



K. WAH INTERNATIONAL HOLDINGS LIMITED
嘉華國際集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 173)

Incorporated on the 2nd day of May 1989

MEMORANDUM OF ASSOCIATION

AND

BYE-LAWS

*(As adopted by Special Resolution passed on 7th August 1989 and
altered by Special Resolutions passed from 13th September 1990 to 20th June 2007)*

Note:

The Chinese translation thereof is for reference only and the English version shall always prevail in case of any discrepancy or inconsistency between the English version and the Chinese translation.

SPECIAL RESOLUTION
OF
K. WAH INTERNATIONAL HOLDINGS LIMITED

PASSED ON THE 20TH DAY OF JUNE 2007

At the 2007 Annual General Meeting of Shareholders of K. Wah International Holdings Limited (“*Company*”) held at Picasso Room, Basement 1, InterContinental Grand Stanford Hong Kong, 70 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong on 20th June 2007 at 11:00 a.m., the following resolution was duly passed as a Special Resolution:-

SPECIAL RESOLUTION

6. “**THAT** the existing Bye-laws of the Company (“*Bye-laws*”) be and are hereby amended in the following manners:

- (i) (a) Bye-law 107(A)(vii)
By deleting the words “a special resolution” and substituting therefor the words “an ordinary resolution” in the first line; and
- (b) Bye-law 115
By deleting the words “special resolution” and substituting therefor the words “ordinary resolution” in the first line,

and that any Director be and is hereby authorized to take such further action as he may, in his sole and absolute discretion thinks fit for and on behalf of the Company to implement the aforesaid amendments to the existing Bye-laws; and

- (ii) the new Bye-laws, consolidating all of the proposed amendments referred to in Resolution 6(i) and all previous amendments made in compliance with applicable laws, be and are hereby adopted with immediate effect in replacement of the existing Bye-laws.”

(Sd.) Che-woo Lui

Che-woo Lui
Chairman



BERMUDA

**CERTIFICATE OF DEPOSIT OF
MEMORANDUM OF INCREASE OF SHARE CAPITAL**

THIS IS TO CERTIFY that a Memorandum of Increase of Share Capital

of

K. WAH INTERNATIONAL HOLDINGS LIMITED

was delivered to the Registrar of Companies on the **9th** day of **June, 2004** in accordance with section 45(3) of *the Companies Act 1981* ("the Act").

Given under my hand and Seal of
the Registrar of Companies this
15th day of **June, 2004.**

(Sd.) for **Registrar of Companies**

Capital prior to increase:	<u>HK\$388,800,000.00</u>
Amount of increase:	<u>HK\$111,200,000.00</u>
Present Capital:	<u>HK\$500,000,000.00</u>

ORDINARY AND SPECIAL RESOLUTIONS
OF
K. WAH INTERNATIONAL HOLDINGS LIMITED

PASSED ON THE 31ST DAY OF MAY 2004

At the 2004 Annual General Meeting of K. Wah International Holdings Limited duly convened and held at Picasso Room, Basement 1, InterContinental Grand Stanford Hong Kong, 70 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong on Monday, 31st May 2004 at 11:30 am., the following resolutions were duly passed as Ordinary and Special Resolutions:

ORDINARY RESOLUTION

- 5.1 **“THAT** the authorised share capital of the Company be and is hereby increased from HK\$388,800,000 to HK\$500,000,000 by the creation of 1,112,000,000 additional shares of HK\$0.10 each, such additional shares to rank pari passu in all respects with the existing shares of HK\$0.10 each in the capital of the Company.”

SPECIAL RESOLUTION

6. **“THAT** the Bye-laws of the Company be and are hereby amended in the following manners:

- (a) by adding the following definitions in Bye-law 1 immediately before the definition of “Bermuda”:

“ “associate” in relation to any Director, shall have the meaning ascribed to it under Rule 1.01 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and any amendments thereto for the time being in force;

“clearing house” shall mean a recognized clearing house within the meaning of Part 1 of Schedule 1 to the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and any amendments thereto for the time being in force;”;

- (b) by amending Bye-law 96(A) as follows:

(i) deleting the words “Where a member and/or warrant holder is a recognized clearing house (or its nominees) within the meaning of the Securities and Futures (Clearing Houses) Ordinance (Chapter 420 of the Laws of Hong Kong)” in the first, second, third and fourth lines of Bye-law 96(A) and substituting therefor the words “Where a member and/or warrant holder is a clearing house (or its nominee)”; and

(ii) deleting the word “recognized” in the thirteenth line of Bye-law 96(A);

- (c) by adding the following new Bye-law 96(B) immediately after Bye-law 96(A):
- “Where any member is, under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such member in contravention of such requirement or restriction shall not be counted.”;
- (d) by adding the words “, but shall not be taken into account in determining the Directors who are to retire by rotation at such meeting” at the end of Bye-law 100;
- (e) by deleting the existing Bye-law 108(B)(ii) in its entirety and substituting therefor the following Bye-law 108(B)(ii):
- “(ii) Subject to such exceptions specified in the bye-laws as The Stock Exchange of Hong Kong Limited may approve, a Director shall not vote on any board resolution approving or be counted in the quorum in respect of any contract or arrangement in which he or any of his associate(s) is to his knowledge materially interested, and if he shall do so his vote shall not be counted, but this prohibition shall not apply to:
- (a) any contract, arrangement or proposal for the giving to the Director or his associate(s) any security or indemnity in respect of money lent by him or them or obligations undertaken by him or them at the request of or for the benefit of the Company or any of its subsidiaries; and/or
 - (b) any contract, arrangement or proposal for the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his associate(s) has himself or themselves assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security; and/or
 - (c) any contract, arrangement or proposal in relation to an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase where the Director or his associate(s) is/are or to be interested as a participant in the underwriting or sub-underwriting of the offer; and/or
 - (d) any contract, arrangement or proposal in relation to or concerning any other company in which the Director or his associate(s) is/are interested only as an officer(s) or executive(s) of that other company; and/or
 - (e) any contract, arrangement or proposal in relation to or concerning any other company in which the Director or his associate(s) is/are beneficially interested as a holder(s) of shares or other securities of that company, provided that the Director and any of his associates are not in aggregate beneficially interested in 5% or more of such issued shares or securities or the voting rights attaching to such issued shares or securities; and/or

- (f) any contract, arrangement or proposal in relation to or concerning the adoption, modification or operation of any executive and/or employee share scheme or any share incentive or share option scheme under which the Director or his associate(s) may benefit; and/or
 - (g) any contract, arrangement or proposal in relation to or concerning the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates both to the Directors, their associates and employees of the Company or any of its subsidiaries or its associated companies and does not provide in respect of any Director, or his associate(s), as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates; and/or
 - (h) any contract, arrangement or proposal in which the Director or his associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest(s) in shares or debentures or other securities of the Company.”
- (f) by adding the words “and/or his associate(s)” after the words “(other than the chairman of the meeting)” in the second and third lines of Bye-law 108(B)(iii), adding the words “and/or his associate(s)” after the words “of the Director” in the tenth line of Bye-law 108(B)(iii) and adding the words “and/or his associate(s)” after the words “chairman” in the eighteenth line of Bye-law 108(B)(iii); and
- (g) by adding the sentence “The period for lodgement of the said notice under this Bye-law shall commence no earlier than the day after the dispatch of the notice of the meeting appointed for such election and end no later than seven days prior to the date of such meeting, provided that such period shall be at least seven days.” after the word “meeting.” in the eighth line of Bye-law 114.”

(Sd.) Francis Lui Yiu Tung
Francis Lui Yiu Tung
Chairman of the Meeting

SPECIAL RESOLUTION
OF
K. WAH INTERNATIONAL HOLDINGS LIMITED

PASSED ON THE 30TH DAY OF MAY 2002

At the 2002 Annual General Meeting of shareholders of K. Wah International Holdings Limited held at Academy Rooms, Grand Stanford Inter-Continental Hong Kong, 70 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong on 30th May 2002, the following resolution was duly passed as a Special Resolution:-

Special Resolution

“THAT “**嘉華國際集團有限公司**” be adopted as the Company’s Chinese name for the purpose of the Company’s registration in Hong Kong.”

(Sd.) Lui Che Woo
Lui Che Woo
Chairman

SPECIAL RESOLUTION
OF
K. WAH INTERNATIONAL HOLDINGS LIMITED

PASSED ON THE 30TH DAY OF MAY 2002

At the 2002 Annual General Meeting of shareholders of K. Wah International Holdings Limited held at Academy Rooms, Grand Stanford Inter-Continental Hong Kong, 70 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong on 30th May 2002, the following resolution was duly passed as Special Resolution:-

Special Resolution

8. **“THAT** the Bye-laws of the Company be amended as follows:

- (a) By deleting the words “legible and non-transitory form” in the definition of “writing” or “printing” in Bye-law 1 and substituting therefor the following:

“visible form, and including where the representation takes the form of electronic means, provided that the member concerned (where the relevant provision of these Bye-laws require the delivery or service of any document or notice on him in his capacity as member) has elected for the receipt of the relevant document or notice through electronic means and both the mode of service of the relevant document or notice and the member’s election comply with all applicable Statutes, rules and regulations”

The amended definition of “writing” or “printing” will be as follows:

“writing” or “printing” shall include writing, printing, lithography, photography, typewriting and every other mode of representing words or figures in a visible form, and including where the representation takes the form of electronic means, provided that the member concerned (where the relevant provision of these Bye-laws require the delivery or service of any document or notice on him in his capacity as member) has elected for the receipt of the relevant document or notice through electronic means and both the mode of service of the relevant document or notice and the member’s election comply with all applicable Statutes, rules and regulations.”

- (b) By inserting immediately after the following paragraph in Bye-law 1:

“References to any Bye-laws by number are to the particular Bye-law of these Bye-laws.”

the following additional paragraph:

“References to a document being executed include references to it being executed under hand or under seal or by electronic signature or by any other method and references to a notice or document include a notice or document recorded or stored in any digital, electronic, electrical, magnetic or other retrievable form or medium and information in visible form whether having physical substance or not.”

- (c) By inserting between the words “Auditors’ report” and “, shall” in the first sentence of paragraph (B) of Bye-law 172 the following phrase: “(collectively the “Relevant Financial Documents”)”.

The amended Bye-law 172(B) will be as follows:

“172. (B) Every balance sheet of the Company shall be signed on behalf of the Board by two Directors and a copy of every balance sheet (including every document required by law to be comprised therein or attached or annexed thereto) and profit and loss account which is to be laid before the Company in general meeting, together with a copy of the Directors’ report and a copy of the Auditors’ report (collectively the “Relevant Financial Documents”), shall not less than twenty-one days before the date of the meeting, be sent to every member of, and every holder of debentures of, the Company and every person registered under Bye-law 48 and every other person entitled to receive notices of general meetings of the Company under the provisions of the Statutes or of these presents, provided that this Bye-law shall not require a copy of those documents to be sent to any person of whose address the Company is not aware or to more than one of the joint holders of any shares or debentures, but any member or holder of debentures to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application at the registered office or the Registration Office. If all or any of the shares or debentures of the Company shall for the time being be (with the consent of the Company) listed or dealt in on any stock exchange, there shall be forwarded to the appropriate officer of such stock exchange such number of copies of such documents as may for the time being be required under its regulations or practice.”

- (d) By inserting the following as Bye-laws 172(C) and 172(D):

“172. (C) To the extent permitted by and subject to due compliance with all applicable Statutes, rules and regulations, including, without limitation, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited from time to time in force and to obtaining all necessary consents, if any, required thereunder, the requirements in paragraph (B) of this Bye-law shall be deemed satisfied in relation to any person by sending to the person in any manner not prohibited by the Statutes and instead of a copy of the Relevant Financial Documents, a summary financial report derived from the Relevant Financial Documents which shall be in the form and containing the information required by applicable laws and regulations, provided that any person who is otherwise entitled to the Relevant Financial Documents may, if he so requires and in accordance with all applicable

Statutes, rules and regulations (including, without limitation, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited from time to time in force), by notice in writing served on the Company, demand that the Company sends to him, in addition to a summary financial report, a complete printed copy of the Relevant Financial Documents.

(D) The requirement to send to a person referred to in paragraph (B) of this Bye-law the Relevant Financial Documents or a summary financial report in accordance with paragraph (C) of this Bye-law shall be deemed satisfied where, in accordance with all applicable Statutes, rules and regulations, including, without limitation, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited from time to time in force, the Company publishes copies of the Relevant Financial Documents and, if applicable, a summary financial report complying with paragraph (C) of this Bye-law, on the Company's computer network or in any other permitted manner (including by sending any form of electronic communication), and that person has agreed or is deemed to have agreed to treat the publication or receipt of such documents in such manner as discharging the Company's obligation to send to him a copy of the Relevant Financial Documents."

(e) By deleting Bye-law 176 in its entirety and substituting therefor the followings:

"176. Any notice or document (including any "corporate communication" within the meaning ascribed thereto under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited from time to time in force), to be given or issued from the Company to a member, whether or not under these Bye-laws, shall be given in writing or by cable, telex or facsimile transmission message or other form of electronic transmission or communication and any such notice and document may be served or delivered by the Company on or to any member (1) personally or (2) by sending it through the post in a prepaid letter, envelope or wrapper addressed to such member at his registered address as appearing in the register or by delivering it or leaving it at such registered address as aforesaid or (3) as the case may be, by transmitting it to any such address or transmitting it to any telex or facsimile transmission number or electronic number or address or website supplied by him to the Company for the giving of notice or document to him or (4) (in the case of a notice) may be by advertisement in English in a leading English language daily newspaper and (if the Relevant Territory is Hong Kong) in Chinese in a leading Chinese language daily newspaper circulating in the Relevant Territory (where the Relevant Territory is Hong Kong, the aforesaid newspapers shall be included in the list of newspapers issued and published in the Hong Kong Government Gazette for the purposes of section 71A of the Companies Ordinance (Cap. 32 of the Laws of Hong Kong)) or (5) subject to due compliance with all applicable Statutes, rules and regulations, by publishing it on the Company's computer network, giving access to such network to the member and giving to the member a notice stating that the notice or other document is available there (a "notice of availability"). In the case of joint holders of a share, all notices or documents shall be given to that one of the joint holders whose name stands first in the register and notice so given shall be deemed a sufficient service to all the joint holders."

(f) By deleting Bye-law 178 in its entirety and substituting therefor the following:

“178. Any notice or other document (including any “corporate communication” within the meaning ascribed thereto under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited from time to time in force) given or issued by the Company:

- (i) if served by post, shall be deemed to have been served on the day following that on which the envelope or wrapper containing the same is posted and in proving such service it shall be sufficient to prove that the envelope or wrapper containing the notice was properly prepaid, addressed and posted and a certificate in writing signed by the Secretary or other person appointed by the Board that the envelope or wrapper containing the notice or other document was so addressed and put into the post shall be conclusive evidence thereof;
- (ii) if sent by electronic communication, shall be deemed to be given on the day on which it is transmitted from the server of the Company or its agent. A notice or document placed on the Company’s website is deemed given by the Company to a member on the day following that on which a notice of availability is deemed served on the member;
- (iii) if served or delivered in any other manner contemplated by these Bye-laws other than by advertisement in newspapers in accordance with this Bye-law, shall be deemed to have been served or delivered at the time of personal service or delivery or, as the case may be, at the time of the relevant dispatch or transmission; and in proving such service or delivery a certificate in writing signed by the Secretary or other person appointed by the Board as to the fact and time of such service, delivery, despatch or transmission shall be conclusive evidence thereof;
- (iv) if served by advertisement in newspapers in accordance with this Bye-law, shall be deemed to have been served on the day on which the notice is first published; and
- (v) may be given to a member either in the English language or the Chinese language only or in both the English language and Chinese language, subject to due compliance with all applicable Statutes, rules and regulations.”

(g) By inserting in the first sentence of Bye-law 181 after the words “registered address of any member” the following words:

“or served by any means permitted by and”.

The amended Bye-law 181 will be as follow:

“181. Any notice or document delivered or sent by post to, or left at the registered address of any member or served by any means permitted by and in pursuance of these presents, shall notwithstanding that such member be then deceased or bankrupt and whether or not the company has notice of his death or bankruptcy, be deemed to have been duly served in respect of any registered shares whether held solely or jointly with other persons by such member until some other person be registered in his stead as the holder or joint holder thereof, and such service shall for all purposes of these presents be deemed a sufficient service of such notice or document on his personal representatives and all persons (if any) jointly interested with him in any such shares.”

(Sd.) Lui Che Woo
Lui Che Woo
Chairman



BERMUDA

**CERTIFICATE OF DEPOSIT OF
MEMORANDUM OF INCREASE OF SHARE CAPITAL**

THIS IS TO CERTIFY that a Memorandum of Increase of Share Capital

of

K. WAH INTERNATIONAL HOLDINGS LIMITED

was delivered to the Registrar of Companies on the **15th** day of **June, 2001** in accordance with section 45(3) of *the Companies Act 1981* ("the Act").

Given under my hand and Seal of
the Registrar of Companies this
20th day of **June, 2001**.

(Sd.) for **Registrar of Companies**

Capital prior to increase: HK\$288,800,000.00

Amount of increase: HK\$100,000,000.00

Present Capital: HK\$388,800,000.00

ORDINARY RESOLUTION
OF
K. WAH INTERNATIONAL HOLDINGS LIMITED

PASSED ON THE 31ST DAY OF MAY 2001

At the 2001 Annual General Meeting of shareholders of K. Wah International Holdings Limited held at Academy Rooms, Grand Stanford Inter-Continental Hong Kong, 70 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong on 31st May 2001, the following resolution was duly passed as Ordinary Resolution:-

Ordinary Resolution

“**THAT** the authorised share capital of the Company be and is hereby increased from HK\$288,800,000 to HK\$388,800,000 by the creation of 1,000,000,000 additional shares of HK\$0.10 each, such additional shares to rank pari passu in all respects with the existing shares of HK\$0.10 each in the capital of the Company.”

(Sd.) Lui Che Woo
Lui Che Woo
Chairman



BERMUDA

**CERTIFICATE OF DEPOSIT OF
MEMORANDUM OF INCREASE OF SHARE CAPITAL**

THIS IS TO CERTIFY that a Memorandum of Increase of Share Capital

of

K. WAH INTERNATIONAL HOLDINGS LIMITED

was delivered to the Registrar of Companies on the **8th** day of **October, 1999** in accordance with section 45(3) of *the Companies Act 1981* ("the Act").

Given under my hand and Seal of
the Registrar of Companies this
27th day of **October, 1999**.

(Sd.) for **Registrar of Companies**

Capital prior to increase:	<u>HK\$188,800,000.00</u>
Amount of increase:	<u>HK\$100,000,000.00</u>
Present Capital:	<u>HK\$288,800,000.00</u>

ORDINARY RESOLUTIONS
OF
K. WAH INTERNATIONAL HOLDINGS LIMITED

PASSED ON THE 20TH DAY OF SEPTEMBER 1999

At the 1999 Annual General Meeting of shareholders of K. Wah International Holdings Limited held at Academy Rooms, Grand Stanford Harbour View, 70 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong on 20th September 1999, the following resolutions were duly passed as Ordinary Resolutions:-

Ordinary Resolutions

4.1 **“THAT** the authorised share capital of the Company be and is hereby increased from HK\$188,800,000 to HK\$288,800,000 by the creation of 1,000,000,000 additional shares of HK\$0.10 each, such additional shares to rank pari passu in all respects with the existing shares of HK\$0.10 each in the capital of the Company.”

4.2 **“THAT**

(a) subject to paragraph (b) below, the exercise by the directors of the Company during the Relevant Period of all the powers of the Company to purchase shares of the Company be and it is hereby generally and unconditionally approved;

(b) the aggregate nominal amount of shares which may be purchased on The Stock Exchange of Hong Kong Limited or any other stock exchange recognized for this purpose by the Securities and Futures Commission of Hong Kong and The Stock Exchange of Hong Kong Limited under the Hong Kong Code on Share Repurchases pursuant to the approval in paragraph (a) above shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this Resolution, and the said approval shall be limited accordingly; and

(c) for the purpose of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earlier 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 Bye-laws of the Company or The Companies Act 1981 of Bermuda (as amended) to be held; and

(iii) the revocation or variation of the authority given by this Resolution by an ordinary resolution of the shareholders in general meeting.”

