

The English version shall always prevail in case of any inconsistency between English version and its Chinese translation.

**THE COMPANIES ACT 1981 OF BERMUDA**

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**Company Limited by Shares**

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**BYE-LAWS**

**As adopted by Resolution passed on 8 November, 1995**

**Amended at the Annual General Meeting held on 6 September 2004**

**Amended at the Annual General Meeting held on 6 September 2005**

**Amended at the Annual General Meeting held on 26 September 2008**

**Amended at the Special General Meeting held on 24 October 2008**

**Amended at the Annual General Meeting held on 29 September 2009**

**Amended at the Special General Meeting held on 9 December 2019**

**Amended at the Special General Meeting held on 24 January 2022**

**OF**

**SAMSON PAPER HOLDINGS LIMITED**

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**PRELIMINARY**

1. In these regulations unless there is something in the subject or context inconsistent therewith:

“the Act” means the Companies Act 1981 of Bermuda as modified from time to time;

“address” shall have the ordinary meaning given to it and shall include any facsimile number, electronic number or address or website used for the purposes of any communication pursuant to the Bye-Laws;

“associate” has the meaning ascribed thereto in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as modified from time to time;

“Bermuda” means the Islands of Bermuda;

“business day” means any calendar day other than a Saturday, Sunday or a public holiday in the Hong Kong Special Administrative Region of the People’s Republic of China.

“the Bye-Laws” or “these presents” means the bye-laws of the Company for the time being in force;

“capital” means the share capital from time to time of the Company;

“Clearing House” means a recognised clearing house within the meaning of Section 37 of the Securities and Futures Ordinance of Hong Kong or a clearing house recognised by the laws of the jurisdiction in which the shares of the Company are listed or quoted on a stock exchange in such jurisdiction;

“the Company” or “this Company” means Samson Paper Holdings Limited incorporated in Bermuda on 10 July 1995;

“Designated Stock Exchange” means a stock exchange which is an appointed stock exchange for the purposes of the Act in respect of which the shares of the Company are listed or quoted and where such appointed stock exchange deems such listing or quotation to be the primary listing or quotation of the shares of the Company;

“Director” means a director of the Company and “the Directors” means the board of Directors of the Company as constituted from time to time or the Directors present at a meeting of Directors at which a quorum is present, and references in the Bye-Laws to Directors shall be to both executive and non-executive Directors unless otherwise indicated;

“dollars” or “HK\$” means Hong Kong Dollars;

“electronic” means relating to technology having electrical, digital, magnetic, wireless, optical electromagnetic or similar capabilities and such other meanings as given to it in the Electronic Transactions Act 1999 of Bermuda as may be amended from time to time;

“electronic communication” means a communication sent by electronic transmission in any form through any medium, cable and telex message;

“member” means a person who is entered on the register as the holder of shares in the capital of the Company;

“Memorandum of Association” means the Memorandum of Association of the Company for the time being in force;

“month” means calendar month;

“office” means the registered office for the time being of the Company;

“ordinary resolution” means a resolution passed by a simple majority of the votes cast by such members as being entitled so to do, vote in person or, by duly authorised corporate representative or, where proxies are allowed, by proxy, at a general meeting of the Company at which a quorum is present and of which notice has been duly given in accordance with the Bye-Laws;

“paid up” or “paid” includes credited as paid up or paid;

“published in the newspapers” means published as a paid advertisement in English in at least one English language newspaper and in Chinese in at least one Chinese language newspaper, being in each case a newspaper published and circulating generally in Hong Kong in accordance with the rules of the Designated Stock Exchange;

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

“the register” means the Principal Register of members and, where applicable, any branch register of members of the Company to be kept pursuant to the Act;

“secretary” includes any person appointed by the Board to perform the duties of secretary temporarily and any duly appointed assistant or acting secretary;

“seal” means the common seal of the Company or where the context permits, the duplicate seal of the Company for use in any particular state, country or territory outside Bermuda;

“share(s)” means share(s) in the capital of the Company and includes stock except where a distinction between stock and shares is expressed or implied;

“shareholders” means the duly registered holders of shares;

