conditions or restrictions and so that unless the conditions of issue shall otherwise expressly declare every issue of shares whether declared to be preference or otherwise shall be subject to the powers hereinbefore contained.

Article No.	Existing Article	New Article
2	“the Chairman” shall mean the Chairman presiding at any meeting of members or of the Board;	“the Chairman” shall mean any chairman of the Board elected pursuant to Article 150;
	“the Companies Law” or “the Law” shall mean the Companies Law (2011 Revision), Cap. 22 of the Cayman Islands and any amendments thereto or re-enactments thereof for the time being in force and includes every other law incorporated therewith or substituted therefor;	“the Companies Law” or “the Law” shall mean the Companies Law (2016 Revision), Cap. 22 of the Cayman Islands and any amendments thereto or re-enactments thereof for the time being in force and includes every other law incorporated therewith or substituted therefor;

APPENDIX IV COMPARISON BETWEEN EXISTING AND NEW MEMORANDUM AND ARTICLES OF ASSOCIATION

Article No.	Existing Article	New Article
	“the Companies Ordinance” shall mean the Companies Ordinance (Cap. 32 of the Laws of Hong Kong) as in force from time to time;	“the Companies Ordinance” shall mean the Companies Ordinance (Cap. 622 of the Laws of Hong Kong) as in force from time to time;
	“the Company” or “this Company” shall mean Harmonic Strait Financial Holdings Limited 和協海峽金融集團有限公司;	“the Company” or “this Company” shall mean Asia Investment Finance Group Limited 亞投金融集團有限公司;
86	For all purposes the quorum for a general meeting shall be two members present in person (or in the case of a corporation, by its duly authorised representative) or by proxy provided always that if the Company has only one member of record the quorum shall be that one member present in person or by proxy. No business (except the appointment of a Chairman) shall be transacted at any general meeting unless the requisite quorum shall be present at the commencement of the business.	For all purposes the quorum for a general meeting shall be two members present in person (or in the case of a corporation, by its duly authorised representative) or by proxy provided always that if the Company has only one member of record the quorum shall be that one member present in person or by proxy. No business (except the appointment of a chairman of the meeting) shall be transacted at any general meeting unless the requisite quorum shall be present at the commencement of the business.
88	The Chairman shall take the chair at every general meeting, or, if there be no such Chairman or, if at any general meeting such Chairman shall not be present within 15 minutes after the time appointed for holding such meeting or is unwilling to act, the Directors present shall choose another Director as Chairman, and if no Director be present, or if all the Directors present decline to take the chair, or if the Chairman chosen shall retire from the chair, then the members present (whether in person or represented by proxy or duly authorised representative) shall choose one of their own number to be Chairman.	The Chairman shall take the chair at every general meeting, or, if there be no such Chairman or, if at any general meeting such Chairman shall not be present within 15 minutes after the time appointed for holding such meeting or is unwilling to act, the Directors present shall choose another Director as the chairman of the meeting, and if no Director be present, or if all the Directors present decline to take the chair, or if the chairman chosen shall retire from the chair, then the members present (whether in person or represented by proxy or duly authorised representative) shall choose one of their own number to be chairman. If the Directors have elected more than one Chairman and more than one of the Chairmen are present at the meeting, any one of them as may be agreed amongst themselves or failing such agreement, any one of them elected by all the Directors present, shall preside as the chairman of the meeting.