4.3 “THAT

- (a) subject to paragraph (c) below and subject to the consent of the Bermuda Monetary Authority, the exercise by the directors of the Company during the Relevant Period 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 might require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the directors of the Company pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue, or (ii) the exercise of rights of subscription or conversion under the terms of any securities which are convertible into shares of the Company, or (iii) any option scheme or similar arrangement for the time being adopted for the grant or issue to officers or directors and/or employees of the Company and/or any of its subsidiaries of the shares or rights to acquire shares of the Company, or (iv) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the Bye-laws of the Company, shall not exceed the aggregate of:
 - (aa) 20% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this Resolution; and
 - (bb) (if the directors are so authorised by a separate ordinary resolution of the shareholders of the Company) the nominal amount of share capital of the Company repurchased by the Company subsequent to the passing of this Resolution (up to a maximum equivalent to 10% of the share capital of the Company in issue at the date of passing this Resolution),

and the said approval shall be limited accordingly; and

- (d) for the purpose of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earlier 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 Bye-laws of the Company or The Companies Act 1981 of Bermuda (as amended) to be held;
- (iii) the revocation or variation of the approval given by this Resolution by an ordinary resolution of the shareholders in general meeting; and

“Rights Issue” means an offer of shares open for a period fixed by the directors of

the Company to holders of shares of the Company on the register on a fixed record date in proportion to their then holdings of such shares (subject to such exclusion or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognized regulatory body or any stock exchange in, any territory outside Hong Kong).”

- 4.4 “**THAT** the directors of the Company be and they are hereby authorised to exercise the powers of the Company referred to in paragraph (a) of the resolution set out as resolution 4.3 in the notice of the meeting of which this Resolution forms a part in respect of the share capital of the Company referred to in sub-paragraph (bb) of paragraph (c) of such resolution.”

(Sd.) Lui Che Woo
Lui Che Woo
Chairman



BERMUDA

**CERTIFICATE OF DEPOSIT OF
MEMORANDUM OF INCREASE OF SHARE CAPITAL**

THIS IS TO CERTIFY that a Memorandum of Increase of Share Capital

of

K. WAH INTERNATIONAL HOLDINGS LIMITED

was delivered to the Registrar of Companies on the **15th** day of **October, 1997** in accordance with section 45(3) of *the Companies Act 1981* ("the Act").

Given under my hand this
20th day of **October, 1997.**

(Sd.) for **Registrar of Companies**

Capital prior to increase: HK\$138,000,000.00

Amount of increase: HK\$ 50,800,000.00

Present Capital: HK\$188,800,000.00

ORDINARY RESOLUTIONS

OF

K. WAH INTERNATIONAL HOLDINGS LIMITED

PASSED ON THE 23RD DAY OF SEPTEMBER 1997

At the 1997 Annual General Meeting of shareholders of K. Wah International Holdings Limited held at Academy Rooms, Grand Stanford Harbour View, 70 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong on 23rd September 1997, the following resolutions were duly passed as Ordinary Resolutions:-

Ordinary Resolutions

5.1 “**THAT** the authorised share capital of the Company be and is hereby increased from HK\$138,000,000 to HK\$188,800,000 by the creation of 508,000,000 additional shares of HK\$0.10 each, such additional shares to rank pari passu in all respects with the existing shares of HK\$0.10 each in the capital of the Company.”

5.2 “**THAT**

- (a) subject to paragraphs (b) and (c) below, the exercise by the directors of the Company during the Relevant Period of all the powers of the Company to purchase shares and warrants of the Company be and it is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of shares which may be purchased on The Stock Exchange of Hong Kong Limited or any other stock exchange recognized for this purpose by the Securities and Futures Commission of Hong Kong and The Stock Exchange of Hong Kong Limited under the Hong Kong Code on Share Repurchases pursuant to the approval in paragraph (a) above shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this Resolution, and the said approval shall be limited accordingly;
- (c) the aggregate amount of warrants which may be purchased on The Stock Exchange of Hong Kong Limited or any other stock exchange recognized for this purpose by the Securities and Futures Commission of Hong Kong and The Stock Exchange of Hong Kong Limited under the Hong Kong Code on Share Repurchases pursuant to the approval in paragraph (a) above shall not exceed 10% of the aggregate amount of warrants of the Company outstanding at the date of passing this Resolution, and the said approval shall be limited accordingly; and
- (d) for the purpose of this Resolution:

“Relevant Period means the period from the passing of this Resolution until whichever is the earlier 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 Bye-laws of the Company or The Companies Act 1981 of Bermuda (as amended) to be held; and
- (iii) the revocation or variation of the authority given by this Resolution by an ordinary resolution of the shareholders in general meeting.”

5.3 “THAT

- (a) subject to paragraph (c) and subject to the consent of the Bermuda Monetary Authority, the exercise by the directors of the Company during the Relevant Period 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 might require the exercise of such power be and it is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the directors of the Company pursuant to the approval in paragraph (a), otherwise than pursuant to (i) a Rights Issue, or (ii) the exercise of rights of subscription or conversion under the terms of any warrants issued by the Company or any securities which are convertible into shares of the Company, or (iii) any option scheme or similar arrangement for the time being adopted for the grant or issue to officers or directors and/or employees of the Company and/or any of its subsidiaries of the shares or rights to acquire shares of the Company, or (iv) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the Bye-laws of the Company, shall not exceed the aggregate of:
 - (aa) 20% of the aggregate nominal amount of the share capital of the Company in issue at the date of this Resolution; and
 - (bb) (if the directors are so authorised by a separate ordinary resolution of the shareholders of the Company) the nominal amount of share capital of the Company repurchased by the Company subsequent to the passing of this Resolution (up to a maximum equivalent to 10% of the share capital of the Company in issue at the date of passing this Resolution),

and the said approval shall be limited accordingly; and

- (d) for the purpose of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earlier 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 Bye-laws of the Company or The Companies Act 1981 of Bermuda (as amended) to be held;
- (iii) the revocation or variation of the approval given by this Resolution by an ordinary resolution of the shareholders in general meeting; and

“Rights issue” means an offer of shares open for a period fixed by the directors of the Company to holders of shares of the Company on the register on a fixed record date in proportion to their then holdings of such shares (subject to such exclusion or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognized regulatory body or any stock exchange in, any territory outside Hong Kong).”

- 5.4 “**THAT** the directors of the Company be and they are hereby authorised to exercise the powers of the Company referred to in paragraph (a) of the resolution set out as resolution 5.3 in the notice of the meeting of which this Resolution forms a part in respect of the share capital of the Company referred to in sub-paragraph (bb) of paragraph (c) of such resolution.”

(Sd.) Lui Che Woo
Lui Che Woo
Chairman

ORDINARY AND SPECIAL RESOLUTIONS
OF
K. WAH INTERNATIONAL HOLDINGS LIMITED

PASSED ON THE 10TH DAY OF SEPTEMBER 1996

At the 1996 Annual General Meeting of shareholders of K. Wah International Holdings Limited held at Academy Rooms, Grand Stanford Harbour View, 70 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong on 10th September 1996, the following resolutions were duly passed as Ordinary and Special Resolutions:-

Ordinary Resolutions

5.1 **“THAT**

- (a) subject to paragraphs (b) and (c) below, the exercise by the Directors of the Company during the Relevant Period of all the powers of the Company to purchase shares and warrants of the Company be and it is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of shares which may be purchased on The Stock Exchange of Hong Kong Limited or any other stock exchange recognized for this purpose by the Securities and Futures Commission of Hong Kong and The Stock Exchange of Hong Kong Limited under the Hong Kong Code on Share Repurchases pursuant to the approval in paragraph (a) above shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this Resolution, and the said approval shall be limited accordingly;
- (c) the aggregate amount of warrants which may be purchased on The Stock Exchange of Hong Kong Limited or any other stock exchange recognized for this purpose by the Securities and Futures Commission of Hong Kong and The Stock Exchange of Hong Kong Limited under the Hong Kong Code on Share Repurchases pursuant to the approval in paragraph (a) above shall not exceed 10 per cent. of the aggregate amount of warrants of the Company outstanding at the date of passing this Resolution, and the said approval shall be limited accordingly; and
- (d) for the purpose of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earlier 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 Bye-laws of the Company or The Companies Act 1981 of Bermuda (as amended) to be held;

- (iii) the revocation or variation of the authority given by this Resolution by an ordinary resolution of the shareholders in general meeting.”

5.2 “THAT

- (a) subject to paragraph (c) and subject to the consent of the Bermuda Monetary Authority, the exercise by the Directors of the Company during the Relevant Period 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 might require the exercise of such power be and it is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) shall authorise the Directors of the Company during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors of the Company pursuant to the approval in paragraph (a), otherwise than pursuant to (i) a Rights Issue, or (ii) the exercise of rights of subscription or conversion under the terms of any warrants or any securities which are convertible into shares of the Company, or (iii) any option scheme or similar arrangement for the time being adopted for the grant or issue to officers or directors and/or employees of the Company and/or any of its subsidiaries of the shares or rights to acquire shares of the Company, or (iv) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the Bye-laws of the Company, shall not exceed the aggregate of:-
 - (aa) 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue at the date of this Resolution; and
 - (bb) (if the Directors are so authorised by a separate ordinary resolution of the shareholders of the Company) the nominal amount of share capital of the Company repurchased by the Company subsequent to the passing of this Resolution (up to a maximum equivalent to 10 per cent. of the share capital of the Company in issue at the date of passing 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 earlier 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 Bye-laws of the Company or The Companies Act 1981 of Bermuda (as amended) to be held;
- (iii) the revocation or variation of the approval given by this Resolution by an ordinary resolution of the shareholders in general meeting; and

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

- 5.3 **“THAT** the directors of the Company be and they are hereby authorised to exercise the powers of the Company referred to in paragraph (a) of the resolution set out as resolution 5.2 in the notice of the meeting of which this Resolution forms a part in respect of the share capital of the Company referred to in sub-paragraph (bb) of paragraph (c) of such resolution.”

Special Resolutions

- 6.1 **“THAT** the Bye-laws of the Company be and are hereby amended by inserting the following words after the words “21 days” appearing on the 2nd line of Bye-law 16:

“,or such other period as The Stock Exchange of Hong Kong Limited may from time to time prescribe in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited,” ”;

- 6.2 **“THAT** the Bye-laws of the Company be and are hereby amended by deleting the words “HK\$2” appearing on the 7th line of Bye-law 16 and substituting therefor the words “HK\$2.50 or such fee or fees not exceeding the maximum fees as prescribed by The Stock Exchange of Hong Kong Limited from time to time in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited” ”;

- 6.3 **“THAT** the Bye-laws of the Company be and are hereby amended by deleting the words “HK\$2” appearing on the 11th line of Bye-law 17(b) and substituting therefor the words “HK\$2.50 or such fee or fees not exceeding the maximum fees as prescribed by The Stock Exchange of Hong Kong Limited from time to time in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited” ”;

- 6.4 **“THAT** the Bye-laws of the Company be and are hereby amended by deleting the words “HK\$2” appearing on the 5th line of Bye-law 20(A) and substituting therefor the words “HK\$2.50 or such fee or fees not exceeding the maximum fees as prescribed by The Stock Exchange of Hong Kong Limited from time to time in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited” ”;

- 6.5 **“THAT** the Bye-laws of the Company be and are hereby amended by deleting the words “HK\$2” appearing on the 7th line of Bye-law 20(B) and substituting therefor the words “HK\$2.50 or such fee or fees not exceeding the maximum fees as prescribed by The Stock Exchange of Hong Kong Limited from time to time in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited” ”;

- 6.6 **“THAT** the Bye-laws of the Company be and are hereby amended by deleting the words “HK\$2” appearing on the 3rd line of Bye-law 21 and substituting therefor the words “HK\$2.50 or such fee or fees not exceeding the maximum fees as prescribed by The Stock Exchange of Hong Kong Limited from time to time in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited” ”;

- 6.7 **“THAT** the Bye-laws of the Company be and are hereby amended by deleting the word “only” appearing on the 4th line of Bye-law 38 and substituting therefor the words “or by mechanically imprinted signature or such other manner as the Board may from time to time approve” ”;
- 6.8 **“THAT** the Bye-laws of the Company be and are hereby amended by deleting the words “HK\$2” appearing on the 2nd line of Bye-law 42(i) and substituting therefor the words “HK\$2.50 or such fee or fees not exceeding the maximum fees as prescribed by The Stock Exchange of Hong Kong Limited from time to time in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited” ”;
- 6.9 **“THAT** the Bye-laws of the Company be and are hereby amended by inserting the words “or by proxy” after the words “authorised representative)” appearing on the 3rd line of Bye-law 74”;
- 6.10 **“THAT** the Bye-laws of the Company be and are hereby amended by inserting the following new Bye-law 96(A) after the existing Bye-law 96:
- “96 (A) Where a member and/or warrant holder is a recognized clearing house (or its nominees) within the meaning of the Securities and Futures (Clearing Houses) Ordinance (Chapter 420 of the Laws of Hong Kong), it may authorise such person or persons as it thinks fit to act as its proxy or proxies or as its representative (or representatives, to the extent permitted by the Companies Act) attending any members’ general meeting or any meeting of any class of members and/or warrant holders’ meeting provided that, if more than one proxy or representative is so authorised, the authorisation must specify the number and class of shares and/or warrants in respect of which each such proxy or representative is so authorised. The proxy or representative so authorised will be entitled to exercise the same power on behalf of the recognized clearing house as that clearing house (or its nominees) could exercise as if it were an individual member and/or warrant holder of the Company attending any members’ general meeting or any meeting of any class of members and/or warrant holders of the Company in person including, without limitation to the generality of the foregoing, the right to vote individually on a show of hands notwithstanding the provision of Bye-law 85.” ”
- 6.11 **“THAT** the Bye-laws of the Company be and are hereby amended by renumbering Bye-law 106 as Bye-law 106(A) and by adding the following new Bye-law 106(B) thereafter:
- “106 (B) Payments to any director or past director of any sum by way of compensation for loss of office or as consideration for or in connection with his retirement from office (not being a payment to which the director is contractually entitled) must be approved by the Company in general meeting.” ”

(Sd.) Lui Che Woo
Lui Che Woo
Chairman

FORM NO. 7a



BERMUDA

THE COMPANIES ACT 1981
**CERTIFICATE OF DEPOSIT OF
MEMORANDUM OF INCREASE OF SHARE CAPITAL**

THIS IS TO CERTIFY that a Memorandum of Increase of Share Capital

of

K. WAH INTERNATIONAL HOLDINGS LIMITED

was deposited in the Office of the Registrar of Companies
on the

18th day of October, 1995

IN WITNESS WHEREOF I have
hereto set my hand this
18th day of October, 1995

(Sd.) for **REGISTRAR OF COMPANIES**

Capital prior to increase: HK\$100,000,000.00

Amount of increase: HK\$ 38,000,000.00

Present Capital: HK\$138,000,000.00

ORDINARY AND SPECIAL RESOLUTIONS

of

K. WAH INTERNATIONAL HOLDINGS LIMITED

PASSED ON THE 28TH DAY OF SEPTEMBER 1995

At the Special General Meeting of shareholders of K. Wah International Holdings Limited held at 28th Floor, K. Wah Centre, 191 Java Road, North Point, Hong Kong on 28 September 1995, the following resolutions were duly passed as Ordinary and Special Resolutions:-

As Ordinary Resolutions

- (1) **“THAT** the Directors of the Company be and they are hereby authorised:-
- (a) to create and issue warrants (“1997 Warrants”) which shall be in registered form and shall be exercisable at any time between the first dealing day and 31st December 1997, both days inclusive, to subscribe at subscription price of HK\$1.68 per share, subject to adjustment, for shares in the capital of the Company subject to the terms and conditions set out in the warrant instrument (a copy of a draft of which marked “A” has been produced to the Meeting and signed for the purpose of identification by the Chairman hereof) and to issue the same by way of bonus to and among the persons who were registered as holders of the existing issued shares in the capital of the Company at the close of business on 28th September 1995 in the proportion of one 1997 Warrant carrying the right to subscribe HK\$1.68 for shares in the capital of the Company for every ten shares then held provided that:-
 - (i) in the case of persons having registered addresses in the United States of America, the United Kingdom, Canada, Singapore, Japan, Malaysia or Australia, the relevant warrants shall not be issued to such persons but shall be aggregated and issued to a nominee to be named by the directors of the Company and such warrants shall be sold in the market as soon as practicable after dealings in the 1997 Warrants commence and the net proceeds of sale, after deduction of expenses, shall be distributed to such persons pro rata to their respective shareholdings unless the amount falling to be distributed to any such person shall be less than HK\$100 in which case such amount shall be retained for the benefit of the Company;
 - (ii) no fractional entitlements to 1997 Warrants shall be issued as aforesaid, but the fractional entitlements shall be aggregated and sold for the benefit of the Company;
 - (iii) the directors of the Company shall do all such acts and things as they consider necessary or expedient to give effect to the foregoing arrangements; and
 - (b) to allot and issue new shares in the capital of the Company arising from the exercise of subscription rights under the 1997 Warrants or any of them.”

- (2) “**THAT** the new share option scheme referred to in the Circular of the Company dated 5th September 1995, the terms of which are set out in the printed document marked “B” now produced to the Meeting and for the purpose of identification signed by the Chairman hereof, be approved and adopted and that the Directors of the Company be authorised to grant options thereunder and to allot and issue shares pursuant to the same and to take all such steps as may be necessary or desirable to implement such share option scheme and to vote on any matter connected therewith notwithstanding that they or any of them may be interested in the same.”
- (3) “**THAT** the authorised share capital of the Company be increased from HK\$100,000,000.00 divided into 1,000,000,000 shares of HK\$0.10 each to HK\$138,000,000.00 divided into 1,380,000,000 shares of HK\$0.10 each, such new Shares to rank pari passu in all respects with the existing shares of the Company.”
- (4) “**THAT:-**
- (a) subject to paragraphs (b) and (c) below, the exercise by the directors of the Company during the Relevant Period of all the powers of the Company to purchase shares and warrants of the Company be and it is hereby generally and unconditionally approved;
 - (b) the aggregate nominal amount of shares which may be purchased on The Stock Exchange of Hong Kong Limited or any other stock exchange recognized for this purpose by the Securities and Futures Commission of Hong Kong and The Stock Exchange of Hong Kong Limited under the Hong Kong Code on Share Repurchases pursuant to the approval in paragraph (a) above shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this Resolution, and the said approval shall be limited accordingly;
 - (c) the aggregate amount of warrants which may be purchased on The Stock Exchange of Hong Kong Limited or any other stock exchange recognized for this purpose by the Securities and Futures Commission of Hong Kong and The Stock Exchange of Hong Kong Limited under the Hong Kong Code on Share Repurchases pursuant to the approval in paragraph (a) above shall not exceed 10 per cent. of the aggregate amount of warrants of the Company issued or to be issued pursuant to Ordinary Resolution No. 1 as set out in the notice convening this meeting, and the said approval shall be limited accordingly; and
 - (d) for the purpose of this Resolution “Relevant Period means the period from the passing of this Resolution until whichever is the earlier 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 Bye-laws of the Company or The Companies Act 1981 of Bermuda (as amended) to be held; and
 - (iii) the revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders in general meeting.”

As Special Resolution

- (5) “**THAT** the Bye-laws of the Company be altered by the deletion of existing paragraph (B) of Bye-law 3 which reads as follows:-

“(B) The power contained in the Memorandum of Association for the Company to purchase or otherwise acquire its shares shall be exercisable by the Board upon such terms and subject to such conditions as it thinks fit.”

and the substitution therefor of the following new paragraph (B) of Bye-law 3 :-

“(B) Subject to the Statutes and where applicable, the rules or regulations issued by The Stock Exchange of Hong Kong Limited or the Securities and Futures Commission of Hong Kong, the power of the Company to purchase or otherwise acquire its own securities, including shares and warrants, shall be exercisable by the Board upon such terms and conditions as it thinks fit.” ”

(Sd.) Lui Che Woo
Lui Che Woo
Chairman



BERMUDA

THE COMPANIES ACT 1981
**CERTIFICATE OF DEPOSIT OF
MEMORANDUM OF INCREASE OF SHARE CAPITAL**

THIS IS TO CERTIFY that a Memorandum of Increase of Share Capital

of

K. WAH INTERNATIONAL HOLDINGS LIMITED

was deposited in the Office of the Registrar of Companies
on the

30th day of October, 1992

IN WITNESS WHEREOF I have
hereto set my hand this
30th day of October, 1992

(Sd.) for **Registrar of Companies**

Capital prior to increase: HK\$ 80,000,000.00

Amount of increase: HK\$ 20,000,000.00

Present Capital: HK\$100,000,000.00



BERMUDA

THE COMPANIES ACT 1981
**CERTIFICATE OF DEPOSIT OF
MEMORANDUM OF INCREASE OF SHARE CAPITAL**

THIS IS TO CERTIFY that a Memorandum of Increase of Share Capital

of

K. WAH INTERNATIONAL HOLDINGS LIMITED

was deposited in the Office of the Registrar of Companies
on the

30th day of October, 1992

IN WITNESS WHEREOF I have
hereto set my hand this
30th day of October, 1992

(Sd.) for **Registrar of Companies**

Capital prior to increase: HK\$60,000,000.00

Amount of increase: HK\$20,000,000.00

Present Capital: HK\$80,000,000.00

ORDINARY RESOLUTIONS

of

K. WAH INTERNATIONAL HOLDINGS LIMITED

Passed on the 30th June, 1992

At a Special General Meeting of the shareholders of K. Wah International Holdings Limited duly convened and held at 29th Floor, K. Wah Centre, 191 Java Road, North Point, Hong Kong on 30th June 1992, the following resolutions were duly passed as Ordinary Resolutions of the Company:

ORDINARY RESOLUTIONS

1. ISSUE OF BONDS

“THAT, conditional on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) approving the issue of the HK\$250,000,000 subordinated convertible bonds (the “Bonds”) subject to and upon the terms and conditions of an instrument, the draft of which was tabled at this Meeting (the “Bond Instrument”) and the Listing Committee of the Stock Exchange granting or agreeing to grant permission to deal in the ordinary shares of the Company to be issued upon exercise of the conversion right attached to each of the Bonds and the approval of the Bermuda Monetary Authority to the creation and issue of the Bonds, to the proposed increase in the authorised share capital of the Company to HK\$100,000,000 and to the issue of ordinary shares of the Company upon conversion of the Bonds:-

- (A) the Company’s share capital be altered by increasing its authorised share capital from HK\$80,000,000 to HK\$100,000,000 by the creation of an additional 200,000,000 shares of HK\$0.10 each;
- (B) the proposed issue of the Bonds on the terms and subject to the conditions set out in the Bond Instrument be and is hereby approved, that the Bond Instrument be executed by way of deed poll and under the common seal of the Company in accordance with its bye-laws and the directors of the Company (the “Directors”) be and they are hereby authorised to allot and issue ordinary shares of the Company pursuant to the conversion of each of the Bonds; and
- (C) the issue of HK\$125,000,000 and HK\$2,000,000 of the Bonds to Herzinger Limited and Tung Tai Nominees Limited respectively be and it is hereby approved.”