A13-1 “special resolution” means a resolution passed by a majority of not less than three-fourths of the votes cast by such members as, being entitled so to do, vote in person or, by duly authorised corporate representative or, where proxies are allowed, by proxy, at a general meeting of the Company at which a quorum is present and of which notice has been duly given in accordance with the Bye-Laws, specifying the intention to propose the resolution as a special resolution;

“Statutes” means the Act, the Electronic Transactions Act 1999 of Bermuda, and every other act (as amended from time to time) for the time being in force of the Legislature of Bermuda applying to or affecting the Company, the Memorandum of Association and/or these presents;

“summarised financial statements” shall have the meaning ascribed to them in the section 87A(3) of the Act;

“in writing”, “written” and “printing” includes writing, printing, lithograph, photograph, type-writing and every other mode of representing words or figures in a visible form or, to the extent permitted by, and in accordance with all applicable laws, rules and regulations, any visible substitute for writing (including an electronic communication), or partly in one visible form and partly in another visible form;

“year” means calendar year.

References to a document being executed include references to its being executed under hand or under seal or, to the extent permitted by, and in accordance with the Statutes and other applicable laws, rules and regulations, by electronic signature or by any other method. References to a document, to the extent permitted by, and in accordance with the Statutes and other applicable laws, rules and regulations, include references to any information in visible form whether having physical substance or not.

2. (A) The singular includes the plural and vice versa. Words importing any gender include the other genders.
- (B) Save as aforesaid any words or expressions defined in the Act shall if not inconsistent with the subject or context bear the same meaning in these presents.
- (C) The headings shall not affect the construction of these presents.

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3. Subject to the provisions of the Act, the Company may at any time and from time to time by special resolution alter or amend the Memorandum of Association or the Bye-Laws in whole or in part.

### **CAPITAL AND SHARES**

- A3-9 4. (A) The authorised share capital of the Company at the date of this Bye-Law becomes effective is HK\$114,308,601.30 divided into 2,000,000,000 shares of HK\$0.05 each (the “Ordinary Shares”), and 143,086,013 convertible non-voting preference shares of HK\$0.10 each in the capital of the Company (the “CP Shares”).

The CP Shares shall rank pari passu with each other in all respects and shall have the special rights and privileges and be subject to the restrictions as follows:

#### **(1) Voting and General meetings**

- (a) The holders of CP Shares shall be entitled to receive notice of every general meeting of the Company but shall not be entitled (i) to vote upon any resolution unless it is a resolution for winding-up the Company or reducing its share capital in any manner or a resolution modifying, varying or abrogating any of the special rights attached to the CP Shares or (ii) to attend or speak at any general meeting of the Company unless the business of the meeting includes the consideration of a resolution upon which the holders of CP Shares are entitled to vote. Accordingly where reference is made in any of the Bye-Laws of the Company to the rights of members or shareholders in regard to voting upon any resolution other than for winding-up of the Company, reduction of share capital of the Company in any manner, or modification, variation or abrogation of any of special rights attached to the CP Shares, the term “member” or “shareholder” shall not include a reference to the holder of a CP Share.
- (b) Whenever the holders of CP Shares are entitled to vote at a general meeting of the Company upon any resolution proposed at such a general meeting, on a show of hands every holder thereof who is present in person or by proxy or (being a corporation) by a representative or representatives or proxy or proxies shall have one vote and on a poll every holder thereof who is present in person or by proxy or (being a corporation) by a representative or representatives or proxy or proxies shall have one vote for every CP Share held by it.