APPENDIX IV COMPARISON BETWEEN EXISTING AND NEW MEMORANDUM AND ARTICLES OF ASSOCIATION

Article No.	Existing Article	New Article
89	<p>The Chairman may, with the consent of any general meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn any meeting from time to time and from place to place as the meeting shall determine. Whenever a meeting is adjourned for 14 days or more, at least seven clear days' notice, specifying the place, the day and the hour of the adjourned meeting shall be given in the same manner as in the case of an original meeting but it shall not be necessary to specify in such notice the nature of the business to be transacted at the adjourned meeting. Save as aforesaid, no member shall be entitled to any notice of an adjournment or of the business to be transacted at any adjourned meeting. No business shall be transacted at any adjourned meeting other than the business which might have been transacted at the meeting from which the adjournment took place.</p>	<p>The chairman of the meeting may, with the consent of any general meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn any meeting from time to time and from place to place as the meeting shall determine. Whenever a meeting is adjourned for 14 days or more, at least seven clear days' notice, specifying the place, the day and the hour of the adjourned meeting shall be given in the same manner as in the case of an original meeting but it shall not be necessary to specify in such notice the nature of the business to be transacted at the adjourned meeting. Save as aforesaid, no member shall be entitled to any notice of an adjournment or of the business to be transacted at any adjourned meeting. No business shall be transacted at any adjourned meeting other than the business which might have been transacted at the meeting from which the adjournment took place.</p>
90	<p>At any general meeting a resolution put to the vote of the meeting shall be decided on a poll save that the Chairman may, in good faith, allow a resolution which relates purely to a procedural or administrative matter as prescribed under the Listing Rules to be voted on by a show of hands.</p>	<p>At any general meeting a resolution put to the vote of the meeting shall be decided on a poll save that the chairman of the meeting may, in good faith, allow a resolution which relates purely to a procedural or administrative matter as prescribed under the Listing Rules to be voted on by a show of hands.</p>
91	<p>Where a resolution is voted on by a show of hands as permitted under the Listing Rules, a declaration by the Chairman that a resolution has been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the Company's book containing the minutes of proceedings of meetings of the Company shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.</p>	<p>Where a resolution is voted on by a show of hands as permitted under the Listing Rules, a declaration by the chairman of the meeting that a resolution has been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the Company's book containing the minutes of proceedings of meetings of the Company shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.</p>

APPENDIX IV COMPARISON BETWEEN EXISTING AND NEW MEMORANDUM AND ARTICLES OF ASSOCIATION

Article No.	Existing Article	New Article
92	A poll shall (subject as provided in Article 94) be taken in such manner (including the use of ballot or voting papers or tickets) and at such time and place, not being more than 30 days from the date of the meeting or adjourned meeting at which the poll was taken as the Chairman directs. No notice need be given of a poll not taken immediately. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was taken.	A poll shall (subject as provided in Article 94) be taken in such manner (including the use of ballot or voting papers or tickets) and at such time and place, not being more than 30 days from the date of the meeting or adjourned meeting at which the poll was taken as the chairman of the meeting directs. No notice need be given of a poll not taken immediately. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was taken.
94	Any poll on the election of a Chairman of a meeting or on any question of adjournment shall be taken at the meeting and without adjournment.	Any poll on the election of a chairman of a meeting or on any question of adjournment shall be taken at the meeting and without adjournment.
95	In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands or the poll is taken, shall be entitled to a second or casting vote.	In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands or the poll is taken, shall be entitled to a second or casting vote.
103	No objection shall be raised as to the qualification of any person exercising or purporting to exercise any vote or to the admissibility of any vote except at the meeting or adjourned meeting at which the person exercising or purporting to exercise his vote or the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. In the case of any dispute as to the admission or rejection of any vote, the Chairman of the meeting shall determine the same and such determination shall be final and conclusive.	No objection shall be raised as to the qualification of any person exercising or purporting to exercise any vote or to the admissibility of any vote except at the meeting or adjourned meeting at which the person exercising or purporting to exercise his vote or the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. In the case of any dispute as to the admission or rejection of any vote, the chairman of the meeting shall determine the same and such determination shall be final and conclusive.

APPENDIX IV COMPARISON BETWEEN EXISTING AND NEW MEMORANDUM AND ARTICLES OF ASSOCIATION

Article No.	Existing Article	New Article
106	<p>The instrument appointing a proxy and (if required by the Board) the power of attorney or other authority, (if any) under which it is signed, or a notarially certified copy of such power or authority, shall be delivered at the registered office of the Company (or at such other place as may be specified in the notice convening the meeting or in any notice of any adjournment or, in either case, in any document sent therewith) not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll taken subsequently to the date of a meeting or adjourned meeting, not less than 48 hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid provided always that the Chairman of the meeting may at his discretion direct that an instrument of proxy shall be deemed to have been duly deposited upon receipt of telex or cable or facsimile confirmation from the appointor that the instrument of proxy duly signed is in the course of transmission to the Company. No instrument appointing a proxy shall be valid after the expiration of 12 months from the date named in it as the date of its execution. Delivery of any instrument appointing a proxy shall not preclude a member from attending and voting in person at the meeting or poll concerned and, in such event, the instrument appointing a proxy shall be deemed to be revoked.</p>	<p>The instrument appointing a proxy and (if required by the Board) the power of attorney or other authority, (if any) under which it is signed, or a notarially certified copy of such power or authority, shall be delivered at the registered office of the Company (or at such other place as may be specified in the notice convening the meeting or in any notice of any adjournment or, in either case, in any document sent therewith) not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll taken subsequently to the date of a meeting or adjourned meeting, not less than 48 hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid provided always that the chairman of the meeting may at his discretion direct that an instrument of proxy shall be deemed to have been duly deposited upon receipt of telex or cable or facsimile confirmation from the appointor that the instrument of proxy duly signed is in the course of transmission to the Company. No instrument appointing a proxy shall be valid after the expiration of 12 months from the date named in it as the date of its execution. Delivery of any instrument appointing a proxy shall not preclude a member from attending and voting in person at the meeting or poll concerned and, in such event, the instrument appointing a proxy shall be deemed to be revoked.</p>