2. GENERAL MANDATE TO ISSUE SHARES

“THAT:-

- (A) subject to paragraph (C) below, pursuant to the Rules Governing the Listing of Securities on the Stock Exchange, the exercise by the Directors during the Relevant Period (as defined in paragraph (D) 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 might require the exercise of such power 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 might require the exercise of such power after the end of the Relevant Period;
- (C) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the directors of the Company pursuant to the approval in paragraph (A) above, otherwise than pursuant to (i) a Rights Issue (as defined in paragraph (D) below); or (ii) the exercise of the share option scheme adopted by the Company or to the exercise of the subscription rights attaching to the 1993 warrants of the Company shall not exceed 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue and the said approval shall be limited accordingly;
- (D) for the purposes of this Resolution:-

“Relevant Period means the period from the passing of this Resolution until whichever is the earlier 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 its bye-laws or the Companies Act (1981) of Bermuda (as amended) or any other applicable law of Bermuda to be held; and

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

(Sd.) Mr. Leo Lee Tung Hai
Chairman

ORDINARY RESOLUTIONS

of

K. WAH INTERNATIONAL HOLDINGS LIMITED

Passed on the 13th September, 1990

At a Special General Meeting of the shareholders of K. Wah International Holdings Limited duly convened and held at the Academy Rooms, Harbour View Holiday Inn, 70 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong on 13th September, 1990, the following resolutions were duly passed as Ordinary Resolutions of the Company:

ORDINARY RESOLUTION

“THAT the authorised share capital of the Company be increased to HK\$80,000,000 by the creation of 200,000,000 shares of HK\$0.10 each, such additional shares to rank pari passu in all respects with the existing issued and unissued shares of the Company.”

ORDINARY RESOLUTION

“THAT the maximum number of directors of the Company be fixed at 15 and that the directors of the Company be authorised to appoint directors up to such maximum number in addition to those in office at the close of the 1990 annual general meeting.”

(Sd.) Mr. Lui Che Woo
Chairman

SPECIAL RESOLUTION
of
K. WAH INTERNATIONAL HOLDINGS LIMITED

Passed on the 13th September, 1990

At a Special General Meeting of the shareholders of K. Wah International Holdings Limited duly convened and held at the Academy Rooms, Harbour View Holiday Inn, 70 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong on 13th September, 1990, the following resolution was duly passed as a Special Resolution of the Company:

SPECIAL RESOLUTION

1. **“THAT** the Bye-laws of the Company be amended in the following manner:-
 - (a) by deleting the words “two months” appearing in Bye-laws 16 and substituting therefor “21 days”;
 - (b)
 - (i) by deleting the words “*The members shall have power or shall authorise the Directors” appearing in Bye-law 100 and substituting therefor “The Board shall have power”;
 - (ii) by adding the following words between the words “casual vacancy or” and “as an addition to the Board” in Bye-law 100:-

“, subject to the statutes and to Bye-law 111.”;
 - (iii) by deleting the words “*To be read in conjunction with Bye-law 189(v)” appearing as a note to Bye-law 100;
 - (c) by deleting paragraph (A)(ii) of Bye-law 108 and substituting therefor the following:-

“(ii) A Director, notwithstanding his interest, may be counted in the quorum present at any meeting at which he or any other director is appointed to hold any office or place of profit under the Company or at which the terms of any such appointment are arranged, and he may vote on any such appointment or arrangement other than his own appointment or the arrangement of the terms thereof.”;
 - (d) by deleting paragraph (B)(ii) of Bye-law 108 and substituting therefor the following:-

“(ii) A Director shall not vote or be counted in the quorum in respect of any contract or arrangement in which he is to his knowledge materially interested, and if he shall do so his vote shall not be counted, but this prohibition shall not apply to:-

- (a) any contract, arrangement or proposal for giving the Director any security or indemnity in respect of money lent by him to or obligations undertaken by him for the benefit of the Company or any of its wholly-owned subsidiaries; and/or
 - (b) any contract, arrangement or proposal for the giving by the Company or any of its wholly-owned subsidiaries of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its wholly-owned subsidiaries for which the Director himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security; and/or
 - (c) any contract, arrangement or proposal in relation to an offer of shares or debentures or other securities of or by the Company for subscription or purchase where the Director is or is to be interested as a participant in the underwriting or sub-underwriting of the offer; and/or
 - (d) any contract, arrangement or proposal in relation to or concerning any other company in which he is interested only as an officer of that other company; and/or
 - (e) any contract, arrangement or proposal in relation to or concerning any other company in which the Director is interested as a holder of shares or other securities of that company Provided that the interest of such Director (together with any of his associates, as defined in the rules for the time being of The Stock Exchange of Hong Kong Limited) in such shares or securities is less than five per cent of such issued shares or securities or the voting rights attaching to such issued shares or securities; and/or
 - (f) any contract, arrangement or proposal in relation to or concerning the adoption, modification or operation of any executive and/or employee share scheme under which the Director may benefit.”;
- (e) by re-numbering existing paragraphs (B)(iii) and (B)(iv) of Bye-law 108 as “(B)(iv)” and “(B)(v)” respectively and adding the following new paragraph (B)(iii):-

“(iii) If any question shall arise at any meeting of the Board as to the materiality of the interest of a Director (other than the chairman of the meeting) or as to the entitlement of any Director (other than such chairman) to vote or be counted in the quorum and such question is not resolved by his voluntarily agreeing to abstain from voting or not to be counted in the quorum, such question shall be referred to the chairman of the meeting and his ruling in relation to such other Director shall be final and conclusive except in a case where the nature or extent of the interest of the Director concerned as known to such Director has not been fairly disclosed to the Board. If any question as aforesaid shall arise in respect of the chairman of the meeting such question shall be decided by a resolution of the Board (for which purpose such chairman and any of the other directors present who are materially interested in the contract or arrangement in question shall be counted in the quorum but shall not vote thereon) and such resolution shall

be final and conclusive except in a case where the nature or extent of the interest of such chairman as known to such chairman has not been fairly disclosed to the Board.”;

- (f) by deleting the words “, or be about to be appointed” and the words “or may become” appearing in the second sentence of paragraph B(iii) of Bye-law 108 (to be re-numbered B(iv)) and by adding a new sentence to the said paragraph as follows:-

“A Director may not vote in favour of the exercise of the aforesaid voting rights in respect of his own appointment as an officer of the company in question although he may be counted in the quorum at the relevant meeting of the Board.”

- (g) by adding the following sentence to the end of Bye-law 111:-

“The Company may also in general meeting authorise the Board to appoint any person as a Director as an addition to the Board up to the maximum number fixed by the Company.”;

- (h) by deleting the second sentence of Bye-law 115 and substituting therefor the following:-

“Any person so elected shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election, but shall not be taken into account in determining the Directors who are to retire by rotation at such meeting.”;

- (i) by deleting the words “one or more newspapers” in Bye-law 176 and substituting therefor the following:-

“in English in a leading English language daily newspaper and (if the Relevant Territory is Hong Kong) in Chinese in a leading Chinese language daily newspaper”.

and by adding after the first sentence of Bye-law 176 the following sentence:-

“Where the Relevant Territory is Hong Kong, the aforesaid daily newspapers shall be included in the list of newspapers issued and published in the Hong Kong Government Gazette for the purposes of section 71A of the Companies Ordinance (Cap. 32 of the laws of Hong Kong).”

- (j) by deleting Bye-law 189(v) and renumbering Bye-laws 189(vi) to (xii) and all references thereto Bye-laws 189(v) to (xi) respectively.”

(Sd.) Mr. Lui Che Woo
Chairman



THE COMPANIES ACT 1981
**CERTIFICATE OF DEPOSIT OF
MEMORANDUM OF INCREASE OF SHARE CAPITAL**

THIS IS TO CERTIFY that a Memorandum of Increase of Share Capital

of

K. WAH INTERNATIONAL HOLDINGS LIMITED

was deposited in the Office of the Registrar of Companies
on the

4th day of October, 1989

IN WITNESS WHEREOF I have
hereto set my hand this
4th day of October, 1989

(Sd.) for **Registrar of Companies**

Capital prior to increase: HK\$ 100,000.00

Amount of increase: HK\$59,900,000.00

Present Capital: HK\$60,000,000.00

Stamp Duty Paid: BD\$ 19,168.00

No. F4581
編號



**COMPANIES ORDINANCE
(CHAPTER 32)**

香港法例第32章
公司條例

**CERTIFICATE OF REGISTRATION
OF CHANGE OF NAME OF OVERSEA COMPANY**
海外公司更改名稱登記證明書

I hereby certify that
本人謹此證明

K. WAH INTERNATIONAL HOLDINGS LIMITED

which was incorporated in Bermuda
在 百慕大

and has been registered in Hong Kong under Part XI of the Companies
註冊成立，並根據香港公司條例第XI部在香港登記

Ordinance, has changed its corporate name and is now registered
後，經已更改名稱。上述公司現時的登記名稱

under the name of
為

K. WAH INTERNATIONAL HOLDINGS LIMITED
also known as:-

又名為：—
嘉華國際集團有限公司

Issued by the undersigned on 20 June 2002.

本證明書於二〇〇二年六月二十日簽發。

MISS I. POON

.....
for Registrar of Companies
Hong Kong
香港公司註冊處處長
(公司註冊主任 潘敏思 代行)

No. F-4581



CERTIFICATE OF REGISTRATION OF OVERSEA COMPANY

I hereby certify that

K. WAH INTERNATIONAL HOLDINGS LIMITED

which was incorporated in **Bermuda**

is registered in Hong Kong under Part XI of the Companies Ordinance.

Given under my hand this **Twenty-second** day of **March**

One Thousand Nine Hundred and Ninety.

(Miss P. LAU)

.....
for *Registrar General*
(*Registrar of Companies*)
Hong Kong

FORM NO. 3a



**CERTIFICATE OF INCORPORATION
ON CHANGE OF NAME**

I hereby certify that

PEWTER LIMITED

having by resolution and with the approval of the Registrar of Companies changed its name, is now registered under the name of

K. WAH INTERNATIONAL HOLDINGS LIMITED

Given under my hand the 13th day of June 1989.

(Sd.) for Registrar of Companies

FORM NO. 6



CERTIFICATE OF INCORPORATION

I hereby in accordance with the provisions of section 14 of the Companies Act, 1981, issue this Certificate of Incorporation and do certify that on the 2nd day of May 1989

PEWTER LIMITED

was registered by me in the Register maintained by me under the provisions of the said section and that the status of the said company is that of a exempted company.

Given under my hand this 2nd day of May 1989

(Sd.) for Registrar of Companies



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

OF

PEWTER LIMITED

(hereinafter referred to as "the Company")

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

NAME	ADDRESS	BERMUDIAN STATUS (Yes/No)	NATIONALITY	NUMBER OF SHARES SUBSCRIBED
Judith Collis	Cedar House 41 Cedar Avenue Hamilton HM 12 Bermuda.	Yes	British	1
Ruby L. Rawlins	Cedar House 41 Cedar Avenue Hamilton HM 12 Bermuda.	Yes	British	1
Marcia DeCouto	Cedar House 41 Cedar Avenue Hamilton HM 12 Bermuda.	Yes	British	1
Vernelle Flood	Cedar House 41 Cedar Avenue Hamilton HM 12 Bermuda.	Yes	British	1

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

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

Not Applicable

5. The Company does not propose to carry on business in Bermuda.
6. The authorised share capital of the Company is HK\$100,000.00 divided into shares of H.K. ten cents each. The minimum subscribed share capital of the Company is \$100,000.00 in Hong Kong currency.

See Notes
on page 3

7. The objects for which the Company is formed and incorporated are –
 - (i) To carry on the business of a holding company in all its branches and to co-ordinate the policy and administration of any subsidiary company or companies or of any group of companies of which the Company or any subsidiary company is a member or which are in any manner controlled by the Company;
 - (ii) To enter into any guarantee, contract of indemnity or suretyship and to assure, support or secure with or without consideration or benefit the performance of any obligations of any person or persons and to guarantee the fidelity of individuals filling or about to fill situations of trust or confidence;

Provided that this shall not be construed as authorising the Company to carry on the business of banking as defined in The Banks Act, 1969 or the business of wholesale banking or financial guarantee business or the business of promissory note operations.

- (iii) As set forth in paragraphs (b) to (n) and (p) to (t) inclusive of the Second Schedule of The Companies Act 1981.
8. The Company has the powers set out in the First Schedule to the Companies Act 1981 (excluding the power set out in paragraph 1 thereof) and the additional powers set out in the Schedule annexed hereto.

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

(Sd.) Judith Collis

(Sd.) Ruby L. Rawlins

(Sd.) Marcia DeCouto

(Sd.) Vernelle Flood

(Subscribers)

(Sd.) Cameron

(Sd.) Cameron

(Sd.) Cameron

(Sd.) Cameron

(Witnesses)

SUBSCRIBED this 24th day of April, 1989.

Notes on Authorised Share Capital:

- (1) By the Ordinary Resolution passed on 7th August 1989, the authorised share capital of the Company was conditionally increased from HK\$100,000.00 to HK\$60,000,000.00 by the creation of an additional 599,000,000 shares of HK\$0.10 each.
- (2) By the Ordinary Resolution passed on 13th September 1990, the authorised share capital of the Company was increased from HK\$60,000,000.00 to HK\$80,000,000.00 by the creation of an additional 200,000,000 shares of HK\$0.10 each.
- (3) By the Ordinary Resolution No.1(A) passed on 30th June 1992, the authorised share capital of the Company was increased from HK\$80,000,000.00 to HK\$100,000,000.00 by the creation of an additional 200,000,000 shares of HK\$0.10 each.
- (4) By the Ordinary Resolution No.(3) passed on 28th September 1995, the authorised share capital of the Company was increased from HK\$100,000,000.00 to HK\$138,000,000.00 by the creation of an additional 380,000,000 shares of HK\$0.10 each.
- (5) By the Ordinary Resolution No.5.1 passed on 23rd September 1997, the authorised share capital of the Company was increased from HK\$138,000,000.00 to HK\$188,800,000.00 by the creation of an additional 508,000,000 shares of HK\$0.10 each.
- (6) By the Ordinary Resolution No.4.1 passed on 20th September 1999, the authorised share capital of the Company was increased from HK\$188,800,000.00 to HK\$288,800,000.00 by the creation of an additional 1,000,000,000 shares of HK\$0.10 each.
- (7) By the Ordinary Resolution passed on 31st May 2001, the authorised share capital of the Company was increased from HK\$288,800,000.00 to HK\$388,800,000.00 by the creation of an additional 1,000,000,000 shares of HK\$0.10 each.
- (8) By the Ordinary Resolution passed on 31st May 2004, the authorised share capital of the Company was increased from HK\$388,800,000.00 to HK\$500,000,000.00 by the creation of an additional 1,112,000,000 shares of HK\$0.10 each.

THE COMPANIES ACT 1981

SECOND SCHEDULE

(Section 11(2))

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

- (a) insurance and re-insurance of all kinds;
- (b) packaging of goods of all kinds;
- (c) buying, selling and dealing in goods of all kinds;
- (d) designing and manufacturing of goods of all kinds;
- (e) mining and quarrying and exploration for metals, minerals, fossil fuels and precious stones of all kinds and their preparation for sale or use;
- (f) exploring for, the drilling for, the moving, transporting and refining petroleum and hydro carbon products including oil and oil products;
- (g) scientific research including the improvement, discovery and development of processes, inventions, patents and designs and the construction, maintenance and operation of laboratories and research centres;
- (h) land, sea and air undertakings including the land, ship and air carriage of passengers, mails and goods of all kinds;
- (i) ships and aircraft owners, managers, operators, agents, builders and repairers;
- (j) acquiring, owning, selling, chartering, repairing or dealing in ships and aircraft;
- (k) travel agents, freight contractors and forwarding agents;
- (l) dock owners, wharfingers, warehousemen;
- (m) ship chandlers and dealing in rope, canvas oil and ship stores of all kinds;
- (n) all forms of engineering;
- (o) developing, operating, advising or acting as technical consultants to any other enterprise or business;
- (p) farmers, livestock breeders and keepers, graziers, butchers, tanners and processors of and dealers in all kinds of live and dead stock, wool, hides, tallow, grain, vegetables and other produce;
- (q) acquiring by purchase or otherwise and holding as an investment inventions, patents, trade marks, trade names, trade secrets, designs and the like;

- (r) buying, selling, hiring, letting and dealing in conveyances of any sort;
- (s) employing, providing, hiring out and acting as agent for artists, actors, entertainers of all sorts, authors, composers, producers, directors, engineers and experts or specialists of any kind; and
- (t) to acquire by purchase or otherwise hold, sell, dispose of and deal in real property situated outside Bermuda and in personal property of all kinds wheresoever situated.

THE COMPANIES ACT 1981

FIRST SCHEDULE

(Section 11(1))

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

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

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

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

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

The Schedule

(referred to in Clause 8 of the Memorandum of Association)

- (a) To borrow and raise money in any currency or currencies and to secure or discharge any debt or obligation in any matter and in particular (without prejudice to the generality of the foregoing) by mortgages of or charges upon all or any part of the undertaking, property and assets (present and future) and uncalled capital of the Company or by the creation and issue of securities.
- (b) To enter into any guarantee, contract of indemnity or suretyship and in particular (without prejudice to the generality of the foregoing) to guarantee, support or secure, with or without consideration, whether by personal obligation or by mortgaging or charging all or any part of the undertaking, property and assets (present and future) and uncalled capital of the Company or both such methods or in any other manner, the performance of any obligations or commitments, of, and the repayment or payment of the principal amounts of and any premiums, interest, dividends and other moneys payable on or in respect of any securities or liabilities of, any person including (without prejudice to the generality of the foregoing) any company which is for the time being a subsidiary or a holding company of the Company or another subsidiary of a holding company of the Company or otherwise associated with the Company.
- (c) To accept, draw, make, create, issue, execute, discount, endorse, negotiate bills of exchange, promissory notes, and other instruments and securities, whether negotiable or otherwise.
- (d) To sell, exchange, mortgage, charge, let on rent, share of profit, royalty or otherwise, grant licences, easements, options, servitudes and other rights over, and in any other manner deal with or dispose of, all or any part of the undertaking, property and assets (present and future) of the Company for any consideration and in particular (without prejudice to the generality of the foregoing) for any securities.
- (e) To issue and allot securities of the Company for cash or in payment or part payment for any real or personal property purchased or otherwise acquired by the Company or any services rendered to the Company or as security for any obligation or amount (even if less than the nominal amount of such securities) or for any other purpose.
- (f) To grant pensions, annuities, or other allowances, including allowances on death, to any directors, officers or employees or former directors, officers or employees of the Company or any company which at any time is or was a subsidiary or a holding company or another subsidiary of a holding company of the Company or otherwise associated with the Company or of any predecessor in business of any of them, and to the relations, connections or dependants of any such persons, and to other persons whose service or services have directly or indirectly been of benefit to the Company or whom the Company considers have any moral claim on the Company or to their relations, connections or dependants, and to establish or support any associations, institutions, clubs, schools, building and housing schemes, funds and trusts, and to make payments toward insurance or other arrangements likely to benefit any such persons or otherwise advance the interests of the Company or of its Members, and to subscribe, guarantee or pay money for any purpose likely, directly or indirectly to further the interests of the Company or of its Members or for any national, charitable, benevolent, educational, social, public, general or useful object.
- (g) The Company shall have the power to purchase its own shares in accordance with the provisions of Section 42A of The Companies Act 1981.