## **(2) Conversion**

- (a) Subject as hereinafter provided, each holder of CP Shares shall be entitled to convert its CP Shares into fully paid Ordinary Shares of HK\$0.10 each in the capital of the Company on the basis of one Ordinary Share for every CP Share (the “Conversion Rate”) upon the giving of a Conversion Notice (as defined below).
- (b) The right to convert CP Shares into Ordinary Shares shall be exercisable in respect of the whole or any part of the holder’s CP Shares at any time after the date of issue of the CP Shares. In such event, the holder shall complete a notice in such form as the Directors may from time to time prescribe (“Conversion Notice”) and deliver the same to the Company or its authorised agent at its principal place of business in Hong Kong together with such other evidence (if any) as the Directors may reasonably require to prove the title and claim of the person exercising such right. A Conversion Notice once given may not be withdrawn without the consent in writing of the Company.
- (c) Subject to sub-paragraph (b) above, if, before the end of business on the Maturity Date, the holders of CP Shares serve a continuing notice (“Continuing Notice”) in such form as the Directors may from time to time prescribe and deliver the same to the Company or its authorised agent at its principal place of business in Hong Kong together with such other evidence (if any) as the Directors may reasonably require to prove the title and claim of the person exercising such right, such CP Shares shall not be subject to the mandatory conversion as described in paragraph (2)(d) hereinafter. A Continuing Notice once given may not be withdrawn without the consent in writing of the Company.
- (d) At the end of business on the Maturity Date, unless previously redeemed, purchased and cancelled, converted or that a Continuing Notice has been served and delivered to the Company as herein provided, all CP Shares will be mandatorily converted by the Company into such number of Ordinary Shares as would have been issued by the Company if such CP Shares had been converted pursuant to the exercise by the holders of CP Shares of the conversion right pursuant to this paragraph (2). The mandatory conversion of the CP Shares by the Company shall be made in accordance with this paragraph (2) and notwithstanding that a holder of CP Shares has failed to surrender any certificate(s) in respect of any CP Shares, such CP Shares shall be automatically cancelled and of no further effect following the Maturity Date.



- (e) The Dividend (as defined hereinafter) entitlement attaching to any CP Shares as hereinafter provided shall cease to apply with effect from the date of conversion. Ordinary Shares arising on conversion shall rank pari passu in all respects with Ordinary Shares, including the rights to receive any dividends and other distributions declared.
- (f) Allotments of Ordinary Shares arising from conversion of CP Shares under this Bye-Laws shall be effected by resolution of the Directors as of, and not later than 2 months after the date of receipt by the Company of the Conversion Notice. The Company shall as soon as possible forward to each holder of converted shares certificate(s) for the appropriate number of fully-paid Ordinary Shares and new certificate(s) for any unconverted CP Shares comprised in the certificate previously surrendered by such holder.
- (g) Save where the Conversion Rate is increased following any adjustment with the provisions of paragraph (7), notwithstanding any references in this resolution to “allot” or “allotment”, any Ordinary Shares arising from the conversion of any CP Shares shall not represent new shares in the capital of the Company and the unissued share capital of the Company shall not be reduced as a result of any such conversion.
- (h) So long as the Company remains listed in Hong Kong, the holders of the CP Shares shall not exercise their right to convert the CP Shares into Ordinary Shares of the Company unless at least 25% of the Company’s total issued share capital that is listed on the Stock Exchange is at all times held by the public.

### **(3) Dividend**

- (a) The holders of CP Shares shall have the same right to dividend payment as to the holders of Ordinary Shares (“Dividend”).
- (b) Save as provided by this paragraph, the CP Shares shall not confer on the holders thereof any right to participate in the profits of the Company.

### **(4) Transfer and Listing**

None of the CP Shares shall be assignable or transferable without the prior written approval of the board of Directors of the Company. The Company shall not apply for a listing of any of the CP Shares on any stock exchange anywhere in the world.

**(5) Capital**

- (a) On a distribution of assets on a winding-up or other return of capital, the surplus assets of the Company remaining after payment of its liabilities shall be applied in priority to any payment to the holders of the Ordinary Shares in paying to the holders of the CP Shares a sum equal to (i) the nominal capital paid up or credited as paid up on the CP Shares held by them respectively; and (ii) all arrears (if any) of the Dividend thereon as at (and calculated up to) the date of commencement of the winding up (in the case of a winding up) or the return of capital (in any other case).
- (b) Save as provided by this paragraph, the CP Shares shall not confer on the holders thereof any further right to participate in the assets of the Company.