APPENDIX IV COMPARISON BETWEEN EXISTING AND NEW MEMORANDUM AND ARTICLES OF ASSOCIATION

Article No.	Existing Article	New Article
136	If any question shall arise at any meeting of the Board as to the materiality of a Director's interest or the significance of a contract, arrangement or transaction or proposed contract, arrangement or transaction or as to the entitlement of any Director to vote or form part of a 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 shall be referred to the Chairman of the meeting (or, where question relates to the interest of the Chairman, to the other Directors at the meeting) and his ruling (or, as appropriate, the ruling of the other Directors) in relation to any other Director (or, as appropriate, the Chairman) shall be final and conclusive except in a case where the nature or extent of the interests of the Director concerned (or, as appropriate, the Chairman) as known to such Director (or, as appropriate, the Chairman) has not been fairly disclosed to the Board.	If any question shall arise at any meeting of the Board as to the materiality of a Director's interest or the significance of a contract, arrangement or transaction or proposed contract, arrangement or transaction or as to the entitlement of any Director to vote or form part of a 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 shall be referred to the chairman of the meeting (or, where question relates to the interest of the chairman, to the other Directors at the meeting) and his ruling (or, as appropriate, the ruling of the other Directors) in relation to any other Director (or, as appropriate, the chairman) shall be final and conclusive except in a case where the nature or extent of the interests of the Director concerned (or, as appropriate, the chairman) as known to such Director (or, as appropriate, the chairman) has not been fairly disclosed to the Board.
143	Except as would, if the Company were a company incorporated in Hong Kong, be permitted by Section 157H of the Companies Ordinance as in force at the date of adoption of these Articles, and except as permitted under the Companies Law, the Company shall not directly or indirectly:	Except as would, if the Company were a company incorporated in Hong Kong, be permitted by Part 11 of the Companies Ordinance as in force at the date of adoption of these Articles, and except as permitted under the Companies Law, the Company shall not directly or indirectly:
149	Subject to Articles 131 to 136, questions arising at any meeting of the Board shall be decided by a majority of votes, and in case of an equality of votes the Chairman shall have a second or casting vote.	Subject to Articles 131 to 136, questions arising at any meeting of the Board shall be decided by a majority of votes, and in case of an equality of votes the chairman of the meeting shall have a second or casting vote.

**APPENDIX IV COMPARISON BETWEEN EXISTING AND NEW MEMORANDUM
AND ARTICLES OF ASSOCIATION**

Article No.	Existing Article	New Article
150	The Board may elect a Chairman of its meetings and determine the period for which he is to hold office; but if no such Chairman is elected, or if at any meeting the Chairman is not present within 15 minutes after the time appointed for holding the same, the Directors present may choose one of their number to be Chairman of the meeting.	The Board may elect one or more Chairmen among themselves and determine the period for which he is or they are to hold office; but if no such Chairman is elected, or if at any meeting of the Board the Chairman is not present within 15 minutes after the time appointed for holding the same, the Directors present may choose one of their number to be chairman of the meeting. If there are more than one Chairman present at the meeting, any one of them as may be agreed amongst themselves or failing such agreement, any one of them elected by all the Directors present, shall preside as the chairman of the meeting.