THE COMPANIES ACT 1981

Company Limited by Shares

BYE-LAWS

(as adopted by Special Resolution passed on 7th August 1989 and altered by Special Resolutions passed from 13th September 1990 to 20th June 2007)

OF

K. WAH INTERNATIONAL HOLDINGS LIMITED

(incorporated in Bermuda with limited liability on 2nd May 1989)

Interpretation

1. The headings to these Bye-laws shall not be deemed to be part of these Bye-laws and shall not affect their interpretation and in the interpretation of these Bye-laws, unless there be something in the subject or context inconsistent therewith:-

““associate” in relation to any Director, shall have the meaning ascribed to it under Rule 1.01 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and any amendments thereto for the time being in force;

adopted on
31 May
2004

“clearing house” shall mean a recognized clearing house within the meaning of Part 1 of Schedule 1 to the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and any amendments thereto for the time being in force;”;

adopted on
31 May
2004

“Bermuda” shall mean the Islands of Bermuda;

“Hong Kong” shall mean Hong Kong and its dependencies;

“the Company” or “this Company” shall mean the company incorporated in Bermuda on the 2nd day of May 1989 under the name “Pewter Limited”, which name was changed to “K. Wah International Holdings Limited” on the 13th day of June, 1989;

“the Companies Act” shall mean the Companies Act 1981 as may from time to time be amended;

“the Statutes” shall mean the Companies Act and every other act (as may from time to time be amended) for the time being in force in Bermuda applying to or affecting the Company, the Memorandum of Association and/or these presents;

“these Bye-laws” or “these presents” shall mean these Bye-laws in their present form and all supplementary, amended or substituted Bye-laws for the time being in force;

“capital” shall mean the share capital from time to time of the Company;

“share” shall mean share in the capital of the Company and includes stock except where a distinction between stock and shares is expressed or implied;

“shareholders” or “members” shall mean the duly registered holders from time to time of the shares in the capital of the Company;

“Principal Register” shall mean the register of members of the Company maintained in Bermuda;

“the register” shall mean the Principal Register or any branch register to be kept pursuant to the provisions of Bye-law 15;

“Head Office” shall mean such office of the Company as the Board may from time to time determine to be the principal office of the Company;

“Transfer Office” shall mean the place where the Principal Register is situate for the time being;

“Registration Office” shall mean in respect of any class of share capital, such place or places in the Relevant Territory or elsewhere where the Board from time to time determine to keep a branch register of shareholders in respect of that class of share capital and where (except in cases where the Board otherwise agree) transfers or other documents of title for such class of share capital are to be lodged for registration and are to be registered;

“Relevant Territory” shall mean Hong Kong or such other territory as the Board may from time to time decide if the issued share capital of the Company is listed on a stock exchange in such territory;

“the Board” shall mean the Board from time to time of the Company or (as the context may require) the majority of Directors present and voting at a meeting of the Directors at which there is a quorum;

“Secretary” shall mean the person or corporation for the time being performing the duties of that office and where two or more persons are appointed to act as Joint Secretaries shall include any one of those persons;

“Auditors” shall mean the persons for the time being performing the duties of that office;

“the Chairman” shall mean the Chairman presiding at any meeting of members or of the Board;

“call” shall include any instalment of a call;

“seal” shall mean any common seal from time to time of the Company and includes, unless the context otherwise requires, any duplicate seal that the Company may have as permitted by the Statutes;

“dividend” shall include scrip dividends, distributions in specie or in kind, capital distributions and capitalisation issues, if not inconsistent with the subject or context;

“HK\$” shall mean Hong Kong dollars or the other lawful currency for the time being of Hong Kong;

“debenture” and “debenture holder” shall respectively include “debenture stock” and “debenture stockholder”;

“month” shall mean a calendar month;

“writing” or “printing” shall include writing, printing, lithography, photography, typewriting and every other mode of representing words or figures in a visible form, and including where the representation takes the form of electronic means, provided that the member concerned (where the relevant provision of these Bye-laws require the delivery or service of any document or notice on him in his capacity as member) has elected for the receipt of the relevant document or notice through electronic means and both the mode of service of the relevant document or notice and the member’s election comply with all applicable Statutes, rules and regulations;

altered on
30 May
2002

“subsidiary” shall mean any subsidiary within the meaning of section 86 of the Companies Act;

words denoting the singular shall include the plural and words denoting the plural shall include the singular;

words importing any gender shall include every gender; and

words importing persons shall include partnerships, firms, companies and corporations

Subject as aforesaid, any words or expressions defined in the Companies Act (except any statutory modification thereof not in force when these Bye-laws become binding on the Company) shall, if not inconsistent with the subject and/or context, bear the same meaning in these Bye-laws, save that “company” shall where the context permits include any company incorporated in Bermuda or elsewhere.

References to any statute or statutory provision shall be construed as relating to any statutory modification or re-enactment thereof for the time being in force.

References to any Bye-laws by number are to the particular Bye-law of these Bye-laws.

References to a document being executed include references to it being executed under hand or under seal or by electronic signature or by any other method and references to a notice or document include a notice or document recorded or stored in any digital, electronic, electrical, magnetic or other retrievable form or medium and information in visible form whether having physical substance or not.

altered on
30 May
2002

A resolution shall be a special resolution when it has been passed by a majority of not less than three-fourths of such members as, being entitled so to do, vote in person or, in the case of such members as are corporations, by their respective duly authorised representative or, where proxies and attorneys are allowed, by proxy or by attorney at a general meeting of which not less than 21 days’ notice, specifying (without prejudice to the power contained in these presents to amend the same) the intention to propose

the resolution as a special resolution, has been duly given Provided that, if it is so agreed by a majority in number of the members having a right to attend and vote at any such meeting, being a majority together holding not less than 95 per cent. in nominal value of the shares giving that right, a resolution may be proposed and passed as a special resolution at a meeting of which less than 21 days' notice has been given.

A resolution shall be an ordinary resolution when it has been passed by a simple majority of such members as, being entitled so to do, vote in person or, in the case of any member being a corporation, by its duly authorised representative or, where proxies and attorneys are allowed, by proxy or by attorney at a general meeting held in accordance with these presents.

A special resolution shall be effective for any purpose for which an ordinary resolution is expressed to be required under any provision of these Bye-laws or the Statutes.

2. Without prejudice to any other requirements of the Statutes, a special resolution shall be required to alter the provisions of the Memorandum of Association, to approve any amendment of these presents or to change the name of the Company.

Share Capital and Modification of Rights

3. (A) The share capital of the Company at the date of the adoption of these Bye-laws is HK\$60,000,000 divided into 600,000,000 shares of HK\$0.10 each. see Notes
on page 3
- (B) Subject to the Statutes and where applicable, the rules or regulations issued by The Stock Exchange of Hong Kong Limited or the Securities and Futures Commission of Hong Kong, the power of the Company to purchase or otherwise acquire its own securities, including shares and warrants, shall be exercisable by the Board upon such terms and conditions as it thinks fit. altered on
28
September
1995
- (C) * Subject to the Statutes the Company may give financial assistance on such terms as the Board thinks fit to its bona fide employees in order that they may buy shares in the Company, and such terms may include a requirement that, when an employee ceases to be employed by the Company, shares bought with such financial assistance shall or may be sold to the Company on such terms as the Board thinks fit.

**To be read in conjunction with Bye-law 189(i)*

4. Without prejudice to any special rights or restrictions for the time being attaching to any shares or any class of shares, any share may be issued upon such terms and conditions and with such preferred, deferred or other special rights, or such restrictions, whether in regard to dividend, voting, return of capital or otherwise, as the Company may from time to time by ordinary resolution determine (or, in the absence of any such determination or so far as the same may not make specific provision, as the Board may determine).
5. Subject to the Statutes, any preference shares may, with the sanction of a special resolution, be issued on terms:
 - (a) that they are to be redeemed on the happening of a specified event or on a given date; and/or,

- (b) that they are liable to be redeemed at the option of the Company; and/or
 - (c) if authorised by the Memorandum of Association of the Company, that they are liable to be redeemed at the option of the holder.
6. The Board may issue warrants to subscribe for any class of shares or securities of the Company on such terms as it may from time to time determine. Where warrants are issued to bearer, no new warrant shall be issued to replace one that has been lost unless the Board is satisfied beyond reasonable doubt that the original has been destroyed and the Company has received an indemnity in such form as the Board shall think fit with regard to the issue of any such new warrant.
7. (A) If at any time the capital is divided into different classes of shares, all or any of the special rights attached to any class (unless otherwise provided for by the terms of issue of the shares of that class) may, subject to the provisions of the Statutes, be varied or abrogated either with the consent in writing of the holders of not less than three-fourths in nominal value of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting the provisions of these Bye-laws relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be not less than two persons holding or representing by proxy one-third in nominal value of the issued shares of that class, and at an adjourned meeting not less than two persons holding or representing by proxy shares of that class, and that any holder of shares of the class present in person or by proxy may demand a poll.
- (B) The provisions of this Bye-law shall apply to the variation or abrogation of the special rights attached to some only of the shares of any class as if each group of shares of the class differently treated formed a separate class the rights whereof are to be varied.
- (c) The special rights conferred upon the holders of any shares or class of shares shall not, unless otherwise expressly provided in the rights attaching to or the terms of issue of such shares, be deemed to be altered by the creation or issue of further shares ranking *par passu* therewith.

Shares and Increase of Capital

8. The Company in general meeting may from time to time, whether or not all the shares for the time being authorised shall have been issued and whether or not all the shares for the time being issued shall have been fully paid up, by ordinary resolution increase its share capital by the creation of new shares, such new capital to be of such amount and to be divided into shares of such respective amounts and in such lawful currency as the resolution shall prescribe.
9. Any new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the general meeting resolving upon the creation thereof shall direct, and if no direction be given, subject to the provisions of the Statutes and of these Bye-laws, as the Board shall determine; and in particular such shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with a special or without any right of voting.

10. The Company may by ordinary resolution, before the issue of any new shares, determine that the same, or any of them, shall be offered in the first instance, and either at par or at a premium, to all the existing holders of any class of shares in proportion as nearly as may be to the number of shares of such class held by them respectively, or make any provisions as to the issue and allotment of such shares, but in default of any such determination or so far as the same shall not extend, such shares may be dealt with as if they formed part of the capital of the Company existing prior to the issue of the same.
11. Except so far as otherwise provided by the conditions of issue or by these Bye-laws, any capital raised by the creation of new shares shall be treated as if it formed part of the original capital of the Company and such shares shall be subject to the provisions contained in these Bye-laws with reference to the payment of calls and instalments, transfer and transmission, forfeiture, lien, cancellation, surrender, voting and otherwise.
12. All unissued shares in the Company shall be at the disposal of the Board, which may offer, allot, grant options over or otherwise dispose of them to such persons, at such times, for such consideration and generally on such terms as the Board shall in its absolute discretion think fit, but so that no shares shall (except in accordance with the provisions of the Statutes) be issued at a discount. The Board shall, as regards any offer or allotment of shares, comply with the provisions of the Statutes, if and so far as such provisions may be applicable thereto. Neither the Company nor the Board shall be obliged, when making or granting any allotment of, offer of, option over or disposal of shares, to make, or make available, any such offer, option or shares to shareholders or others with registered addresses in any particular territory or territories being a territory or territories where, in the absence of a registration statement or other special formalities, this would or might, in the opinion of the Board, be unlawful or impracticable. Shareholders affected as a result of the foregoing sentence shall not be, or be deemed to be, a separate class of shareholders for any purpose whatsoever.
13. The Company may at any time pay a commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares in the Company or procuring or agreeing to procure subscriptions (whether absolute or conditional) for any shares in the Company, but so that if the commission shall be paid or payable out of capital the conditions and requirements of the Statutes shall be observed and complied with, and in each case the commission shall not exceed ten per cent. of the price at which the shares are issued. The Company may also on any issue of shares pay such brokerage as may be lawful. The Board may at any time after the allotment of any shares, but before any person has been entered in the register as the holder, recognize a renunciation thereof by the allottee in favour of some other person and may accord to any allottee of a share a right to effect such renunciation on such terms and conditions as the Board may think fit to impose.
14. Except as otherwise expressly provided by these Bye-laws or as required by law or as ordered by a court of competent jurisdiction, no person shall be recognized by the Company as holding any share upon any trust and, except as aforesaid, the Company shall not be bound by or be compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share or (except only as otherwise provided by these Bye-laws or by law) any other right or claim to or in respect of any share except an absolute right to the entirety thereof of the registered holder.

Register of Members and Share Certificates

15. (A) The Board shall cause to be kept a register of the members and there shall be entered therein the particulars required under the Statutes.
- (B) Subject to the provisions of the Statutes, if the Board considers it necessary or appropriate, the Company may establish and maintain a branch register of members at such location outside Bermuda as the Board thinks fit and, while the issued share capital of the Company is, with the consent of the Board, listed on any stock exchange in Hong Kong, the Company shall keep a branch register in Hong Kong. A branch register shall be kept in the same manner in which, under the Statutes, the register of members is required to be kept. The Company shall, as soon as reasonably practicable, after the date on which any entry or alteration is made in a branch register, make any necessary alteration in the register of members.
16. Every person whose name is entered as a member in the register shall be entitled without payment to receive within 21 days, or such other period as The Stock Exchange of Hong Kong Limited may from time to time prescribe in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, after allotment or lodgement of a transfer (or within such other period as the conditions of issue shall provide) one certificate for all his shares or, if he shall so request, upon payment of such sum (not exceeding in the case of any share capital listed on a stock exchange in Hong Kong, HK\$2.50 or such fee or fees not exceeding the maximum fees as prescribed by The Stock Exchange of Hong Kong Limited from time to time in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, and, in the case of any other share capital, such sum in such currency as the Board may from time to time determine to be reasonable in the territory in which the relevant register is situate, or otherwise in each case such other sum as the Board may from time to time determine) for every certificate after the first as the Board shall from time to time determine, such number of certificates for shares in stock exchange board lots (if any) or multiples thereof as he shall request and one for the balance (if any) of the shares in question, provided that in respect of a share or shares held jointly by several persons the Company shall not be bound to issue a certificate or certificates to each such person, and the issue and delivery of a certificate or certificates to one of several joint holders shall be sufficient delivery to all such holders.
17. Every certificate for shares or debentures or representing any other form of security of the Company shall be issued under the seal of the Company provided that, in relation to the shares allotted by the Company in accordance with the scheme of arrangement under section 166 of the Hong Kong Companies Ordinance (Cap. 32 of the laws of Hong Kong) between K. Wah Stones (Holdings) Limited and its shareholders:-
- (a) each certificate validly subsisting, at the close of business on the day immediately preceding that on which such scheme becomes effective, in respect of a holding of any number of shares in K. Wah Stones (Holdings) Limited shall, from and after the date on which such acquisition becomes effective, have effect for all purposes as if it were a certificate duly issued by the Company for the same number of shares in the Company; and

altered on
13
September
1990 and
10
September
1996

(b) any such certificate as is referred to in the foregoing (a) may at any time after the scheme therein referred to becomes effective at the option of the holder thereof be lodged with the Company for exchange whereupon the same shall be cancelled and a certificate for the like number of shares in the Company shall be issued by the Company at its expense if such certificate is so lodged within one month of the date of such scheme and in any other case for such sum (not exceeding, in the case of any share capital listed on a stock exchange in Hong Kong, HK\$2.50 or such fee or fees not exceeding the maximum fees as prescribed by The Stock Exchange of Hong Kong Limited from time to time in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, and, in the case of any other share capital, such sum in such currency as the Board may from time to time determine to be reasonable in the territory in which the relevant register is situate, or otherwise in each case such other sum as the Board may from time to time determine) as the Board shall from time to time determine.

altered on
10
September
1996

18. Every share certificate hereafter issued shall specify the number and class of shares in respect of which it is issued and the amount paid thereon and may otherwise be in such form as the Board may from time to time prescribe. A share certificate shall relate to only one class of shares.

19. (A) The Company shall not be bound to register more than four persons as joint holders of any share.

(B) If any share shall stand in the names of two or more persons, the person first named in the register shall be deemed the sole holder thereof as regards service of notices and, subject to the provisions of these Bye-laws, all or any other matters connected with the Company, except the transfer of the share.

20. (A) Any two or more certificates representing shares of any one class held by any member may at his request be cancelled and a single new certificate for such shares issued in lieu for such sum (not exceeding, in the case of any share capital listed on a stock exchange in Hong Kong, HK\$2.50 or such fee or fees not exceeding the maximum fees as prescribed by The Stock Exchange of Hong Kong Limited from time to time in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, and, in the case of any other share capital, such sum in such currency as the Board may from time to time determine to be reasonable in the territory in which the relevant register is situate, or otherwise in each case such other sum as the Company may by ordinary resolution from time to time determine) as the Board shall from time to time determine.

altered on
10
September
1996

(B) If any member shall surrender for cancellation a share certificate representing shares held by him and request the Company to issue in lieu two or more share certificates representing such shares in such proportions as he may specify, the Board may, if it thinks fit, comply with such request subject to the payment of such sum (not exceeding, in the case of any share capital listed on a stock exchange in Hong Kong, HK\$2.50 or such fee or fees not exceeding the maximum fees as prescribed by The Stock Exchange of Hong Kong Limited from time to time in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and, in the case of any other share capital,

altered on
10
September
1996

such sum in such currency as the Board may from time to time determine to be reasonable in the territory in which the relevant register is situate, or otherwise in each case such other sum as the Board may from time to time determine) for every certificate after the first, as the Board shall from time to time determine.

21. If a share certificate is defaced, lost or destroyed, it may be replaced on payment of such fee, if any, not exceeding, in the case of any share capital listed on a stock exchange in Hong Kong, HK\$2.50 or such fee or fees not exceeding the maximum fees as prescribed by The Stock Exchange of Hong Kong Limited from time to time in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and, in the case of any other capital, such sum in such currency as the Board may from time to time determine to be reasonable in the territory in which the relevant register is situate, or otherwise in each case such other sum as the Board may from time to time determine and on such terms and conditions, if any, as to publication of notices, evidence and indemnity, as the Board thinks fit and in the case of wearing out or defacement, after delivery up of the old certificate. In the case of destruction or loss, the person to whom such replacement certificate is given shall also bear and pay to the Company any exceptional costs and the reasonable out-of-pocket expenses incidental to the investigation by the Company of the evidence of such destruction or loss and of such indemnity.

altered on
10
September
1996

Lien

22. The Company shall have a first and paramount lien on every share (not being a fully paid up share) for all moneys, whether presently payable or not, called or payable at a fixed time in respect of such share; and the Company shall also have a first and paramount lien and charge on all shares (other than fully paid up shares) standing registered in the name of a member, whether singly or jointly with any other person or persons, for all the debts and liabilities of such member or his estate to the Company and whether the same shall have been incurred before or after notice to the Company of any equitable or other interest of any person other than such member, and whether the period for the payment or discharge of the same shall have actually arrived or not, and notwithstanding that the same are joint debts or liabilities of such member or his estate and any other person, whether a member of the Company or not. The Company's lien (if any) on a share shall extend to all dividends and bonuses declared in respect thereof. The Board may at any time either generally or in any particular case waive any lien that has arisen, or declare any share to be exempt wholly or partially from the provisions of this Bye-law.
23. The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable or the liability or engagement in respect of which such lien exists is liable to be presently fulfilled or discharged, nor until the expiration of fourteen days after a notice in writing, stating and demanding payment of the sum presently payable or specifying the liability or engagement and demanding fulfilment or discharge thereof and giving notice of intention to sell in default, shall have been given to the registered holder for the time being of the shares or the person entitled by reason of such holder's death, bankruptcy or winding-up to the shares.
24. The net proceeds of such sale after the payment of the costs of such sale shall be applied in or towards payment or satisfaction of the debt or liability or engagement in respect whereof the lien exists, so far as the same is presently payable, and any residue

shall (subject to a like lien for debts or liabilities not presently payable as existed upon the shares prior to the sale) be paid to the person entitled to the shares at the time of the sale. For giving effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof and may enter the purchaser's name in the register as holder of the shares, and the purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

Calls on Shares

25. The Board may from time to time make such calls as it may think fit upon the members in respect of any monies unpaid on the shares held by them respectively (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times. A call may be made payable either in one sum or by instalments.
26. Fourteen days' notice at least of any call shall be given specifying the time and place of payment and to whom such call shall be paid.
27. A copy of the notice referred to in Bye-law 26 shall be sent to members in the manner in which notices may be sent to members by the Company as herein provided.
28. In addition to the giving of notice in accordance with Bye-law 26, notice of the person appointed to receive payment of every call and of the times and places appointed for payment may be given to the members by notice to be inserted once at least in a leading English language daily newspaper and (if the Relevant Territory is Hong Kong) in a leading Chinese language daily newspaper circulating in the Relevant Territory.
29. Every member upon whom a call is made shall pay the amount of every call so made on him to the person and at the time or times and place or places as the Board shall appoint.
30. A call shall be deemed to have been made at the time when the resolution of the Board authorising such call was passed.
31. The joint holders of a share shall be severally as well as jointly liable for the payment of all calls and instalments due in respect of such share or other moneys due in respect thereof.
32. The Board may from time to time at their discretion extend the time fixed for any call but no member shall be entitled to any such extension except as a matter of grace and favour.
33. If the sum payable in respect of any call or instalment be not paid on or before the day appointed for payment thereof, the person or persons from whom the sum is due shall pay interest on the same at such rate not exceeding twenty per cent. per annum as the Board shall fix from the day appointed for the payment thereof to the time of the actual payment, but the Board may waive payment of such interest wholly or in part.
34. No member shall be entitled to receive any dividend or bonus or to be present and vote (save as proxy for another member) at any general meeting, either personally or (save

as proxy for another member) by proxy, or be reckoned in a quorum, or to exercise any other privilege as a member until all calls or instalments due from him to the Company, whether alone or jointly with any other person, together with interest and expenses (if any) shall have been paid.