**(6) Other Provisions**

- (a) So long as any CP Shares are not yet redeemed, cancelled or converted, then save with such consent or sanction on the part of the holders of CP Shares as is required for a variation of the rights attached to such shares:
  - (i) If any offer or invitation by way of rights or otherwise (not being an offer or invitation to which the provisions of sub-paragraph (a)(ii) hereof applies) or any Capital Distribution (as defined in paragraph (9)) is made to the holders of the Ordinary Shares then (unless the Conversion Rate falls to be adjusted pursuant to paragraph (7) in consequence of the proposed offer, invitation or Capital Distribution and the Directors shall have determined to do so) the Company shall make or, so far as it is able, procure that there is made at the same time a like offer, invitation or Capital Distribution to each holder of CP Shares as if its conversion rights had been exercisable and exercised in full on the record date for such offer, invitation or Capital Distribution (as the case may be) on the basis of the Conversion Rate then applicable. Where such a like offer, invitation or Capital Distribution is made in circumstances in which an adjustment would otherwise fall to have been made to the Conversion Rate under paragraph (7) no such adjustment shall be made.
  - (ii) If an offer is made to the holders of Ordinary Shares (or all such shareholders other than the offeror and/or any company controlled by the offeror and/or any persons acting in concert with the offeror) to acquire the whole or any part of the

issued ordinary share capital of the Company or if any person proposes a scheme with regard to such acquisition, and the Company becomes aware that the right to cast more than 50 per cent of the votes which may ordinarily be cast on a poll at a general meeting of the Company has or will become vested in the offeror and/or such companies or persons as aforesaid, the Company shall give written notice to all holders of CP Shares of such vesting within 14 days of its becoming so aware and each such holder shall be entitled within the period of 3 months from the date of such notice to convert the whole or any part of its CP Shares into fullypaid Ordinary Shares on the basis set out in paragraph (2) except that the restriction in the first sentence of subparagraph (b) thereof shall not apply.

- (b) Any Dividend on the CP Shares remaining unclaimed after a period of 6 years from the date of declaration of such dividend shall be forfeited and will revert to the Company.
- (c) The Company shall send to the holders of the CP Shares a copy of each document sent to the holders of the Ordinary Shares at the same time as it is sent to such holders.

#### **(7) Adjustments**

- (a) Save and except for the issue of the Warrants of the Company which is expected to be in December 2008, the Conversion Rate shall from time to time be adjusted in accordance with the provisions of this paragraph (7) but subject always to the provisions of paragraph (6)(a)(i) hereof.
- (b) If, whilst any CP Shares remain capable of being converted into Ordinary Shares, the Company issues any Ordinary Shares by way of capitalisation of profits or reserves (including any share premium account and capital redemption reserve) to the holders of Ordinary Shares, the number of Ordinary Shares arising on any subsequent conversion of CP Shares shall be increased pro rata and such increase shall become effective as at the record date for such issue. No adjustments shall be made in the event of the issue of Shares (by way of capitalisation of profits or reserves) in lieu of cash dividends or in connection with a redemption or conversion of CP Shares.
- (c) If, whilst any CP Shares remain capable of being converted into Ordinary Shares, there is an alteration to the nominal value of Ordinary Shares as a result of a consolidation or subdivision, the number of Ordinary Shares arising on any subsequent conversion of the CP Shares shall be reduced or increased accordingly,

and such reduction or increase shall become effective immediately after the alteration takes effect.

- (d) If and whenever the Company shall make any Capital Distribution (as defined in paragraph (9) hereof) to holders of Ordinary Shares, then the number of Ordinary Shares arising for every HK\$0.10 nominal amount of CP Shares subsequently converted (and so in proportion for any other nominal amount of CP Shares) shall be adjusted by multiplying such number of Ordinary Shares by the following fraction;

$$\frac{A}{A - B}$$

where:

A is the Current Market Price per Ordinary Share (as defined in paragraph (9)) at the date on which the Capital Distribution is publicly announced; and

B is the fair market value (expressed in cents) on the day of such announcement or (as the case may require) the day following such announcement, as determined in good faith by a financial adviser (acting as an expert and not as an arbitrator) selected by the Directors, of the portion of the Capital Distribution attributable to one Ordinary Share,

Such adjustment shall become effective as at the record date for the Capital Distribution. The provisions of this subparagraph (d) shall not apply to any offer which falls within sub-paragraph (e) hereof.