NOTICE OF THE ANNUAL GENERAL MEETING



ASIA INVESTMENT FINANCE GROUP LIMITED

亞投金融集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 33)

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting (“AGM”) of the shareholders of Asia Investment Finance Group Limited (the “**Company**”) will be held at Unit 3201, Bank of America Tower, 12 Harcourt Road, Central, Hong Kong on Monday, 26 June 2017 at 11:00 a.m. for the purpose of considering and, if thought fit, passing with or without modification(s), the following resolutions:

ORDINARY RESOLUTIONS

1. To receive and consider the audited consolidated financial statements and the reports of the directors (the “**Directors**”) and the auditor of the Company for the year ended 31 December 2016;
2. To re-elect Ms. Cheung Kwan as an Executive Director;
3. To re-elect Mr. Wei Jiafu as an Executive Director;
4. To re-elect Mr. Huang Shenglan as an Executive Director;
5. To re-elect Mr. Cheng Wen as an Executive Director;
6. To re-elect Mr. Wong Tin Yau, Kelvin as an Independent Non-executive Director;
7. To re-elect Mr. Ge Ming as an Independent Non-executive Director;
8. To re-elect Mr. Wong Kwong Sum as an Executive Director;
9. To authorise the board of Directors (the “**Board**”) to fix the remuneration of the Directors;
10. To re-appoint Cheng & Cheng Limited as the Company’s auditor and to authorize the Board of Directors to fix its remuneration;

NOTICE OF THE ANNUAL GENERAL MEETING

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

“THAT:

- (a) subject to paragraph (c) 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 additional shares in the capital of the Company and to make or grant offers, agreements and options which would or might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate number amount of shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option 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 of the Company in accordance with the articles of association of the Company in force from time to time, shall not exceed 20% of the aggregate number of the issued shares of the Company on the date of the passing of this resolution and the said approval shall be limited accordingly; and
- (d) for the purposes of this resolution:

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

- (i) the conclusion of the next Annual General Meeting of the Company;
- (ii) the expiration of the period within which the next Annual General Meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; and
- (iii) the passing of an ordinary resolution by shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution; and

“Rights Issue” means an offer of shares open for a period fixed by the Directors to holders of shares whose names appear on the register of members of the Company on a fixed record date in proportion to their then holdings of

NOTICE OF THE ANNUAL GENERAL MEETING

such shares (subject to such exclusions 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 any relevant jurisdiction or the requirements of the Stock Exchange).”

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

“THAT:

- (a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period (as defined below) of all powers of the Company to repurchase the Shares on the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and/or the requirements of the Listing Rules be and is hereby generally and unconditionally approved;
- (b) the aggregate number of Shares which may be repurchased by the Company pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed 10% of the aggregate number of the issued shares of the Company as at the date of this resolution and the authority pursuant to paragraph (a) above shall be limited accordingly; and
- (c) for the purpose of this resolution, “**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:
 - (i) the conclusion of the next Annual General Meeting of the Company;
 - (ii) the expiration of the period within which the next Annual General Meeting of the Company is required by the articles of association of the Company or by any applicable laws to be held; and
 - (iii) the passing of an ordinary resolution by shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution.”

13. As special business, to consider and, if thought fit, pass with or without amendments the following resolution as an ordinary resolution:

“THAT subject to the ordinary resolutions nos. 11 and 12 above being duly passed, the unconditional general mandate granted to the Directors to exercise the powers of the Company to allot, issue and deal with unissued shares of the Company pursuant to resolution no. 11 above be and is hereby extended by the addition thereon of a number representing the aggregate number of the shares of the Company repurchased by the Company under the authority granted pursuant to resolution no. 12, provided that such number shall not exceed 10% of the aggregate number of the issued shares of the Company on the date of the passing of resolution no. 12.”

NOTICE OF THE ANNUAL GENERAL MEETING

14. As special business, to consider and, if thought fit, pass with or without amendments the following resolution as an ordinary resolution:

“THAT:

- (a) subject to and conditional upon the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting the listing of and permission to deal in the shares in the capital of the Company falling to be issued pursuant to the new share option scheme (the “**New Share Option Scheme**”), the terms of which are set out in the document marked “A” which has been produced to the AGM and signed by the chairman of the AGM for the purpose of identification, the rules of the New Share Option Scheme be and are hereby approved and adopted and the Directors be and are hereby authorised to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the New Share Option Scheme, including but without limitation:
- (i) to administer the New Share Option Scheme under which options will be granted to participants eligible under the New Share Option Scheme to subscribe for shares of the Company;
 - (ii) to modify and/or amend the New Share Option Scheme from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the New Share Option Scheme relating to modification and/or amendment;
 - (iii) to allot and issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the exercise of the options under the New Share Option Scheme provided always that the total number of shares subject to the New Share Option Scheme, when aggregated with any shares subject to any other share option schemes of the Company, shall not exceed 10% of the relevant class of the issued share capital of the Company as at the date of passing this resolution, but the Company may seek approval of its shareholders in general meeting for refreshing the 10% limit under the New Share Option Scheme and the maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the New Share Option Scheme and any other share option schemes of the Company shall not exceed 30% of the relevant class of the issued share capital of the Company from time to time;
 - (iv) to make applications at the appropriate time or times to the Stock Exchange and any other stock exchanges upon which the issued shares of the Company may for the time being be listed, for listing of and permission to deal in any shares which may hereafter from time to time be allotted and issued pursuant to the exercise of the options under the New Share Option Scheme; and