35. On the trial or hearing of any action or other proceedings for the recovery of any money due for any call, it shall be sufficient to prove that the name of the member sued is entered in the register as the holder, or one of the holders, of the shares in respect of which such debt accrued; that the resolution making the call is duly recorded in the minute book; and that notice of such call was duly given to the member sued, in pursuance of these Bye-laws; and it shall not be necessary to prove the appointment of the Board who made such call, nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.
36. Any sum which by the terms of allotment of a share is made payable upon allotment or at any fixed date, whether on account of the nominal value of the share and/or by way of premium, shall for all purposes of these Bye-laws be deemed to be a call duly made, notified, and payable on the date fixed for payment, and in case of non-payment all the relevant provisions of these Bye-laws as to payment of interest and expenses, forfeiture and the like, shall apply as if such sums had become payable by virtue of a call duly made and notified. The Board may on the issue of shares differentiate between the allottees or holders as to the amount of calls to be paid and the time of payment.
37. The Board may, if it thinks fit, receive from any member willing to advance the same, and either in money or moneys worth, all or any part of the money uncalled and unpaid or instalments payable upon any shares held by him, and upon all or any of the moneys so advanced the Company may pay interest at such rate (if any) not exceeding twenty per cent per annum as the Board may decide. The Board may at any time repay the amount so advanced upon giving to such member not less than one month's notice in writing of its intention in that behalf, unless before the expiration of such notice the amount so advanced shall have been called up on the shares in respect of which it was advanced.

Transfer of Shares

38. Subject to the Statutes, all transfers of shares may be effected by transfer in writing in the usual or common form or in such other form as the Board may accept and may be under hand or by mechanically imprinted signature or such other manner as the Board may from time to time approve Provided always that a valid instrument of transfer relating to a transfer of shares in the Company that are for the time being represented, pursuant to proviso (a) in Bye-law 17, by a certificate in the name of K. Wah Stones (Holdings) Limited, executed by the transferor on or before the date on which the scheme of arrangement under s.166 of the Hong Kong Companies Ordinance (Cap.32 of the laws of Hong Kong) between K. Wah Stones (Holdings) Limited and its shareholders becomes effective shall be deemed to be a valid instrument of transfer in respect of the corresponding Shares in the Company.
39. The instrument of transfer of any share shall be executed by or on behalf of the transferor and transferee, and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register in respect thereof. Nothing in these Bye-laws shall preclude the Board from recognising a renunciation of

altered on
10
September
1996

the allotment or provisional allotment of any share by the allottee in favour of some other person.

40. (A) The Board may, in its absolute discretion, at any time and from time to time transfer any share upon the Principal Register to any branch register or any share on any branch register to the Principal Register or any other branch register.
- (B) Unless the Board otherwise agrees (which agreement may be on such terms and subject to such conditions as the Board in its absolute discretion may from time to time stipulate, and which agreement it shall, without giving any reason therefor, be entitled in its absolute discretion to give or withhold) no shares upon the Principal Register shall be transferred to any branch register nor shall shares on any branch register be transferred to the Principal Register or any other branch register and all transfers and other documents of title shall be lodged for registration, and registered, in the case of any shares on a branch register, at the relevant Registration Office, and, in the case of any shares on the Principal Register, at the Transfer Office. Unless the Board otherwise agrees all transfers and other documents of title shall be lodged for registration with, and registered, at the relevant Registration Office.
41. The Board may, in its absolute discretion and without assigning any reason, refuse to register a transfer of any share (not being a fully paid up share) to a person of whom it does not approve, and it may also refuse to register any transfer of any share to more than four joint holders or any transfer of any share (not being a fully paid up share) on which the Company has a lien.
42. The Board may also decline to recognize any instrument of transfer unless:-
- (i) in the case of any share capital listed on a stock exchange in Hong Kong, a fee of HK\$2.50 or such fee or fees not exceeding the maximum fees as prescribed by The Stock Exchange of Hong Kong Limited from time to time in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and, in the case of any other share capital, such sum in such currency as the Board may from time to time determine to be reasonable in the territory in which the relevant register is situate, or otherwise in each case such lesser or other sum as the Board may from time to time determine is paid to the Company in respect thereof;
 - (ii) the instrument of transfer is lodged at the relevant Registration Office or, as the case may be, the Transfer Office accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer;
 - (iii) the instrument of transfer is in respect of only one class of share;
 - (iv) the shares concerned are free of any lien in favour of the Company;
 - (v) the instrument of transfer is properly stamped; and
 - (vi) where applicable, the permission of the Bermuda Monetary Authority with respect thereto has been obtained.

altered on
10
September
1996

43. No transfer shall be made to an infant or a person of unsound mind or under other legal disability.
44. If the Board shall refuse to register a transfer of any share, it shall, within two months after the date on which the transfer was lodged with the Company, send to each of the transferor and the transferee notice of such refusal.
45. Upon every transfer of shares the certificate held by the transferor shall be given up to be cancelled, and shall forthwith be cancelled accordingly, and a new certificate shall be issued without charge to the transferee in respect of the shares transferred to him, and if any of the shares included in the certificate so given up shall be retained by the transferor a new certificate in respect thereof shall be issued to him without charge. The Company shall also retain the transfer.
46. The registration of transfers may, on giving notice by advertisement in an appointed newspaper in Bermuda and in one or more newspapers circulating in the Relevant Territory, be suspended and the register closed at such times and for such periods as the Board may from time to time determine either generally or in respect of any class of shares. The register shall not be closed for more than thirty days in any year.

Transmission of Shares

47. In the case of the death of a member, the survivor or survivors where the deceased was a joint holder, and the legal personal representatives of the deceased where he was a sole or only surviving holder, shall be the only persons recognized by the Company as having any title to his interest in the shares; but nothing herein contained shall release the estate of a deceased holder (whether sole or joint) from any liability in respect of any share solely or jointly held by him.
48. Any person becoming entitled to a share in consequence of the death or bankruptcy or winding-up of a member may, upon such evidence as to his title being produced as may from time to time be required by the Board, and subject as hereinafter provided, elect either to be registered himself as holder of the share or to have some person nominated by him registered as the transferee thereof.
49. If the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the Company a notice in writing signed by him at (unless the Board otherwise agrees) the Registration Office, stating that he so elects. If he shall elect to have his nominee registered, he shall testify his election by executing a transfer of such share to his nominee. All the limitations, restrictions and provisions of these presents relating to the right of transfer and the registration of transfers of share shall be applicable to any such notice or transfer as aforesaid as if the death, bankruptcy or winding-up of the member had not occurred and the notice or transfer were a transfer executed by such member.
50. A person becoming entitled to a share by reason of the death, bankruptcy or winding-up of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share. However, the Board may, if it thinks fit, withhold the payment of any dividend payable or other advantages in respect of such share until such person shall become the registered holder of the share or shall have effectually transferred such share, but, subject to the requirements of Bye-law 86 being met, such a person may vote at meetings.

Forfeiture of Shares

51. If a member fails to pay any call or instalment of a call on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, without prejudice to the provisions of Bye-law 34, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued and which may still accrue up to the date of actual payment.
52. The notice shall name a further day (not earlier than the expiration of fourteen days from the date of the notice) on or before which the payment required by the notice is to be made, and it shall also name the place where payment is to be made, such place being either the registered office of the Company, or some other place at which calls of the Company are usually made payable. The notice shall also state that, in the event of non-payment at or before the time appointed, the shares in respect of which the call was made will be liable to be forfeited.
53. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends and bonuses declared in respect of the forfeited share and not actually paid before the forfeiture. The Board may accept the surrender of any shares liable to be forfeited hereunder and in such cases references in these Bye-laws to forfeiture shall include surrender.
54. Any share so forfeited shall be deemed to be the property of the Company, and may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit and at any time before a sale or disposition the forfeiture may be cancelled on such terms as the Board thinks fit.
55. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding, remain liable to pay to the Company all moneys which, at the date of forfeiture, were payable by him to the Company in respect of the shares, together with (if the Board shall in its discretion so require) interest thereon from the date of forfeiture until payment at such rate not exceeding twenty per cent. per annum, as the Board may prescribe, and the Board may enforce the payment thereof if it thinks fit, and without any deduction or allowance for the value of the shares, at the date of forfeiture, but his liability shall cease if and when the Company shall have received payment in full of all such moneys in respect of the shares. For the purposes of this Bye-law any sum which, by the terms of issue of a share, is payable thereon at a fixed time which is subsequent to the date of forfeiture, whether on account of the nominal value of the share or by way of premium, shall notwithstanding that that time has not yet arrived be deemed to be payable at the date of forfeiture, and the same shall become due and payable immediately upon the forfeiture, but interest thereon shall only be payable in respect of any period between the said fixed time and the date of actual payment.
56. A statutory declaration in writing that the deponent is a Director or the Secretary of the Company, and that a share in the Company has been duly forfeited or surrendered on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. The Company may receive the consideration, if any, given for the share on any sale or disposition thereof and may

execute a transfer of the share in favour of the person to whom the share is sold or disposed of and he shall thereupon be registered as the holder of the share, and shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity of invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

57. When any share shall have been forfeited, notice of the resolution shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the register, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or make any such entry.
58. Notwithstanding any such forfeiture as aforesaid the Board may at any time, before any shares so forfeited shall have been sold, re-allotted or otherwise disposed of, cancel the forfeiture on such terms as the Board thinks fit or permit the share forfeited to be redeemed upon the terms of payment of all calls and interest due upon the expenses incurred in respect of the share, and upon such further terms (if any) as it thinks fit.
59. The forfeiture of a share shall not prejudice the right of the Company to any call already made or instalment payable thereon.
60. The provisions of these Bye-laws as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.
61. In the event of a forfeiture of shares the member shall be bound to deliver and shall forthwith deliver to the Company the certificate or certificates held by him for the shares so forfeited and in any event the certificates representing shares so forfeited shall be void and of no further effect.

Stock

62. The Company may by ordinary resolution convert any fully paid up shares into stock, and may from time to time by like resolution reconvert any stock into fully paid up shares of any denomination. After the passing of any resolution converting all the fully paid up shares of any class into stock any shares of that class which subsequently become fully paid up and rank pari passu in all other respects with such shares shall, by virtue of this Bye-law and such resolution, be converted into stock transferable in the same units as the shares already converted.
63. The holders of stock may transfer the same or any part thereof in the same manner, and subject to the same regulations as and subject to which the shares from which the stock arose might prior to conversion have been transferred or as near thereto as circumstances admit, but the Board may from time to time, if it thinks fit, fix the minimum amount of stock transferable and restrict or forbid the transfer of fractions of that minimum, but so that such minimum shall not exceed the nominal amount of the shares from which the stock arose. No warrants to bearer shall be issued in respect of any stock.
64. The holders of stock shall, according to the amount of the stock held by them, have the same rights, privileges and advantages as regards dividends, participation in assets on a

winding up, voting at meetings, and other matters, as if they held the shares from which the stock arose, but no such privilege or advantage (except participation in the dividends and profits of the Company) shall be conferred by an amount of stock which would not, if existing in shares, have conferred such privilege or advantage.

65. Such of the provisions of these presents as are applicable to paid up shares shall apply to stock, and the words “share” and “shareholder” therein shall include “stock” and “stockholder”.

Alteration of Capital

66. (A) The Company may from time to time by ordinary resolution:
- (i) consolidate or divide all or any of its share capital into shares of larger or smaller amount than its existing shares; on any consolidation of fully paid shares into shares of larger amount, the Board may settle any difficulty which may arise as it thinks expedient and in particular (but without prejudice to the generality of the foregoing) may, as between the holders of the shares to be consolidated, determine which particular shares are to be consolidated into each consolidated share, and if it shall happen that any person shall become entitled to fractions of a consolidated share or shares, such fractions may be sold by some person appointed by the Board for that purpose and the person so appointed may transfer the shares so sold to the purchaser thereof and the validity of such transfer shall not be questioned, and so that the net proceeds of such sale (after deduction of the expenses of such sale) may either be distributed among the persons who would otherwise be entitled to a fraction or fractions of a consolidated share or shares rateably in accordance with their rights and interests or may be paid to the Company for the Company’s benefit;
 - (ii) divide its shares into several classes and attach thereto respectively any preferential, deferred, qualified or special rights, privileges or conditions;
 - (iii) cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled;
 - (iv) sub-divide its shares or any of them into shares of smaller amount than is fixed by the Memorandum of Association, subject nevertheless to the provisions of the Statutes, and so that the resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may have any such preferred or other special rights over, or may have such deferred rights or be subject to any such restrictions as compared with the others as the Company has power to attach to unissued or new shares; and
 - (v) make provision for the issue and allotment of shares which do not carry any voting rights.
- (B) The Company may by special resolution reduce its share capital, any capital redemption reserve fund or any share premium account or other undistributable reserve in any manner authorised and subject to any conditions prescribed by law.

General Meetings

67. The Company shall in each year hold a general meeting as its annual general meeting in addition to any other meeting in that year and shall specify the meeting as such in the notice calling it; and not more than fifteen months shall elapse between the date of one annual general meeting of the Company and that of the next. The annual general meeting shall be held in the Relevant Territory or elsewhere as may be determined by the Board and at such time and place as the Board shall appoint.
68. All general meetings other than annual general meetings shall be called special general meetings.
69. General meetings (including special general meetings) may be held in the Relevant Territory or elsewhere in the world as may be determined by the Board.
70. The Board may, whenever it thinks fit, convene a special general meeting, and special general meetings shall also be convened on requisition, as provided by the Statutes, or, in default, may be convened by the requisitionists.
71. An annual general meeting and a meeting called for the passing of a special resolution shall be called by twenty-one days' notice in writing at the least, and a meeting of the Company other than an annual general meeting or a meeting for the passing of a special resolution shall be called by at least fourteen days' notice in writing. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the place, the day and the hour of meeting and, in case of special business, the general nature of that business, and shall be given, in manner hereinafter mentioned or in such other manner, if any, as may be prescribed by the Company in general meeting, to such persons as are, under these Bye-laws, entitled to receive such notices from the Company, provided that subject to the provisions of the Statutes, a meeting of the Company shall notwithstanding that it is called by shorter notice than that specified in this Bye-law be deemed to have been duly called if it is so agreed:-
 - (i) in the case of a meeting called as the annual general meeting, by all the members entitled to attend and vote thereat; and
 - (ii) in the case of any other meeting, by a majority in number of the members having a right to attend and vote at the meeting, being a majority together holding not less than ninety-five per cent. in nominal value of the shares giving that right.
72. (A) The accidental omission to give any notice to, or the non-receipt of any notice by, any person entitled to receive notice shall not invalidate any resolution passed or any proceeding at any such meeting.

(B) In cases where instruments of proxy are sent out with notices, the accidental omission to send such instrument of proxy to, or the non-receipt of such instrument of proxy by, any person entitled to receive notice shall not invalidate any resolution passed or any proceeding at any such meeting.

Proceedings at General Meetings

73. All business shall be deemed special that is transacted at a special general meeting, and also all business that is transacted at an annual general meeting with the exception of:-
- (a) sanctioning dividends;
 - (b) the reading, considering and adopting of the accounts and balance sheet and the reports of the Directors and Auditors and other documents required to be annexed to the balance sheet;
 - (c) * the election of Directors and appointment of Auditors and other officers in the place of those retiring and the granting of authority to the Directors to appoint alternate Directors;
- * To be read in conjunction with Bye-law 189(ii)*
- (d) the fixing of the remuneration of the Auditors; and
 - (e) the voting of remuneration or extra remuneration to the Board.
74. For all purposes the quorum for a general meeting shall be two members present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy. No business shall be transacted at any general meeting unless the requisite quorum shall be present at the commencement of the business.
75. If within fifteen minutes from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of members, shall be dissolved, but in any other case it shall stand adjourned to the same day in the next week and at such time and place as shall be decided by the Board.
76. The Chairman (if any) of the Board or, if he is absent or declines to take the chair at such meeting, the Deputy Chairman (if any) shall take the chair at every general meeting, or, if there be no such Chairman or Deputy Chairman, or, if at any general meeting neither of such Chairman or Deputy Chairman is present within fifteen minutes after the time appointed for holding such meeting, or both such persons decline to take the chair at such meeting, the Board present shall choose one of their number as Chairman, and if no Director be present, or if all the Board present decline to take the chair, or if the Chairman chosen shall retire from the chair, then the members present shall choose one of their own number to be Chairman.
77. 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 fourteen 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 any 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.

altered on
10
September
1996

78. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) demanded:-
- (i) by the Chairman of the Meeting; or
 - (ii) by at least three members present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy for the time being entitled to vote at the meeting; or
 - (iii) by any member or members present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
 - (iv) by a member or members present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

Unless a poll be so demanded and not withdrawn, a declaration by the Chairman that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour or against such resolution.

79. If a poll is demanded as aforesaid, it shall (subject as provided in Bye-law 80) 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 thirty days from the date of the meeting or adjourned meeting at which the poll was demanded, 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 demanded. The demand for a poll may be withdrawn, with the consent of the Chairman, at any time before the close of the meeting or the taking of the poll, whichever is the earlier.
80. Any poll duly demanded on the election of a Chairman of a meeting or on any question of adjournment shall be taken at the meeting and without adjournment.
81. 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 takes place or at which the poll is demanded, shall be entitled to a second or casting vote. In case of any dispute as to the admission or rejection of any vote the Chairman shall determine the same, and such determination shall be final and conclusive.
82. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.
83. A resolution in writing signed by all the members for the time being entitled to receive

notice of and to attend and vote at general meetings shall be as valid and effective as if the same had been passed at a general meeting of the Company duly convened and held. A written notice of confirmation of such resolution in writing signed by or on behalf of a member shall be deemed to be his signature to such resolution in writing for the purposes of this Bye-law. Such resolution in writing may consist of several documents each signed by or on behalf of one or more members.

Votes of Members

84. An amalgamation agreement as referred to in section 106 of the Companies Act shall be submitted for approval of the members of the Company in accordance with the Statutes.
85. Subject to any special rights, privileges or restrictions as to voting for the time being attached to any class or classes of shares, at any general meeting on a show of hands every member who (being an individual) is present in person or (being a corporation) is present by a representative duly authorised under Section 78 of the Companies Act shall have one vote, and on a poll every member present in person, or (being a corporation) by duly authorised representative, or by proxy shall have one vote for every share of which he is the holder which is fully paid up or credited as fully paid (but so that no amount paid up or credited as paid up on a share in advance of calls or instalments shall be treated for the purposes of this Bye-law as paid up on the share). On a poll a member entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.
86. Any person entitled under Bye-law 48 to be registered as the holder of any shares may vote at any general meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that at least forty-eight hours before the time of the holding of the meeting or adjourned meeting (as the case may be) at which he proposes to vote, he shall satisfy the Board of his right to be registered as the holder of such shares or the Board shall have previously admitted his right to vote at such meeting in respect thereof.
87. Where there are joint registered holders of any share, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at any meeting personally or by proxy, that one of the said persons so present whose name stands first on the register in respect of such share shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased member in whose name any share stands shall for the purposes of this Bye-law be deemed joint holders thereof.
88. A member of unsound mind or in respect of whom an order has been made by any court having jurisdiction in lunacy may vote, whether on a show of hands or on a poll, by his committee, receiver, curator bonis or other person in the nature of a committee, receiver or curator bonis appointed by that court, and any such committee, receiver, curator bonis or other person may on a poll vote by proxy. Evidence to the satisfaction of the Board of the authority of the person claiming to exercise the right to vote shall be delivered to the registered office of the Company, or to such other place as is specified in accordance with these Bye-laws for the deposit of instruments or proxy, not later than the last time at which a valid instrument of proxy could be so delivered.