- (e) If and whenever the Company shall offer to holders of Ordinary Shares as a class new Ordinary Shares by way of rights at a price which is less than the Current Market Price per Ordinary Share (as defined in paragraph (9)) at the date of announcement of the terms of the offer, then (except where the Conversion Rate falls to be adjusted under sub-paragraphs (b) or (d) hereof), the Conversion Rate shall be adjusted as follows:

$$X = \frac{C}{A + B}$$

where:

- X is the new Conversion Rate;
- A is the aggregate number of Ordinary Shares in issue immediately preceding the date of such announcement;
- B is the number of Ordinary Shares which the amount payable for the total number of Ordinary Shares offered by way of rights would purchase at the Current Market Price per Ordinary Share (as defined in paragraph (1)) at the date of such announcement; and
- C is the aggregate number of Ordinary Shares in issue immediately preceding the date of the announcement together with the aggregate number of Ordinary Shares offered by way of rights.
- (f) If and whenever the Company shall offer to holders of Ordinary Shares as a class, to the public generally or by way of placement any warrants or options (other than pursuant to the share option scheme established by the Company on 26 February 2004) to subscribe for Ordinary Shares, the Conversion Rate shall be adjusted in the manner set out in sub-paragraph (e) hereof mutatis mutandis but subject to the following changes:
- B is the number of Ordinary Shares which the aggregate of the amount (if any) payable for such warrants or options and of the amount payable upon exercise of such warrants or options would purchase at the Current Market Price per Ordinary Share (as defined in paragraph (9)) at the date of announcement of such issue of warrants or options; and
- C is the aggregate number of Ordinary Shares in issue immediately preceding the date of the announcement together with the aggregate number of Ordinary Shares comprised in such warrants or options.
- (g) Upon the happening of any of the events mentioned in this paragraph (7) the Company shall, unless a like offer or invitation or Capital Distribution (as the case may be) is made pursuant to paragraph (6)(a)(i), by written notice (the “Adjustment Notice”) given to the holders of the CP Shares, set forth brief particulars of the event or events giving rise to such adjustment, the Conversion Rate in effect prior to such adjustment, the adjusted Conversion Rate and the effective date thereof. In the event that any of

the holders of the CP Shares shall, within 30 days of the date of the Adjustment Notice, give written notice to the Company that they dispute any of the matters contained in the Adjustment Notice, the Company shall procure that the auditors for the time being of the Company shall make a written determination of the adjustment (if any) to the Conversion Rate made in accordance with the provisions of this paragraph (7) and shall make available for inspection by the holders of the CP Shares (at such place as shall be specified in such notice) a copy of the said report of the auditors and, where any determination of a financial adviser shall have been made pursuant to sub-paragraph (d) hereof, a copy of such determination. In the absence of manifest error, the adjustment to the Conversion Rate as specified in such report shall be conclusive and binding on all concerned.

**(8) Redemption**

- (a) Subject to the provisions of the Act, the Company shall be entitled, at any time after the fifth anniversary of the date of issue of the CP Shares by resolution of the Directors to redeem all or any of the CP Shares.
- (b) The “Redemption Date” in respect of any CP Shares shall be the date on which the Company proposes to redeem any of the CP Shares as provided in this paragraph (8).
- (c) The Company shall give holders of the CP Shares to be redeemed not less than 28 days’ prior notice in writing of the proposed Redemption Date (the “Provisional Redemption Notice”). A holder of CP Shares shall then have the right, exercisable not later than 14 days after such Provisional Redemption Notice is given, to convert the whole or any part of its holding of CP Shares into Ordinary Shares pursuant to the provisions of paragraph (2) hereof notwithstanding the giving of such Provisional Redemption Notice. In the event that such right is not exercised or exercised in respect of part only of such holding of CP Shares on or before such deadline, the redemption of such CP Shares shall no longer be provisional and the holder of such CP Shares shall be obliged to comply with paragraph (8)(d) hereof either as regards all of such holding of CP Shares or such part thereof in respect of which it has not exercised its right of conversion as aforesaid. In the event that such right is exercised in respect of the whole of such holding of CP Shares on or before such deadline, the Provisional Redemption Notice shall cease to have effect and no redemption of such CP Shares shall take place.
- (d) The Provisional Redemption Notice shall specify the place at which the certificates

for such CP Shares are to be presented for redemption and upon the Redemption Date the Company shall redeem the CP Shares and the holders of such CP Shares shall be bound to deliver to the Company at such place the certificates for such CP Shares as are held by such holder. Upon such delivery, the Company shall pay to such holder the amount due to him in respect of such redemption.