NOTICE OF THE ANNUAL GENERAL MEETING

- (v) to consent, if it so deems fit and expedient, to such conditions, modifications and/or variations as may be required or imposed by the relevant authorities in relation to the New Share Option Scheme; and
- (b) conditional upon the New Share Option Scheme becoming unconditional, the existing share option scheme of the Company adopted on 30 October 2007 be and is hereby terminated and ceased to be of any further effect from the date on which the New Share Option Scheme becomes unconditional.”

SPECIAL RESOLUTION

15. **“THAT:**

- (a) the Memorandum and Articles of Association currently in effect be amended in the following manner:

- (1) By deleting all references to “Companies Law (2011 Revision)” and substituting therewith the words “Companies Law (2016 Revision)”;
- (2) Clause 1 of the Memorandum of Association

By deleting Clause 1 of the Memorandum of Association of the Company in its entirety and replacing therewith the following new Clause 1:

“The name of the Company is Asia Investment Financial Group Limited 亞投金融集團有限公司.”

- (3) Clause 6 of the Memorandum of Association

By deletion the words “The share capital of the Company is HK\$500,000,000 divided into 5,000,000,000 shares” at the beginning of Clause 6 of the Memorandum of Association of the Company and replacing therewith the words “The share capital of the Company is HK\$10,000,000,000 divided into 100,000,000,000 shares”;

- (4) Article 2

- (i) By deleting the definition of “the Chairman” in existing Article 2 in its entirety and replacing therewith the following new definition of “the Chairman”:

““the Chairman” shall mean any chairman of the Board elected pursuant to Article 150;”

NOTICE OF THE ANNUAL GENERAL MEETING

- (ii) By deleting the definition of “the Companies Ordinance” in existing Article 2 in its entirety and replacing therewith the following new definition of “the Companies Ordinance”:

““the Companies Ordinance” shall mean the Companies Ordinance (Cap. 622 of the Laws of Hong Kong) as in force from time to time;”

- (iii) By deleting the definition of “the Company” or “this Company” in existing Article 2 in its entirety and replacing therewith the following new definition of “the Company” or “this Company”:

““the Company” or “this Company” shall mean Asia Investment Finance Group Limited 亞投金融集團有限公司;”

- (5) Article 86

By deleting the words “a Chairman” in the last sentence of existing Article 86 and replacing therewith “a chairman of the meeting”;

- (6) Article 88

By deleting the existing Article 88 in its entirety and replacing therewith the following new Article 88:

“The Chairman shall take the chair at every general meeting, or, if there be no such Chairman or, if at any general meeting such Chairman shall not be present within 15 minutes after the time appointed for holding such meeting or is unwilling to act, the Directors present shall choose another Director as the chairman of the meeting, and if no Director be present, or if all the Directors present decline to take the chair, or if the chairman chosen shall retire from the chair, then the members present (whether in person or represented by proxy or duly authorised representative) shall choose one of their own number to be chairman. If the Directors have elected more than one Chairman and more than one of the Chairmen are present at the meeting, any one of them as may be agreed amongst themselves or failing such agreement, any one of them elected by all the Directors present, shall preside as the chairman of the meeting.”

- (7) Article 89

By deleting the words “The Chairman” at the beginning of existing Article 89 and replacing therewith the words “The chairman of the meeting”;

- (8) Article 90

By deleting the words “the Chairman” in existing Article 90 and replacing therewith the words “the chairman of the meeting”;

NOTICE OF THE ANNUAL GENERAL MEETING

(9) Article 91

By deleting the words “the Chairman” in existing Article 91 and replacing therewith the words “the chairman of the meeting”;

(10) Article 92

By deleting the words “the Chairman” in the first sentence in existing Article 92 and replacing therewith the words “the chairman of the meeting”;

(11) Article 94

By deleting the words “a Chairman” in existing Article 94 and replacing therewith the words “a chairman”;

(12) Article 95

By deleting the words “the Chairman” in existing Article 95 and replacing therewith the words “the chairman”;

(13) Article 103

By deleting the words “the Chairman” in the last sentence in existing Article 103 and replacing therewith the words “the chairman”;