89. (A) Save as expressly provided in these Bye-laws, no person other than a member duly registered and who shall have paid everything for the time being due from him payable to the Company in respect of his shares shall be entitled to be present or to vote (save as proxy for another member) either personally or by proxy, or to be reckoned in a quorum, at any general meeting.
- (B) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the chairman, whose decision shall be final and conclusive.
90. (A) Any member of the Company entitled to attend and vote at a meeting of the Company or a meeting of the holders of any class of shares in the Company shall be entitled to appoint another person as his proxy to attend and vote instead of him. On a poll votes may be given either personally (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy. A member may appoint more than one proxy to attend on the same occasion.
- (B) * Only a member of the Company may be appointed to act as a proxy. A representative authorised under the provisions of Bye-law 96 need not be a member of the Company.
- * To be read in conjunction with Bye-law 189(iii).*
91. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised.
92. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at such place or one of such places (if any) as may be specified for that purpose in the notice of meeting or in the instrument of proxy issued by the Company (or, if no place is so specified at the Registration Office) not less than forty-eight hours before the time for holding the meeting or adjourned meeting or poll (as the case may be) at which the person named in such instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of twelve months from the date of its execution, except at an adjourned meeting or on a poll demanded at a meeting or an adjourned meeting in cases where the meeting was originally held within twelve months from such date. Delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the meeting or poll concerned and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
93. Every instrument of proxy, whether for a specified meeting or otherwise, shall be in such form as the Board may from time to time approve.
94. The instrument appointing a proxy to vote at a general meeting shall: (i) be deemed to confer authority upon the proxy to vote on any resolution (or amendment thereto) put to the meeting for which it is given as the proxy thinks fit provided that any form

issued to a member for use by him for appointing a proxy to attend and vote at a special general meeting or at an annual general meeting at which special business (determined as provided in Bye-law 73) is to be transacted shall be such as to enable the member, according to his intention, to instruct the proxy to vote in favour of or against (or, in default of instructions, to exercise his discretion in respect of) each resolution dealing with any such special business; and (ii) unless the contrary is stated therein, be valid as well for any adjournment of the meeting as for the meeting to which it relates.

95. A vote given in accordance with the terms of an instrument of proxy or power of attorney or by the duly authorised representative of a corporation shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or power of attorney or other authority under which the proxy was executed or the transfer of the share in respect of which the proxy is given, provided that no notice in writing of such death, insanity, revocation or transfer as aforesaid shall have been received by the Company at the Registration Office, or at such other place as is referred to in Bye-law 92, at least two hours before the commencement of the meeting or adjourned meeting at which the proxy is used.

96. Any corporation which is a member of the Company may, by resolution of its directors or other governing body or by power of attorney, authorise such person(s) as it thinks fit to act as its representative at any meeting of the Company or of any class of members of the Company, and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member of the Company; references in these Bye-laws to a member present in person at a meeting shall, unless the context otherwise requires, include a corporation which is a member represented at the meeting by such duly authorised representative.

(A) Where a member and/or warrant holder is a clearing house (or its nominee), it may authorise such person or persons as it thinks fit to act as its proxy or proxies or as its representative (or representatives, to the extent permitted by the Companies Act) attending any members' general meeting or any meeting of any class of members and/or warrant holders' meeting provided that, if more than one proxy or representative is so authorised, the authorisation must specify the number and class of shares and/or warrants in respect of which each such proxy or representative is so authorised. The proxy or representative so authorised will be entitled to exercise the same power on behalf of the clearing house as that clearing house (or its nominees) could exercise as if it were an individual member and/or warrant holder of the Company attending any members' general meeting or any meeting of any class of members and/or warrant holders of the Company in person including, without limitation to the generality of the foregoing, the right to vote individually on a show of hands notwithstanding the provision of Bye-law 85.

adopted on
10
September
1996 and
altered on
31 May
2004

(B) Where any member is, under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such member in contravention of such requirement or restriction shall not be counted.

adopted on
31 May
2004

Registered Office

97. The registered office of the Company shall be at such place in Bermuda as the Board shall from time to time appoint.

Board of Directors

98. Subject to Bye-law 111, the number of Directors shall not be less than two. The Board shall cause to be kept a register of the Directors and Secretaries, and there shall be entered therein the particulars required by the laws of Hong Kong as if the Company were a company incorporated in Hong Kong.

- 99.* No person shall be eligible for election or to serve as a Director until there is registered in his name one or more shares in the Company provided that the election of a Director by the members in general meeting without share qualification shall be valid and shall take effect when he is registered as a member but if he is not so registered within two months of his election, such election shall be deemed void ab initio and a casual vacancy shall be deemed to have arisen.

** To be read in conjunction with Bye-law 189(iv)*

100. The Board shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or, subject to the statutes and to Bye-law 111, as an addition to the Board. Any Director so appointed shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at such meeting.

altered on
13
September
1990 and
31 May
2004

- 101.* The Company in general meeting may by ordinary resolution elect a person or persons qualified to be Directors to act as Directors in the alternative to any of the Directors of the Company or may authorise the Board to appoint such alternate Directors. Any alternate Director may be removed by the Company in general meeting by ordinary resolution and, if appointed by the Board, may be removed by the Board and, subject thereto, the office of alternate Director shall continue until the next annual election of Directors in accordance with Bye-law 109 or, if earlier, the date on which the relevant Director ceases to be a Director. An alternate Director may also be a Director in his own right and may act as alternate to more than one Director.

** To be read in conjunction with Bye-law 189(v)*

102. (A)* An alternate Director shall (except when absent from the territory in which the Head Office is for the time being situate) be entitled to receive notices of meetings of the Board and shall be entitled to attend and vote as a Director at any such meeting at which the Director appointing him is not personally present and generally at such meeting to perform all the functions of his appointor as a Director and for the purposes of the proceedings at such meeting the provisions of these presents shall apply as if he (instead of his appointor) were a Director. If he shall be himself a Director or shall attend any such meeting as an alternate for more than one Director his voting rights shall be cumulative. If his appointor is for the time being absent from the territory in which the Head Office is for the

time being situated or otherwise not available or unable to act, his signature to any resolution in writing of the Directors shall be as effective as the signature of his appointor. To such extent as the Board may from time to time determine in relation to any committee of the Board, the foregoing provisions of this paragraph shall also apply mutatis mutandis to any meeting of any committee of which his appointor is a member. An alternate Director shall not, save as aforesaid, have power to act as a Director nor shall he be deemed to be a Director for the purposes of these Bye-laws.

**To be read in conjunction with Bye-law 189(vi).*

- (B) An alternate Director shall be entitled to contract and be interested in and benefit from contracts or arrangements or transactions and to be repaid expenses and to be indemnified to the same extent mutatis mutandis as if he were a Director, but he shall not be entitled to receive from the Company in respect of his appointment as alternate Director any remuneration except only such part (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct.
103. The Directors shall be entitled to receive by way of remuneration for their services such sum as shall from time to time be determined by the Company in general meeting, such sum (unless otherwise directed by the resolution by which it is voted) to be divided amongst the Directors in such proportions and in such manner as the Board may agree, or failing agreement, equally, except that in such event any Director holding office for less than the whole of the relevant period in respect of which the remuneration is paid shall only rank in such division in proportion to the time during such period for which he has held office. The foregoing provisions shall not apply to a Director who holds any salaried employment or office in the Company except in the case of sums paid in respect of Directors' fees.
104. The Directors shall also be entitled to be repaid all travelling, hotel and other expenses reasonably incurred by them respectively in or about the performance of their duties as Directors, including their expenses of travelling to and from board meetings, committee meetings or general meetings or otherwise incurred whilst engaged on the business of the Company or in the discharge of their duties as Directors.
105. The Board may grant special remuneration to any Director who, being called upon, shall perform any special or extra services to or at the request of the Company. Such special remuneration may be made payable to such Director in addition to or in substitution for his ordinary remuneration as a Director, and may be made payable by way of salary, commission or participation in profits or otherwise as may be arranged.
106. (A) Notwithstanding Bye-laws 103, 104 and 105, the remuneration of a President, Vice-President, Managing Director, Joint Managing Director, Deputy Managing Director or other Executive Director or a Director appointed to any other office in the management of the Company shall from time to time be fixed by the Board and may be by way of salary, commission, or participation in profits or otherwise or by all or any of those modes and with such other benefits (including pension and/or gratuity and/or other benefits on retirement) and allowances as the Board may from time to time decide. Such remuneration shall be in addition to his remuneration as a Director.

altered on
10
September
1996

- (B) Payments to any Director or past Director of any sum by way of compensation for loss of office or as consideration for or in connection with his retirement from office (not being a payment to which the Director is contractually entitled) must be approved by the Company in general meeting.

adopted on
10
September
1996

107. (A) A Director shall vacate his office:-

- (i) if he becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors generally;
- (ii) if he becomes a lunatic or of unsound mind;
- (iii) if he absents himself from the meetings of the Board during a continuous period of six months, without special leave of absence from the Board, and his alternate Director (if any) shall not during such period have attended in his stead, and the Board passes a resolution that he has by reason of such absence vacated his office;
- (iv) if he becomes prohibited by law from acting as a Director;
- (v) if by notice in writing delivered to the Company at its registered office or at the Head Office he resigns his office;
- (vi) if he shall be removed from office by notice in writing served upon him signed by all his fellow-Directors;
- (vii) if he shall be removed from office by an ordinary resolution of the Company under Bye-law 115; or
- (viii)* if he ceases to be a member of the Company.

altered on
20 June
2007

** To be read in conjunction with Bye-law 189(vii).*

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

108. (A) (i) A Director may hold any other office or place of profit with the Company (except that of Auditor) in conjunction with his office of Director for such period and upon such terms as the Board may determine and may be paid such extra remuneration therefor (whether by way of salary, commission, participation in profits or otherwise) as the Board may determine and such extra remuneration shall be in addition to any remuneration provided for by or pursuant to any other Bye-law.

- (ii) A Director, notwithstanding his interest, may be counted in the quorum present at any meeting at which he or any other director is appointed to hold any office or place or profit under the Company or at which the terms of any such appointment are arranged, and he may vote on any such appointment or arrangement other than his own appointment or the arrangement of the terms thereof.

altered on
13
September
1990

(B) (i) No Director or intended Director shall be disqualified by his office from contracting with the Company either as vendor, purchaser or otherwise nor shall any such contract or any contract or arrangement entered into by or on behalf of the Company with any person, company or partnership of or in which any Director shall be a member or otherwise interested be capable on that account of being avoided, nor shall any Director so contracting or being such member or so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason only of such Director holding that office or the fiduciary relationship thereby established, provided that such Director shall disclose the nature of his interest in any contract or arrangement in which he is interested at the meeting of the Board at which the question of entering into the contract or arrangement is first taken into consideration, if he knows his interest then exists, or in any other case at the first meeting of the Board after he knows that he is or has become so interested.

(ii) Subject to such exceptions specified in the Bye-laws as The Stock Exchange of Hong Kong Limited may approve, a Director shall not vote on any board resolution approving or be counted in the quorum in respect of any contract or arrangement in which he or any of his associate(s) is to his knowledge materially interested, and if he shall do so his vote shall not be counted, but this prohibition shall not apply to:

altered on
13
September
1990 and
31 May
2004

(a) any contract, arrangement or proposal for the giving to the Director or his associate(s) any security or indemnity in respect of money lent by him or them or obligations undertaken by him or them at the request of or for the benefit of the Company or any of its subsidiaries; and/or

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

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

(d) any contract, arrangement or proposal in relation to or concerning any other company in which the Director or his associate(s) is/are interested only as an officer(s) or executive(s) of that other company; and/or

- (e) any contract, arrangement or proposal in relation to or concerning any other company in which the Director or his associate(s) is/are beneficially interested as a holder(s) of shares or other securities of that company Provided that the Director and any of his associates are not in aggregate beneficially interested in 5% or more of such issued shares or securities or the voting rights attaching to such issued shares or securities; and/or
 - (f) any contract, arrangement or proposal in relation to or concerning the adoption, modification or operation of any executive and/or employee share scheme or any share incentive or share option scheme under which the Director or his associate(s) may benefit; and/or
 - (g) any contract, arrangement or proposal in relation to or concerning the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates both to the Directors, their associates and employees of the Company or any of its subsidiaries or its associated companies and does not provide in respect of any Director, or his associate(s), as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates; and/or
 - (h) any contract, arrangement or proposal in which the Director or his associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest(s) in shares or debentures or other securities of the Company.
- (iii) If any question shall arise at any meeting of the Board as to the materiality of the interest of a Director (other than the chairman of the meeting) and/or his associate(s) or as to the entitlement of any Director (other than such chairman) to vote or be counted in the quorum and such question is not resolved by his voluntarily agreeing to abstain from voting or not to be counted in the quorum, such question shall be referred to the chairman of the meeting and his ruling in relation to such other Director shall be final and conclusive except in a case where the nature or extent of the interest of the Director and/or his associate(s) concerned as known to such Director has not been fairly disclosed to be Board. If any question as aforesaid shall arise in respect of the chairman of the meeting such question shall be decided by a resolution of the Board (for which purpose such chairman and any of the other directors present who are materially interested in the contract or arrangement in question shall be counted in the quorum but shall not vote thereon) and such resolution shall be final and conclusive except in a case where the nature or extent of the interest of such chairman and/or his associate(s) as known to such chairman has not been fairly disclosed to the Board.

adopted on
13
September
1990 and
altered on
31 May
2004

(iv) Any Director may continue to be or become a director, managing director, joint managing director, deputy managing director, executive director, manager or other officer or member of any other company in which the Company may be interested and (unless otherwise agreed) no such Director shall be accountable for any remuneration or other benefits received by him as a director, managing director, joint managing director, deputy managing director, executive director, manager or other officer or member of any such other company. The Board may exercise the voting powers conferred by the shares in any other company held or owned by the Company, or exercisable by them as directors of such other company in such manner and in all respects as they think fit (including the exercise thereof in favour of any resolution appointing themselves or any of them directors, managing directors, joint managing directors, deputy managing directors, executive directors, managers or other officers of such company) and any Director may vote in favour of the exercise of such voting rights in manner aforesaid notwithstanding that he may be, a director, managing director, joint managing director, deputy managing director, executive director, manager or other officer of such a company, and that as such he is interested in the exercise of such voting rights in manner aforesaid. A Director may not vote in favour of the exercise of the aforesaid voting rights in respect of his own appointment as an officer of the company in question although he may be counted in the quorum at the relevant meeting of the Board.

altered on
13
September
1990

(v) A general notice to the Board by a Director that he is a member of a specified firm or corporation and is to be regarded as interested in any contract or arrangement which may be made with that firm or corporation after the date of such notice or that he is to be regarded as interested in any contract or arrangement which may be made with a specified person who is connected with him after the date of such notice shall be deemed to be a sufficient declaration of interest in relation to any contract or arrangement so made, provided that no such notice shall be of effect unless either it is given at a meeting of the Board or the Director takes reasonable steps to ensure that it is brought up and read at the next meeting of the Board after it is given.

altered on
13
September
1990

(C) A Director of the Company may be or become a director of any company promoted by the Company or in which it may be interested as a vendor, shareholder or otherwise and no such Director shall be accountable for any benefits received as a director or member of such company.

(D) Any Director may act by himself or by his firm in a professional capacity for the Company and he or his firm shall be entitled to remuneration for professional services as if he were not a Director, provided that nothing herein contained shall authorise a Director or his firm to act as Auditor to the Company.

Retirement of Directors

109. * (A) At each annual general meeting all the Directors for the time being shall retire from office. The retiring Directors shall be eligible for re-election.

** To be read in conjunction with Bye-law 189(viii)*

- (B) The Company at any general meeting at which any Directors retire in manner aforesaid may fill the vacated office by electing a like number of persons to be Directors.
110. If at any general meeting at which an election of Directors ought to take place, the places of the retiring Directors are not filled, the retiring Directors or such of them as have not had their places filled shall continue to be eligible for re-election unless:-
- (i) it shall be determined at such meeting to reduce the number of Directors; or
 - (ii) it is expressly resolved at such meeting not to fill up such vacated offices; or
 - (iii) in any such case the resolution for re-election of a Director is put to the Meeting and lost; or
 - (iv) such Director has given notice in writing to the Company that he is unwilling to be re-elected.

111. The Company shall from time to time fix and may from time to time in general meeting by ordinary resolution increase or reduce the maximum and minimum number of Directors but so that the number of Directors shall never be less than two. The Company may also in general meeting authorise the Board to appoint any person as a Director as an addition to the Board up to the maximum number fixed by the Company.

altered on
13
September
1990

112. The Company may from time to time in general meeting by ordinary resolution elect any person to be a Director either to fill a casual vacancy or as an addition to the Board.

113. A resolution for the appointment of two or more persons as Directors by a single resolution shall not be moved at any general meeting unless an ordinary resolution that it shall be so moved has first been agreed to by the meeting without any vote being given against it; and any resolution moved in contravention of this provision shall be void.

114. No person, other than a retiring Director, shall, unless recommended by the Board for election, be eligible for election to the office of Director at any general meeting, unless notice in writing of the intention to propose that person for election as a Director and notice in writing by that person of his willingness to be elected shall have been delivered to the Company at the registered office or Registration Office at least seven days before the date of the general meeting. The period for lodgement of the said notice under this Bye-law shall commence no earlier than the day after the despatch of the notice of the meeting appointed for such election and end no later than seven days prior to the date of such meeting, provided that such period shall be at least seven days.

altered on
31 May
2004

115. The Company may by ordinary resolution remove any Director before the expiration of his period of office notwithstanding anything in these Bye-laws or in any agreement between the Company and such Director (but without prejudice to any claim which such Director may have for damages for any breach of any contract of service between him and the Company) and may elect another person in his stead. Any person so elected shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election, but shall not be taken into account in determining the Directors who are to retire by rotation at such meeting.

Borrowing Powers

116. The Board may from time to time at its discretion exercise all the powers of the Company to raise or borrow or to secure the payment of any sum or sums of money for the purposes of the Company and to mortgage or charge its undertaking, property and uncalled capital or any part thereof.
117. The Board may raise or secure the payment or repayment of such sum or sums in such manner and upon such terms and conditions in all respects as it thinks fit and, in particular by the issue of debentures, debenture stock, bonds or other securities of the Company, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.
118. Debentures, debenture stock, bonds and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.
119. Any debentures, debenture stock, bonds or other securities may be issued at a discount, premium or otherwise and with any special privileges as to redemption, surrender, drawings, allotment of shares, attending and voting at general meetings of the Company, appointment of Directors and otherwise.
120. (A) The Board shall cause a proper register to be kept of all mortgages and charges specifically affecting the property of the Company.
- (B) If the Company issues a series of debentures or debenture stock not transferable by delivery, the Board shall cause a proper register to be kept of the holders of such debentures.
121. Where any uncalled capital of the Company is charged, all persons taking any subsequent charge thereon shall take the same subject to such prior charge, and shall not be entitled, by notice to the members or otherwise, to obtain priority over such prior charge.

Officers

- 122.* The Board shall as soon as practicable following each annual general meeting elect one of its body to the office of President of the Company and another to be Vice-President of the Company, and the Board may also from time to time appoint any one or more of its body to the office of Managing Director, Joint Managing Director, Deputy Managing Director or other Executive Director and/or such other

office in the management of the business of the Company as it may decide for such period and upon such terms as it thinks fit and upon such terms as to remuneration as it may decide in accordance with Bye-law 106.

** To be read in conjunction with Bye-law 189(ix)*

123. Every Director appointed to an office under Bye-law 122 hereof shall, but without prejudice to any claim for damages for breach of any contract of service between himself and the Company, be liable to be dismissed or removed therefrom by the Board.

124.* A Director appointed to an office under Bye-law 122 shall be subject to the same provisions as to retirement, resignation and removal as the other directors of the Company, and he shall ipso facto and immediately cease to hold such office if he shall cease to hold the office of Director for any cause.

**To be read in conjunction with Bye-law 189(x)*

125. The Board may from time to time entrust to and confer upon a President, Vice-President, Managing Director, Joint Managing Director, Deputy Managing Director or Executive Director all or any of the powers of the Board that it may think fit provided that the exercise of all powers by such Director shall be subject to such regulations and restrictions as the Board may from time to time make and impose, and the said powers may at any time be withdrawn, revoked or varied, but no person dealing in good faith and without notice of such withdrawal, revocation or variation shall be affected thereby.