- (e) There shall be paid on each CP Share redeemed a sum equal to (i) the subscription price thereof and (ii) all arrears (if any) of the Dividend thereon. As from the Redemption Date such Dividend shall cease to apply.
- (f) The receipt of the registered holder for the time being of any CP Shares or in the case of joint registered holders the receipt of any of them for the moneys payable on redemption thereof shall constitute an absolute discharge to the Company in respect thereof.

**(9) Definitions**

In the above paragraphs, unless the context otherwise requires:

- (1) “Capital Distribution” shall mean any dividend or other distribution of capital profits (whether realised or not) or capital reserves of the Company, or of profits or reserves arising after the date of the first issue of the CP Shares from the distribution of capital profits (whether realised or not) or capital reserves by a subsidiary, except by means of any purchase of the Company’s own Shares (other than a redemption or purchase of redeemable shares in accordance with the terms of issue thereof including, without limitation, pursuant to paragraph (8) hereof) provided that, in so far as relevant audited accounts do not distinguish between capital and revenue profits or reserves, the Company shall be entitled to rely upon a written estimate by the auditors for the time being of the Company as to the extent to which any part of any profit or reserve should be regarded as of a capital nature.
- (2) “Current Market Price per Ordinary Share” at a particular date shall mean the average of the closing prices (expressed in cents) published in the daily quotations sheet of The Stock Exchange of Hong Kong Limited for one Ordinary Share for the five consecutive Business Days ending on the Business Day immediately preceding such date.
- (3) “Maturity Date” means 31 March 2009, being the date when all outstanding CP

Shares will be mandatorily converted into Ordinary Shares of the Company unless previously redeemed, purchased and cancelled, converted or that a Continuing Notice has been previously served and delivered to the Company.

(B) Subject to the provisions of the Act and of the Bye-Laws relating to new shares, all unissued shares in the Company including any new shares created upon an increase of capital shall be under the control of the Directors who may offer, allot, grant options over or otherwise dispose of them to such persons, on such terms and conditions and at such times as the Directors shall in their sole and absolute discretion think fit, but so that no shares shall be issued at a discount.

5. (A) The Company may at any time pay a commission or brokerage 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 the conditions and requirements of the Act shall be observed and complied with and in each case the commission or brokerage shall not exceed 10 per cent of the price at which the shares are issued.

(B) Subject to the provisions of the Act, the Directors may with the sanction of an ordinary resolution of the members in general meeting issue warrants to subscribe for any class of shares or securities of the Company on such terms as they may from time to time determine. Where share warrants are issued to bearer, no new warrant shall be issued to replace one that has been lost unless the Directors are satisfied beyond reasonable doubt that the original has been destroyed and have received an indemnity in satisfactory form with regard to the issue of any new warrant.

A3-2(2)

6. (A) Subject to the provisions, if any, in that behalf of the Memorandum of Association and without prejudice to any special rights previously conferred on the holders of existing shares, any share may be issued with such preferred, deferred or other special rights or such restrictions, whether in regard to dividend, voting, return of share 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 shall not make specific provision but subject to the provisions of the Act and the Bye-Laws, as the Directors may determine) and subject to the provisions of the Act any preference share may, with the sanction of a special resolution, be issued or converted into shares that, at a determinable date or at the option of the Company or, if so authorized by the Memorandum of Association, the holder, are liable to be redeemed on such terms and in such manner as the Company before the issue or conversion may be such special resolution determine.

(B) The Company may by ordinary resolution before the issue of any new shares, make any provisions as to the issue and allotment of such shares including, but without prejudice to the generality of the foregoing a provision that the new shares or any of them shall be offered in the first instance to all the holders for the time being of shares of any class in proportion to the number of the shares held by them respectively but in default of any such determination, 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.