(14) Article 106

By deleting the words “the Chairman” in the first sentence in existing Article 106 and replacing therewith the words “the chairman”;

(15) Article 136

By deleting the words “the Chairman” which appear five times in existing Article 136 and replacing each of them therewith the words “the chairman”;

(16) Article 143

By deleting the words “Section 157H of the Companies Ordinance” in existing Article 143 and replacing therewith the words “Part 11 of the Companies Ordinance”;

(17) Article 149

By deleting the words “the Chairman” in existing Article 149 and replacing therewith the words “the chairman of the meeting”; and

NOTICE OF THE ANNUAL GENERAL MEETING

(18) Article 150

By deleting the existing Article 150 in its entirety and replacing therewith the following new Article 150:

“The Board may elect one or more Chairmen among themselves and determine the period for which he is or they are to hold office; but if no such Chairman is elected, or if at any meeting of the Board the Chairman is not present within 15 minutes after the time appointed for holding the same, the Directors present may choose one of their number to be chairman of the meeting. If there are more than one Chairman present at the meeting, any one of them as may be agreed amongst themselves or failing such agreement, any one of them elected by all the Directors present, shall preside as the chairman of the meeting.”

- (b) the existing Memorandum and Articles of Association currently in effect be amended and restated by the deletion in their entirety and the substitution in their place of the Amended and Restated Memorandum and Articles of Association, consolidating all of the proposed amendments referred to in paragraph (a) above, produced at this meeting and marked “A” and initialled by the chairman of this meeting for the purpose of identification.”

For and on behalf of the Board of
Asia Investment Finance Group Limited
Wei Jiafu
Executive Director

Hong Kong, 24 May 2017

Registered office:
Ugland House
Grand Cayman KY1-1104
Cayman Islands

*Head office and principal place of
business in Hong Kong:*
Unit 3201
Bank of America Tower
12 Harcourt Road
Central
Hong Kong

NOTICE OF THE ANNUAL GENERAL MEETING

Notes:

1. In order to determine the eligibility of shareholders to attend and vote at the Annual General Meeting (“AGM”), the register of members of the Company will be closed from 21 June 2017 to 26 June 2017, both days inclusive, during which no transfer of shares will be registered. In order to be eligible to attend and vote at the AGM, all transfer of shares accompanied by the relevant share certificates must be lodged with the Company’s Hong Kong branch share registrar, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong, for registration no later than 4:30 p.m. on 20 June 2017.
2. A member entitled to attend and vote at the AGM is entitled to appoint one or more proxies to attend and, on a poll, vote on his/her behalf. A proxy need not be a member of the Company.
3. To be valid, a form of proxy and the power of attorney or other authority (if any) under which it is signed or materially certified copy of such powers of attorney or authority, must be deposited with the Company’s branch share registrar and transfer office in Hong Kong, Tricor Investor Services limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong not less than 48 hours before the time appointed for holding the AGM or any adjourned AGM (i.e. not later than 11:00 a.m. on Saturday, 24 June 2017).
4. A form of proxy for use at the AGM is enclosed. Whether or not you propose to attend the AGM in person, you are strongly advised to complete and sign the form of proxy in accordance with the instructions printed on it and then deposit with the Company’s branch share registrar and transfer office in Hong Kong as indicated above. Returning the completed form of proxy will not preclude you from attending the AGM and voting in person if you so wish.
5. If two or more persons are jointly registered as holders of a share, the vote of the senior person who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of other joint holders. For this purpose seniority shall be determined by the order in which the names stand on the Company’s register of shareholders in respect of the relevant shares.
6. A shareholder holding more than one share entitled to attend and vote at the AGM need not cast the votes in respect of such shares in the same way on any resolution and therefore may vote a share or some or all such shares either for or against a resolution and/or abstain from voting a share or some or all of the shares and, subject to the terms of the instrument appointing any proxy, a proxy appointed under one or more instruments may vote a share or some or all of the shares in respect of which he is appointed either for or against a resolution and/or abstain from voting.

As at the date of this notice, the Board comprises five Executive Directors, namely Ms. Cheung Kwan, Mr. Wei Jiafu, Mr. Huang Shenglan, Mr. Cheng Wen and Mr. Wong Kwong Sum; and four Independent Non-executive Directors, namely Mr. Anthony Espina, Mr. Wong Tin Yau, Kelvin, Mr. Ge Ming and Mr. Ho Chun Chung, Patrick.