Management

126. (A) Subject to any exercise by the Board of the powers conferred by Bye-laws 127 to 129, the management of the business of the Company shall be vested in the Board who, in addition to the powers and authorities by these Bye-laws expressly conferred upon it, may exercise all such powers and do all such acts and things as may be exercised or done or approved by the Company and are not hereby or by the Statutes expressly directed or required to be exercised or done by the Company in general meeting, but subject nevertheless to the provisions of the Statutes and of these Bye-laws and to any regulations from time to time made by the Company in general meeting not being inconsistent with such provisions of these Bye-laws, provided that no regulation so made shall invalidate any prior act of the Board which would have been valid if such regulation had not been made.

(B) Without prejudice to the general powers conferred by these Bye-laws, it is hereby expressly declared that the Board shall have the following powers:-

(i) to give to any person the right or option of requiring at a future date that an allotment shall be made to him of any share at par or at such premium as may be agreed; and

(ii) to give to any Directors, officers or servants of the Company an interest in any particular business or transaction or participation in the profits thereof or in the general profits of the Company either in addition to or in substitution for a salary or other remuneration.

- (C) Without prejudice to the general powers conferred by these Bye-laws if any of the shares or debentures of the Company are for the time being (with the consent of the Company) listed on a stock exchange in Hong Kong the voluntary payment to any director of any sum by way of compensation in connection with his ceasing to hold such office must be approved by the Company in general meeting.

Managers

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

Chairman

130. The Board may from time to time elect or otherwise appoint a Director to be Chairman or Deputy Chairman and determine the period for which each of them is to hold office. The Chairman or, in his absence, the Deputy Chairman shall preside at meetings of the Board, but if no such Chairman or Deputy Chairman be elected or appointed, or if at any meeting the Chairman or Deputy Chairman is not present within five minutes after the time appointed for holding the same, the Directors present shall choose one of their number to be Chairman of such meeting.

Proceedings of the Board

131. The Board may meet together for the despatch of business, adjourn and otherwise regulate their meetings and proceedings as they think fit and may determine the quorum necessary for the transaction of business. Unless otherwise determined two Directors shall be a quorum. For the purpose of this Bye-law an alternate Director shall be counted in a quorum but, notwithstanding that an alternate Director is also a Director or is an alternate for more than one Director, he shall for quorum purposes count as only one Director. A Director or any member of a committee of the Board may participate in a meeting of the Board or such committee by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting are capable of hearing each other.
132. A Director may, and on request of a Director the Secretary shall, at any time summon a meeting of the Board which may be held in any part of the world provided that no

such meeting shall be summoned to be held outside the territory in which the Head Office is for the time being situate without the prior approval of the Board. Notice thereof shall be given to each Director and alternate Director either in writing or by telephone or by telex or telegram at the address from time to time notified to the Company by such Director or in such other manner as the Board may from time to time determine provided that notice need not be given to any Director or alternate Director for the time being absent from such territory. A Director may waive notice of any meeting and any such waiver may be prospective or retrospective.

133. 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.
134. A meeting of the Board for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under these Bye-laws for the time being vested in or exercisable by the Board generally.
135. The Board may delegate any of its powers to committees consisting of such member or members of their body and such other persons, as the Board think fit, and they may from time to time revoke such delegation or revoke the appointment of and discharge any such committees either wholly or in part, and either as to persons or purposes, but every committee so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed upon it by the Board.
136. All acts done by any such committee in conformity with such regulations and fulfilment of the purposes for which it is appointed, but not otherwise, shall have the like force and effect as if done by the Board, and the Board shall have power to remunerate the members of any special committee, and charge such remuneration to the current expenses of the Company.
137. The meetings and proceedings of any such committee consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Board so far as the same are applicable thereto and are not replaced by any regulations imposed by the Board pursuant to Bye-law 135.
138. All acts bona fide done by any meeting of the Board or by any such committee or by any person acting as a Director shall, notwithstanding that it shall be afterwards discovered that there was some defect in the appointment of such Director or persons acting as aforesaid or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Director or member of such committee.
139. The continuing Directors may act notwithstanding any vacancy in their body, but, if and so long as their number is reduced below the number fixed by or pursuant to these Bye-laws as the necessary quorum of Directors, the continuing Director or Directors may act for the purpose of increasing the number of Directors to that number or of summoning a general meeting of the company but for no other purpose.
140. A resolution in writing signed by all the Directors except such as are absent from the territory in which the Head Office for the time being situate or temporarily unable to act through ill-health or disability (or their alternate Directors) shall (so long as they

constitute a quorum as provided in Bye-law 131) be as valid and effectual as if it had been passed at a meeting of the Board duly convened and held. Any such resolution in writing may consist of several documents in like form each signed by one or more of the Directors or alternate Directors.

Minutes

141. (A) The Board shall cause minutes to be made of:-
- (i) all appointments of officers made by the Board;
 - (ii) the names of the Directors present at each meeting of the Board and of committees appointed pursuant to Bye-law 135; and
 - (iii) all resolutions and proceedings at all meetings of the Company and of the Board and of such committees.
- (B) Any such minutes shall be conclusive evidence of any such proceedings if they purport to be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting.

Secretary

142. The Secretary shall be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit, and any Secretary so appointed may be removed by the Board. Anything by the Statutes or these Bye-laws required or authorised to be done by or to the Secretary, if the office is vacant or there is for any other reason no Secretary capable of acting, may be done by or to any assistant or deputy Secretary, or if there is no assistant or deputy Secretary capable of acting, by or to any officer of the Company authorised generally or specially in that behalf by the Board. If the Secretary appointed is a corporation or other body, it may act and sign by the hand of any one or more of its directors or officers duly authorised.
143. The duties of the Secretary shall be those prescribed by the Statutes and these Bye-laws, together with such other duties as may from time to time be prescribed by the Board.
144. A provision of the Statutes or of these Bye-laws requiring or authorising a thing to be done by or to a Director and the Secretary shall not be satisfied by its being done by or to the same person acting both as Director and as or in place of the Secretary.

General Management and Use of the Seal

145. (A)* The Company shall have one or, if permitted by the Statutes, more seals as the Board may determine. The Board shall provide for the safe custody of each seal, and no seal shall be used without the authority of the Board or a committee of the Board authorised by the Board in that behalf. Copies of all documents executed outside of Bermuda shall be sent to the registered office of the Company.

** To be read in conjunction with Bye-law 189 (xi)*

- (B) Every instrument to which a seal shall be affixed shall be signed by a Director and shall be countersigned by the Secretary or by a second Director or some other person appointed by the Board for the purpose, provided that the Board may either generally or in any particular case or cases resolve (subject to such restrictions as to the manner in which a seal may be affixed as the Board may determine) that such signatures or any of them may be affixed to certificates for shares or debentures or representing any other form of security by some mechanical means other than autographic to be specified in such resolution or that such certificates need not be signed by any person. Every instrument executed in manner provided by this Bye-law shall be deemed to be sealed and executed with the authority of the Board previously given.
146. All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments, and all receipts for moneys paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as the Board shall from time to time by resolution determine. The Company's banking accounts shall be kept with such banker or bankers as the Board shall from time to time determine.
147. (A) The Board may from time to time and at any time, by power of attorney under the seal, appoint any company, firm or person or any fluctuating body of persons, whether nominated directly or indirectly by the Board, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these Bye-laws) and for such period and subject to such conditions as it may think fit, and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Board may think fit, and may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions vested in him.
- (B) The Company may, by writing under its seal, empower any person, either generally or in respect of any specified matter, as its attorney to execute deeds and instruments on its behalf and to enter into contracts and sign the same on its behalf and every deed signed by such attorney on behalf of the Company and under his seal shall bind the Company and have the same effect as if it were under the seal of the Company.
148. The Board may establish any committees, local boards or agencies for managing any of the affairs of the Company, either in the Relevant Territory or elsewhere, and may appoint any persons to be members of such committees, local boards or agencies and may fix their remuneration, and may delegate to any committee, local board or agent any of the powers, authorities and discretions vested in the Board (other than its powers to make calls and forfeit shares), with power to sub-delegate, and may authorise the members of any local board or any of them to fill any vacancies therein and to act notwithstanding vacancies, and any such appointment or delegation may be upon such terms and subject to such conditions as the Board may think fit, and the Board may remove any person so appointed and may annul or vary any such delegation, but no person dealing in good faith and without notice of any such annulment or variation shall be affected thereby.

149. The Board may establish and maintain or procure the establishment and maintenance of any contributory or non-contributory pension or superannuation funds for the benefit of, or give or procure the giving of donations, gratuities, pensions, allowances or emoluments to any persons who are or were at any time in the employment or service of the Company, or of any company which is a subsidiary of the Company, or is allied or associated with the Company or with any such subsidiary company, or who are or were at any time directors or officers of the Company or of any such other company as aforesaid, and holding or who have held any salaried employment or office in the Company or such other company, and the wives, widows, families and dependants of any such persons. The Board may also establish and subsidise or subscribe to any institutions, associations, clubs or funds calculated to be for the benefit of or to advance the interests and well-being of the Company or of any such other company as aforesaid or of any such persons as aforesaid, and may make payments for or towards the insurance of any such persons as aforesaid, and subscribe or guarantee money for charitable or benevolent objects or for any exhibition or for any public, general or useful object. The Board may do any of the matters aforesaid, either alone or in conjunction with any such other company as aforesaid. Any Director holding any such employment or office shall be entitled to participate in and retain for his own benefit any such donation, gratuity, pension, allowance or emolument.

Capitalisation of Reserves

150. (A) The Company in general meeting may, upon the recommendation of the Board, resolve to capitalise any part of the Company's reserves (including any contributed surplus account and also including any share premium account or other undistributable, reserve, but subject to the provisions of the law with regard to unrealised profits) or undivided profits not required for the payment or provision of the dividend on any shares with a preferential right to dividend, and accordingly that such part be sub-divided amongst the members who would have been entitled thereto if distributed by way of dividend and in the same proportions, on condition that the same be not paid in cash but be applied either in or towards paying up any amounts for the time being unpaid on any shares held by such members respectively or paying up in full unissued shares or debentures or other securities of the Company to be allotted and distributed credited as fully paid up to and amongst such members in the proportion aforesaid, or partly in one way and partly in the other; provided that for the purpose of this Bye-law, any amount standing to the credit of share premium account may only be applied in the paying up of unissued shares to be issued to members of the Company as fully paid up shares.
- (B) Whenever such a resolution as aforesaid shall have been passed the Board shall make all appropriations and applications of the reserves or profits and undivided profits, resolved to be capitalised thereby, and all allotments and issues of fully paid shares, debentures, or other securities and generally shall do all acts and things required to give effect thereto. For the purpose of giving effect to any resolution under this Bye-law, the Board may settle any difficulty which may arise in regard to a capitalisation issue as it thinks fit, and in particular may issue fractional certificates, and may determine that cash payments shall be made to any members in lieu of fractional certificates

or that fractions of such value as the Board may determine may be disregarded in order to adjust the rights of all parties. The Board may appoint any person to sign on behalf of the persons entitled to share in a capitalisation issue and such appointment shall be effective and binding upon all concerned, and the contract may provide for the acceptance by such persons of the shares, debentures or other securities to be allotted and distributed to them respectively in satisfaction of their claims in respect of the sum so capitalised.

151. Subject to the Statutes:

- (A) If, so long as any of the rights attached to any warrants issued by the Company to subscribe for shares of the Company shall remain exercisable, the Company does any act or engages in any transaction which, as a result of any adjustments to the subscription price in accordance with the terms and conditions of the warrants, would reduce the subscription price to below the par value of a share, then the following provisions shall apply:-
- (i) as from the date of such act or transaction the Company shall establish and thereafter (subject as provided in this Bye-law) maintain in accordance with the provisions of this Bye-law a reserve (the "Subscription Right Reserve") the amount of which shall at no time be less than the sum which for the time being would be required to be capitalised and applied in paying up in full the difference between the subscription price and the nominal amount of the additional shares required to be issued and allotted credited as fully paid pursuant to sub-paragraph (iii) below on the exercise in full of all the subscription rights outstanding and shall apply the Subscription Right Reserve in paying up in full such difference in respect of such additional shares as and when the same are allotted;
 - (ii) the Subscription Right Reserve shall not be used for any purpose other than that specified above until all other reserves of the Company (other than share premium account and capital redemption reserve fund) have been used and will then only be used to make good losses of the Company if and so far as is required by law;
 - (iii) upon the exercise of all or any of the subscription rights represented by any warrant, the relevant subscription rights shall be exercisable in respect of a nominal amount of shares equal to the amount in cash which the holder of such warrant is required to pay on exercise of the subscription rights represented thereby (or, as the case may be, the relevant portion thereof in the event of a partial exercise of the subscription rights) and, in addition, there shall be allotted in respect of such subscription rights to the exercising warrant holder, credited as fully paid, such additional nominal amount of shares as is equal to the difference between:
 - (a) the said amount in cash which the holder of such warrant is required to pay on exercise of the subscription rights represented thereby (or, as the case may be, the relevant portion thereof in the event of a partial exercise of the subscription rights); and

- (b) the nominal amount of shares in respect of which such subscription rights would have been exercisable having regard to the provisions of the conditions of the warrants, had it been possible for such subscription rights to represent the right to subscribe for shares at less than par,

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

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

- (B) Shares allotted pursuant to the provisions of this Bye-law shall rank *pari passu* in all respects with the other shares allotted on the relevant exercise of the subscription rights represented by the warrant concerned.
- (C) Notwithstanding anything contained in paragraph (A) of this Bye-law no fraction of any share shall be allotted on exercise of the subscription rights and so that whether any (and if so what) fraction of a share arises should be determined according to the terms and conditions of the warrants.
- (D) The provisions of this Bye-law as to the establishment and maintenance of the Subscription Right Reserve shall not be altered or added to in any way which would vary or abrogate, or which would have the effect of varying or abrogating, the provisions for the benefit of any warrant holder or class of warrant holders under this Bye-law without the sanction of a special resolution of such warrant holders or class of warrant holders.

- (E) A certificate or report by the Auditors of the Company as to whether or not the Subscription Right Reserve is required to be established and maintained and if so the amount thereof so required to be established and maintained, as to the purposes for which the Subscription Right Reserve has been used, as to the extent to which it has been used to make good losses of the Company, as to the additional nominal amount of shares required to be allotted to exercising warrant holders credited as fully paid, and as to any other matter concerning the Subscription Right Reserve shall (in the absence of manifest error) be conclusive and binding upon the Company and all warrant holders and shareholders.

Dividends and Reserves

152. The Company in general meeting may declare dividends in any currency but no dividends shall exceed the amount recommended by the Board.
153. (A) The Board may from time to time pay or make to the members such interim dividends and other interim distributions (including distributions out of contributed surplus) as the Board thinks fit and such dividends and distributions shall not be limited in any way save by the Statutes. In particular (but without prejudice to the generality of the foregoing), if at any time the share capital of the Company is divided into different classes, the Board may pay such interim dividends in respect of those shares in the capital of the Company which confer on the holders thereof deferred or non-preferential rights as well as in respect of those shares which confer on the holders thereof preferential rights with regard to dividend and provided that the Board acts bona fide the Board shall not incur any responsibility to the holders of shares conferring any preference for any damage that they may suffer by reason of the payment of an interim dividend on any shares having deferred or non-preferential rights.
- (B) The Board may also pay half-yearly or at other suitable intervals to be settled by them any dividend which may be payable at a fixed rate if the Board is of the opinion that the profits justify the payment.
154. (A) No dividend shall be payable except out of the profits of the Company available for the purpose (such profits being ascertained in accordance with the Statutes). No dividend or other distribution shall carry interest.
- (B) Subject to paragraph (C) of this Bye-law, all dividends and other distributions in respect of shares in the Company shall be stated and discharged, in the case of shares denominated in Hong Kong dollars, in Hong Kong dollars, and, in the case of shares denominated in any other currency, in that currency, provided that, in the case of shares denominated in Hong Kong dollars, the Board may determine in the case of any distribution that shareholders may elect to receive the same in United States dollars or any other currency selected by the Board, conversion to be effected at such rate of exchange as the Board may determine.
- (C) If, in the opinion of the Board, any dividend or other distribution in respect of shares or any other payment to be made by the Company to any shareholder is of such a small amount as to make payment to that shareholder in the relevant currency impracticable or unduly expensive either for the Company or the

shareholder then such dividend or other distribution or other payment may, at the discretion of the Board, be paid or made in the currency of the country of the relevant shareholder (as indicated by the address of such shareholder on the register).

155. Notice of the declaration of an interim dividend shall be given by advertisement in the Relevant Territory and in such other territory or territories as the Board may determine and in such manner as the Board shall determine.
156. Whenever the Board or the Company in general meeting have resolved that a dividend or other distribution be paid, made or declared, the Board may further resolve that such dividend or other distribution be satisfied wholly or in part by the distribution of specific assets of any kind and in particular of paid up shares, debentures or warrants to subscribe securities of the Company or any other company, or in any one or more of such ways, and where any difficulty arises in regard to the distribution the Board may settle the same as it thinks expedient, and in particular may issue fractional certificates, disregard fractional entitlements or round the same up or down, and may fix the value for distribution of such specific assets, or any part thereof, and may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties, and may vest any such specific assets in trustees as may seem expedient to the Board and may appoint any person to sign any requisite instruments of transfer and other documents on behalf of the persons entitled to the dividend and such appointment shall be effective. The Board may resolve that no such assets shall be made available to shareholders with registered addresses in any particular territory or territories being a territory or territories where, in the absence of a registration statement or other special formalities, this would or might, in the opinion of the Board, be unlawful or impracticable and in such event the only entitlement of the shareholders aforesaid shall be to receive cash payments as aforesaid, Shareholders affected as a result of the foregoing sentence shall not be or be deemed to be, a separate class of shareholders for any purpose whatsoever.
157. (A) Whenever the Board or the Company in general meeting have resolved that a dividend be paid or declared on the share capital of the Company, the Board may further resolve:
- either* (i) that such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid up on the basis that the shares so allotted shall be of the same class or classes as the class or classes already held by the allottee, provided that the shareholders entitled thereto will be entitled to elect to receive such dividend (or part thereof) in cash in lieu of such allotment. In such case, the following provisions shall apply:-
- (a) the basis of any such allotment shall be determined by the Board;
- (b) the Board, after determining the basis of allotment, shall give not less than two weeks' notice in writing to the shareholders of the right of election accorded to them and shall send with such notice forms of election and specify the procedure to be followed and the place at which and the latest date and time by which duly completed forms of election must be lodged in order to be effective;

- (c) the right of election may be exercised in respect of the whole or part of that portion of the dividend in respect of which the right of election has been accorded; and
- (d) the dividend (or that part of the dividend to be satisfied by the allotment of shares as aforesaid) shall not be payable in cash on shares in respect whereof the cash election has not been duly exercised (“the non-elected shares”) and in lieu and in satisfaction thereof shares shall be allotted credited as fully paid up to the holders of the non-elected shares on the basis of allotment determined as aforesaid and for such purpose the Board shall capitalise and apply out of any part of the undivided profits of the Company or any part of any of the Company’s reserve accounts (including any special account, contributed surplus account, share premium account and capital redemption reserve fund (if there be any such reserve)) as the Board may determine, a sum equal to the aggregate nominal amount of the shares to be allotted on such basis and apply the same in paying up in full the appropriate number of shares for allotment and distribution to and amongst the holders of the non-elected shares on such basis.

or (ii) the shareholders entitled to such dividend shall be entitled to elect to receive an allotment of shares credited as fully paid up in lieu of the whole or such part of the dividend as the Board may think fit on the basis that the shares so allotted shall be of the same class or classes as the class or classes of shares already held by the allottee. In such case, the following provisions shall apply:-

- (a) the basis of any such allotment shall be determined by the Board;
- (b) the Board, after determining the basis of allotment, shall give no less than two weeks’ notice in writing to the shareholders of the right of election accorded to them and shall send with such notice forms of election and specify the procedure to be followed and the place at which and the latest date and time by which duly completed forms of election must be lodged in order to be effective;
- (c) the right of election may be exercised in respect of the whole or part of that portion of the dividend in respect of which the right of election has been accorded; and
- (d) the dividend (or that part of the dividend in respect of which a right of election has been accorded) shall not be payable on shares in respect whereof the share election has been duly exercised (“the elected shares”) and in lieu thereof shares shall be allotted credited as fully paid up to the holders of the elected shares on the basis of allotment

determined as aforesaid and for such purpose the Board shall capitalise and apply out of any part of the undivided profits of the Company or any part of any of the Company's reserve accounts (including any special account, contributed surplus account, share premium account and capital redemption reserve fund (if there be any such reserve)) as the Board may determine, a sum equal to the aggregate nominal amount of the shares to be allotted on such basis and apply the same in paying up in full the appropriate number of shares for allotment and distribution to and amongst the holders of the elected shares on such basis.