7. (A) If at any time the capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may subject to the provisions of the Act, be varied or abrogated with the consent in writing of the holders of 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 any such separate general meeting all the provisions of the Bye-Laws as to general meetings of the Company shall mutatis mutandis apply but so that the necessary quorum (other than at an adjourned meeting) shall be at least two



persons holding or representing by proxy or authorized representative not less than one-third of the issued shares of the class, that every holder of shares of the class shall be entitled on a poll to one vote for every such share held by him, that any holder of shares of the class present in person or by proxy or authorised representative may demand a poll and that at any adjourned meeting of such holders two holders present in person or by proxy or authorized representative (whatever the number of shares held by them) shall be a quorum.

- (B) The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.
8. Except as otherwise expressly provided by the Bye-Laws or required by law or ordered by a court of competent jurisdiction, no person shall be recognized by the Company as holding any share upon any trust and the Company shall not be bound by or be compelled in any way to recognise (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 rights in respect of any share except an absolute right to the entirety thereof in the registered holder.
9. (A) Subject, where applicable, to the rules of any Designated Stock Exchange, the Company may in accordance with an employees' share scheme approved by the members in general meeting provide directly or indirectly money on such terms as the Directors think fit for the acquisition of fully or partly paid shares in the Company or its holding company. For the purposes of this Bye-Law, an employees' share scheme is a scheme for encouraging or facilitating the holding of shares or debentures in the Company by or for the benefit of the bona fide employees or former employees (including, notwithstanding Section 96 of the Act, any such bona fide employee or former employee who is or was also a director) of the Company, the Company's subsidiary or holding company or a subsidiary of the Company's holding company, or the wives, husbands, widows, widowers or children or step-children under the age of twenty-one of such employees or former employees.
- (B) Subject, where applicable, to the provisions of the Act and to the rules of any Designated Stock Exchange, the Company, the Company's subsidiary or holding company or a subsidiary of the Company's holding company may make loans to persons (including, notwithstanding Section 96 of the Act, any bona fide employee or former employee who is or was also a Director) employed in good faith by the Company, with a view to enabling those persons to acquire fully or partly paid shares in the Company or its holding company to be held by them by way of beneficial ownership.
- (C) The conditions subject to which any money and/or loans are provided under paragraphs (A) and/or (B) of this Bye-Law may include a provision to the effect that when an employee ceases to be employed by the Company, the shares acquired with such financial assistance shall or may be sold to the Company on such terms as the Directors think fit.

10. Subject to the provisions of the Statutes and the Memorandum of Association and where applicable, subject further to compliance with the rules and regulations of the Designated Stock Exchange on which the shares of the Company are listed and any other relevant regulatory authority, the Directors may exercise the power of the Company to purchase or otherwise acquire its own shares and/or warrants upon such terms and subject to such conditions as the Directors may deem fit. Where the Directors exercise the power of the Company to purchase for redemption a redeemable share, purchases not made through the market or by tender shall be limited to a maximum price and if purchases are made by tender, the tenders shall be available to all members alike.

A3-8(1)  
A3-8(2)

#### **REGISTER OF MEMBERS AND SHARE CERTIFICATES**

11. (A) Subject to the Act, the Directors shall cause to be kept as such place as they shall deem fit a register of the members and there shall be entered therein the particulars required under the Act.
- (B) The Company may establish and maintain a branch register of members in accordance with Bye-Law 159.
- (C) Except where the register is closed in accordance with the Act, the Principal Register and any branch register shall during business hours be open to the inspection of any member without charge.
- (D) The reference to business hours is subject to such reasonable restrictions as the Company in general meeting may impose, but so that not less than 2 hours in each day are to be allowed for inspection.
- (E) Any member may require a copy of the register, or of any part thereof, on payment of the appropriate fee prescribed by the Act. The Company shall cause any copy so required by any person to be sent to that person within a period of 10 days commencing on the date next after the date on which the request is received by the Company.
12. (A) Every person whose name is entered as a member in the register shall be entitled to receive within such period of time as may be prescribed by the Statutes or the rules of the Designated Stock Exchange 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, in a case where the allotment or transfer is of a number of shares in excess of the number for the time being forming a Designated Stock Exchange board lot, upon payment, (i) in the case of an allotment, of such amount as may from time to time be permitted under the rules of the Designated Stock Exchange for every certificate after the first or such lesser sum as the Directors shall from time to time determine; or (ii) in the case of a transfer, of such amount as may from time to time be permitted under the rules of Designated Stock Exchange for every certificate or such lesser sum as the Directors shall from time to time determine, such number of certificates for shares in stock exchange board lots 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.
- (B) Every certificate for shares or debentures or representing any other form of security of the Company shall be issued under the seal.
- (C) Every share certificate hereafter issued shall specify the number of shares in respect of which it is issued and may otherwise be in such form as the Directors may from time to time prescribe.