- (B) The shares allotted pursuant to the provisions of paragraph (A) of this Bye-law shall rank *pari passu* in all respects with the shares then in issue save only as regards participation:-
- (i) in the relevant dividend (or the right to receive or to elect to receive an allotment of shares in lieu thereof as aforesaid); or
 - (ii) in any other distributions, bonuses or rights paid, made, declared or announced prior to or contemporaneously with the payment or declaration of the relevant dividend

unless, contemporaneously with the announcement by the Board of their proposal to apply the provisions of sub-paragraph (i) or (ii) of paragraph (A) of this Bye-law in relation to the relevant dividend or contemporaneously with their announcement of the distribution, bonus or rights in question, the Board shall specify that the shares to be allotted pursuant to the provisions of paragraph (A) of this Bye-law shall rank for participation in such distribution, bonus or rights.

- (C) The Board may do all acts and things considered necessary or expedient to give effect to any capitalisation pursuant to the provisions of paragraph (A) of this Bye-law with full power to the Board to make such provisions as they think fit in the case of shares becoming distributable in fractions (including provisions whereby, in whole or in part, fractional entitlements are aggregated and sold and the net proceeds distributed to those entitled, or are disregarded or rounded up or down or whereby the benefit of fractional entitlements accrues to the Company rather than to the members concerned). The Board may authorise any person to enter into on behalf of all members interested, an agreement with the Company providing for such capitalisation and matters incidental thereto and any agreement made pursuant to such authority shall be effective and binding on all concerned.
- (D) The Company may upon the recommendation of the Board by special resolution resolve in respect of any one particular dividend of the Company that notwithstanding the provisions of paragraph (A) of this Bye-law a dividend may be satisfied wholly in the form of an allotment of shares credited as fully paid up without offering any right to shareholders to elect to receive such dividend in cash in lieu of such allotment.

- (E) The Board may on any occasion determine that rights of election and the allotment of shares under paragraph (A) of this Bye-law shall not be made available or made to any shareholders with registered addresses in any territory where in the absence of a registration statement or other special formalities the circulation of an offer of such rights of election or the allotment of shares would or might be unlawful, and in such event the provisions aforesaid shall be read and construed subject to such determination.
 - (F) The Board may on any occasion determine that rights of election under paragraph (A) of this Bye-law shall not be made available to shareholders who are registered in the register of shareholders, or in respect of shares the transfer of which is registered, after a date fixed by the Board and in such event the provisions aforesaid shall be read and construed subject to such determination.
158. The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for meeting claims on or liabilities of the Company or contingencies or for paying off any loan capital or for equalising dividends or for any other purpose to which the profits of the Company may be properly applied, and pending such application may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may from time to time think fit, and so that it shall not be necessary to keep any investments constituting the reserve or reserves separate or distinct from any other investments of the Company. The Board may also without placing the same to reserve carry forward any profits which it may think prudent not to distribute by way of dividend.
159. Subject to the rights of persons, if any, entitled to shares with special rights as to dividend, all dividends shall be declared and paid according to the amounts paid or credited as paid up on the shares in respect whereof the dividend is paid, but no amount paid up or credited as paid up on a share in advance of calls shall be treated for the purposes of this Bye-law as paid up on the share.
160. (A) The Board may retain any dividends or other moneys payable on or in respect of a share upon which the Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.
- (B) The Board may deduct from any dividend or bonus payable to any member all sums of money (if any) presently payable by him to the Company on account of calls, instalments or otherwise.
161. Any general meeting sanctioning a dividend may make a call on the members of such amount as the meeting fixes, but so that the call on each member shall not exceed the dividend payable to him, and so that the call shall be made payable at the same time as the dividend, and the dividend may, if so arranged between the Company and the member, be set off against the call.
162. A transfer of shares shall not pass the right to any dividend or bonus declared thereon before the registration of the transfer.

163. If two or more persons are registered as joint holders of any share, any one of such persons may give effectual receipts for any dividends, interim dividends or bonuses and other moneys payable in respect of such shares.
164. Unless otherwise directed by the Board, any dividend or bonus may be paid by cheque or warrant sent through the post to the registered address of the member entitled, or, in case of joint holders, to the registered address of that one whose name stands first in the register in respect of the joint holding or to such person and to such address as the holder or joint holders may in writing direct. Every cheque or warrant so sent shall be made payable to the order of the person to whom it is sent, and the payment of any such cheque or warrant shall operate as a good discharge to the Company in respect of the dividend and/or bonus represented thereby, notwithstanding that it may subsequently appear that the same has been stolen or that any endorsement thereon has been forged.
165. All dividends or bonuses unclaimed for one year after having been declared may be invested or otherwise made use of by the Board for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. All dividends or bonuses unclaimed for six years after having been declared may be forfeited by the Board and shall revert to the Company.
166. Any resolution declaring a dividend on shares of any class, whether a resolution of the Company in general meeting or a resolution of the Board, may specify that the same shall be payable or distributable to the persons registered as the holders of such shares at the close of business on a particular date, notwithstanding that it may be a date prior to that on which the resolution is passed, and thereupon the dividend shall be payable or distributable to them in accordance with their respective holdings so registered, but without prejudice to the rights inter se in respect of such dividend of transferors and transferees of any such shares. The provisions of this Bye-law shall mutatis mutandis apply to bonuses, capitalisation issues, distributions of realised capital profits or offers or grants made by the Company to the members.

Distribution of Realised Capital Profits

167. The Company in general meeting may at any time and from time to time resolve that any surplus moneys in the hands of the Company representing capital profits arising from moneys received or recovered in respect of or arising from the realisation of any capital assets of the Company or any investments representing the same and not required for the payment or provision of any fixed preferential dividend instead of being applied in the purchase of any other capital assets or for other capital purposes be distributed amongst the ordinary shareholders on the footing that they receive the same as capital and in the shares and proportions in which they would have been entitled to receive the same if it had been distributed by way of dividend, provided that no such profits as aforesaid shall be so distributed unless there shall remain in the hands of the Company a sufficiency of other assets to answer in full the whole of the liabilities and paid-up share capital of the Company for the time being.

Returns

168. The Board shall make the requisite returns and annual declarations in accordance with the Companies Act.

Accounts

169. The Board shall cause true accounts to be kept of the sums of money received and expended by the Company, and the matters in respect of which such receipts and expenditure take place, and of the property, assets, credits and liabilities of the Company and of all other matters required by the Statutes or necessary to give a true and fair view of the state of Company's affairs and to show and explain its transactions.
170. The books of account shall be kept at the Head Office or at such other place or places as the Board thinks fit and shall always be open to the inspection of the Directors provided that such records as are required by the Statutes shall also be kept at the Registered Office.
171. The Board shall from time to time determine whether and to what extent, at what times and places and under what conditions or regulations, the accounts and books of the Company, or any of them shall be open to the inspection of the members not being Directors, and no member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by the Statutes or ordered by a court of competent jurisdiction or authorised by the Board or by the Company in general meeting.
172. (A) The Board shall from time to time cause to be prepared and laid before the Company in general meeting such profit and loss accounts, balance sheets, group accounts (if any) and reports as are required by the Statutes.
- (B) Every balance sheet of the Company shall be signed on behalf of the Board by two Directors and a copy of every balance sheet (including every document required by law to be comprised therein or attached or annexed thereto) and profit and loss account which is to be laid before the Company in general meeting, together with a copy of the Directors' report and a copy of the Auditors' report (collectively the "Relevant Financial Documents"), shall not less than twenty-one days before the date of the meeting, be sent to every member of, and every holder of debentures of, the Company and every person registered under Bye-law 48 and every other person entitled to receive notices of general meetings of the Company under the provisions of the Statutes or of these presents, provided that this Bye-law shall not require a copy of those documents to be sent to any person of whose address the Company is not aware or to more than one of the joint holders of any shares or debentures, but any member or holder of debentures to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application at the registered office or the Registration Office. If all or any of the shares or debentures of the Company shall for the time being be (with the consent of the Company) listed or dealt in on any stock exchange, there shall be forwarded to the appropriate officer of such stock exchange such number of copies of such documents as may for the time being be required under its regulations or practice.
- (C) To the extent permitted by and subject to due compliance with all applicable Statutes, rules and regulations including, without limitation, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited from time to time in force and to obtaining all necessary consents, if any, required

altered on
30 May
2002

adopted n
30 May
2002

thereunder, the requirements in paragraph (B) of this Bye-law shall be deemed satisfied in relation to any person by sending to the person in any manner not prohibited by the Statutes and instead of a copy of the Relevant Financial Documents, a summary financial report derived from the Relevant Financial Documents which shall be in the form and containing the information required by applicable laws and regulations, provided that any person who is otherwise entitled to the Relevant Financial Documents may, if he so requires and in accordance with all applicable Statutes, rules and regulations (including, without limitation, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited from time to time in force), by notice in writing served on the Company, demand that the Company sends to him, in addition to a summary financial report, a complete printed copy of the Relevant Financial Documents.

- (D) The requirement to send to a person referred to in paragraph (B) of this Bye-law the Relevant Financial Documents or a summary financial report in accordance with paragraph (C) of this Bye-law shall be deemed satisfied where, in accordance with all applicable Statutes, rules and regulations, including, without limitation, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited from time to time in force, the Company publishes copies of the Relevant Financial Documents and, if applicable, a summary financial report complying with paragraph (C) of this Bye-law, on the Company's computer network or in any other permitted manner (including by sending any form of electronic communication), and that person has agreed or is deemed to have agreed to treat the publication or receipt of such documents in such manner as discharging the Company's obligation to send to him a copy of the Relevant Financial Documents.

adopted on
30 May
2002

Audit

173. Auditors shall be appointed and their duties regulated in accordance with the provisions of the Statutes.
174. Subject as otherwise provided by the Statutes the remuneration of the Auditors shall be fixed by the Company in general meeting Provided always that in respect of any particular year the Company in general meeting may delegate the fixing of such remunerations to the Board.
175. Every statement of accounts audited by the Company's Auditors and presented by the Board at a general meeting shall after approval at such meeting be conclusive except as regards any error discovered therein within three months of the approval thereof. Whenever any such error is discovered within that period, it shall forthwith be corrected, and the statement of accounts amended in respect of the error shall be conclusive.

Notices

176. Any notice or document (including any "corporate communication" within the meaning ascribed thereto under the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited from time to time in force), to be given or issued from the Company to a member, whether or not under these Bye-laws, shall be given in writing or by cable, telex or facsimile transmission message or other form of

altered on
13
September
1990 and
adopted on
30 May
2002

electronic transmission or communication and any such notice and document may be served or delivered by the Company on or to any member (1) personally or (2) by sending it through the post in a prepaid letter, envelope or wrapper addressed to such member at his registered address as appearing in the register or by delivering it or leaving it at such registered address as aforesaid or (3) as the case may be, by transmitting it to any such address or transmitting it to any telex or facsimile transmission number or electronic number or address or website supplied by him to the Company for the giving of notice or document to him or (4) (in the case of a notice) may be by advertisement in English in a leading English language daily newspaper and (if the Relevant Territory is Hong Kong) in Chinese in a leading Chinese language daily newspaper circulating in the Relevant Territory (where the Relevant Territory is Hong Kong, the aforesaid newspapers shall be included in the list of newspapers issued and published in the Hong Kong Government Gazette for the purposes of section 71A of the Companies Ordinance (Cap. 32 of the Laws of Hong Kong)) or (5) subject to due compliance with all applicable Statutes, rules and regulations, by publishing it on the Company's computer network, giving access to such network to the member and giving to the member a notice stating that the notice or other document is available there (a "notice of availability"). In the case of joint holders of a share, all notices or documents shall be given to that one of the joint holders whose name stands first in the register and notice so given shall be deemed a sufficient service to all the joint holders.

177. A member shall be entitled to have notices served on him at any address within the Relevant Territory. Any member whose registered address is outside the Relevant Territory may notify the Company in writing of an address in the Relevant Territory which for the purpose of service of notice shall be deemed to be his registered address. Where the registered address of the member is outside the Relevant Territory, notice, if given through the post, shall be sent by prepaid airmail letter.
178. Any notice or other document (including any "corporate communication" within the meaning ascribed thereto under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited from time to time in force) given or issued by the Company:
- (i) if served by post, shall be deemed to have been served on the day following that on which the envelope or wrapper containing the same is posted and in proving such service it shall be sufficient to prove that the envelope or wrapper containing the notice was properly prepaid, addressed and posted and a certificate in writing signed by the Secretary or other person appointed by the board that the envelope or wrapper containing the notice or other document was so addressed and put into the post shall be conclusive evidence thereof;
 - (ii) if sent by electronic communication, shall be deemed to be given on the day on which it is transmitted from the server of the Company or its agent. A notice or document placed on the Company's website is deemed given by the Company to a member on the day following that on which a notice of availability is deemed served on the member;
 - (iii) if served or delivered in any other manner contemplated by these Bye-laws other than by advertisement in newspapers in accordance with this Bye-law, shall be deemed to have been served or delivered at the time of personal service or delivery or, as the case may be, at the time of the relevant dispatch or transmission; and in proving such service or delivery a certificate in writing

adopted on
30 May
2002

signed by the Secretary or other person appointed by the Board as to the fact and time of such service, delivery, dispatch or transmission shall be conclusive evidence thereof;

- (iv) if served by advertisement in newspapers in accordance with this Bye-law, shall be deemed to have been served on the day on which the notice is first published; and
- (v) may be given to a member either in the English language or the Chinese language only or in both the English language and Chinese language, subject to due compliance with all applicable Statutes, rules and regulations.

179. A notice may be given by the Company to the person entitled to a share in consequence of the death, mental disorder or bankruptcy of a member by sending it through the post in a prepaid letter, envelope or wrapper addressed to him by name, or by the title of representative of the deceased, or trustee of the bankrupt, or by any like description, at the address, if any, supplied for the purpose by the person claiming to be so entitled, or (until such an address has been so supplied) by giving the notice in any manner in which the same might have been given if the death, mental disorder or bankruptcy had not occurred.

180. Any person who by operation of law, transfer or other means whatsoever shall become entitled to any share shall be bound by every notice in respect of such share which prior to his name and address being entered on the register shall have been duly given to the person from whom he derives his title to such share.

181. Any notice or document delivered or sent by post to, or left at the registered address of any member or served by any means permitted by and in pursuance of these presents, shall notwithstanding that such member be then deceased or bankrupt and whether or not the company has notice of his death or bankruptcy, be deemed to have been duly served in respect of any registered shares whether held solely or jointly with other persons by such member until some other person be registered in his stead as the holder or joint holder thereof, and such service shall for all purposes of these presents be deemed a sufficient service of such notice or document on his personal representatives and all persons (if any) jointly interested with him in any such shares.

altered on
30 May
2002

182. The signature to any notice to be given by the Company may be written or printed.

Information

183. No member (not being a Director) shall be entitled to require discovery of or any information respecting any detail of the Company's trading or any matter which is or may be in the nature of a trade secret process which may relate to the conduct of the business of the Company and which in the opinion of the Board it will be inexpedient in the interests of the members of the Company to communicate to the public.

Winding Up

184. A resolution that the Company be wound up by the Court or be wound up voluntarily shall be a special resolution.

185. If the Company shall be wound up, the surplus assets remaining after payment to all creditors shall be divided among the members in proportion to the capital paid up on the shares held by them respectively, and if such surplus assets shall be insufficient to repay the whole of the paid up capital, they shall be distributed so that, as nearly as may be, the losses shall be borne by the members in proportion to the capital paid up on the shares held by them respectively, but all subject to the rights of any shares which may be issued on special terms or conditions.
186. If the Company shall be wound up (whether the liquidation is voluntary, or by the court) the liquidator may, with the sanction of a special resolution, divide among the members in specie or kind the whole or any part of the assets of the Company and whether the assets shall consist of property of one kind or shall consist of properties of different kinds and the liquidator may, for such purpose, set such value as he deems fair upon any one or more class or classes of property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members and the members within each class. The liquidator may, with the like sanction, vest any part of the assets in trustees upon such trusts for the benefit of members as the liquidator, with the like sanction, shall think fit, but so that no member shall be compelled to accept any shares or other assets upon which there is a liability.

Indemnity

187. Save and except so far as the provisions of this Bye-law shall be avoided by any provisions of the Statutes, the Board, President, Vice-president, Managing Directors, alternate Directors, Secretary and other officers for the time being of the Company and the trustees (if any) for the time being acting in relation to any of the affairs of the Company, and their respective executors or administrators, shall be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them, their or any of their executors or administrators, shall or may incur or sustain by reason of any act done, concurred in or omitted in or about the execution of their duty or supposed duty in their respective offices or trusts, except such (if any) as they shall incur or sustain through their own wilful neglect or default, fraud and dishonesty respectively, and none of them shall be answerable for the act, receipts, neglects or defaults of any other of them, or for joining in any receipt for the sake of conformity, or for any bankers or other persons with whom any moneys or effects of the Company shall be lodged or deposited for safe custody, or for the insufficiency or deficiency of any security upon which any moneys of the Company shall be placed out or invested, or for any other loss, misfortune or damage which may happen in the execution of their respective offices or trusts, or in relation thereto, except as the same shall happen by or through their own wilful neglect or default, fraud and dishonesty respectively.

Alteration of Bye-laws

188. These Bye-laws may be amended from time to time by special resolution.

Changes in Applicable Law

189. The following provisions shall have effect at any time and from time to time that they are not prohibited by or inconsistent with any provision of the Statutes:-

altered on
13
September
1990

(i) Bye-law 3(C) shall read as follows:-

“(C) (i) The Company may give financial assistance on such terms as the Board thinks fit to directors and bona fide employees of the Company, any of its subsidiaries, any holding company of the Company or any subsidiary of any such holding company in order that they may buy shares (fully or partly paid) in the Company or any holding company of the Company and such terms may include a reference that, when a director ceases to be a director of, or an employee ceases to be employed by, the Company or such other company, shares bought with such financial assistance shall or may be sold to the Company or such other company on such terms as the Board thinks fit.

(ii) The Company may in accordance with any scheme for the time being in force and approved by the members in general meeting provide money or other financial assistance direct or indirect for the purpose of or in connection with the purchase of, or subscription for, fully or partly paid shares in the Company or any holding company of the Company, being a purchase or subscription by a trustee of or for shares to be held by or for the benefit of employees of the Company, any of its subsidiaries, any holding company of the Company or any subsidiary of any such holding company, including any director holding a salaried employment or office with or in any such company and so that the residual beneficiary of any such trust may be or include a charitable object.”

(ii) Paragraph (c) of Bye-law 73 shall read as follows:-

“the election of Directors and appointment of Auditors and other officers in the place of those retiring, whether by rotation or otherwise;”.

(iii) The first sentence of Bye-law 90(B) shall read as follows:-

“A proxy need not be a member of the Company.”

(iv) Bye-law 99 shall read as follows:-

“Neither a Director nor an alternate Director shall be required to hold any qualification shares but shall nevertheless be entitled to attend and speak at all general meetings of the Company and at all meetings of any class of members of the Company.”

(v) Bye-law 101 shall read as follows:-

“A Director may at any time, by notice in writing signed by him delivered to the Head Office or at a meeting of the Board, appoint any person (including another Director) to act as alternate Director in his place during his absence and may in like manner at any time determine such appointment. If such person is not another Director, such appointment, unless previously approved by the

Board, shall have effect only upon and subject to being so approved. The appointment of an alternate Director shall determine on the happening of any event which, were he a Director, would cause him to vacate such office or if his appointor ceases to be a Director.”

- (vi) Bye-law 102(A) shall read as if the following new sentence were added at the end of such paragraph:

“No alternate Director shall by virtue of that position be a director for the purposes of the Statutes, but shall nevertheless be subject to the provisions of the Statutes in so far as they relate to the duties and obligations of directors (other than the obligation, if any, to hold any qualifying share in the Company) when performing the functions of a director.”

- (vii) The provisions of Bye-law 107(viii) shall not apply.

- (viii) Bye-law 109(A) shall read as follows:

“(A) At each annual general meeting one-third of the Directors for the time being or, if their number is not three or a multiple of three, then the number nearest one-third, shall retire from office, Provided that no Director holding office as executive chairman or as a managing director shall be subject to retirement by rotation or taken into account in determining the number of Directors to retire. The Directors to retire in every year shall be those who have been longest in office since their last election but as between persons who became Directors on the same day those to retire shall (unless they otherwise agree between themselves) be determined by lot. The retiring Directors shall be eligible for re-election.”

- (ix) Bye-law 122 shall read as if the words “Board shall as soon as practicable following each annual general meeting elect one of its body to the office of President of the Company and another to the Vice-President of the Company, and” were replaced by the words “Board may elect from their number a President and/or Vice-President, and”.

- (x) Bye-law 124 shall read as if the words “(subject to the proviso to Bye-law 109(A))” were added after “Company”.

- (xi) Paragraph (A) of Bye-law 145 shall read as if the following sentence were added after the first sentence:

“The Company may adopt one or more common seals for use in any territory outside Bermuda.”