A3-1(1)

A3-1(1)

A3-2(1)

- A3-1(1) 13. If a share certificate is defaced, worn out, lost or destroyed, it may be replaced on payment of such fee, if any, not exceeding HK\$2.50 (or such higher amount as shall for the time being be approved by the Designated Stock Exchange on which the shares of the Company are listed) and on such terms, if any, as to publication of notices, evidence and indemnity and to payment of any exceptional costs and the reasonable out-of-pocket expenses of the Company in investigating such evidence and preparing such indemnity as the Directors may think fit and, which it is defaced or worn out, after delivery of the defaced or worn out certificate to the Company.
14. If any share shall stand in the names of 2 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 the Bye-Laws, all or any other matters connected with the Company, except the transfer of the share.

#### **LIEN**

- A3-1(2) 15. 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 that 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 single member 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; but the Directors may at any time declare any share to be for some specified period wholly or in part exempt from the provision of this Bye-Law. The Company's lien, if any, on a share shall extend to all dividends, bonuses and distributions payable in respect thereof.
16. The Company may sell, in such manner as the Directors think fit, any shares on which the Company has a lien but so 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 14 days after a notice in writing, stating and demanding payment of such sum presently payable or specifying the liability or engagement and demanding fulfillment 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 share or the person entitled thereto by reason of the death mental disorder or bankruptcy of the registered holder.
17. The net proceeds of such sale after the payment of the costs thereof shall be received by the Company and applied in or towards payment fulfilment or discharge of the debt or liability or engagement in respect whereof the lien exists, so far as the same is presently payable or due to be fulfilled or discharged, and any residue shall (subject to a like lien for debts or liabilities or engagements not presently payable or due to be fulfilled or discharged as existed upon the shares prior to the sale and upon surrender, if required by the Company, for cancellation of the certificate for the shares sold) be paid to the person who was the holder of such shares immediately before the sale of such shares. For giving effect to any such sale the Directors may authorise some person to transfer the shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the shares comprised in any such transfer and he shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

## CALLS ON SHARES

18. The Directors may from time to time make such calls as they may think fit upon the members in respect of all or any part of the moneys unpaid on the shares held by them respectively (whether on account of the nominal value of the shares and/or by way of premiums) and not by the conditions of issue or allotment thereof made payable at a date fixed by or in accordance with such terms of issue or allotment; and each member shall (subject to receiving at least 14 days' notice specifying the time and place of payment and to whom such call shall be paid) pay to the Company at the time and place and to the person so specified the amount called on his shares. A call shall be deemed to have been made when the resolution of the Directors authorising such call is passed and may be made payable in one sum or by instalments. A call may be revoked or postponed as the Directors may determine. A person upon whom a call is made shall remain liable on such call notwithstanding any subsequent transfer of the shares in respect of which the call was made.
19. A copy of the notice referred to in Bye-Law 18 shall be sent to the members in the manner in which notices may be sent to members by the Company as herein provided.
20. In addition to the giving of notice in accordance with Bye-Law 18, notice of the person appointed to receive payment of every call and of the time and place appointed for payment may be given to the members affected by notices to be published in the newspapers.
21. The joint holders of a share shall be jointly and severally liable to pay all calls and instalments due in respect of such share or other moneys due in respect thereof.
22. The Directors may from time to time at their discretion extend the time fixed for any call and may extend such time as regards all or any of the members whom, by reason of residence outside Hong Kong or other cause, the Directors may deem entitled to any such extension but no member shall be entitled to any such extension except as a matter of grace and favour.
23. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest upon the sum at such rate not exceeding, without the sanction of the Company in general meeting, 20 per cent per annum as the Directors shall fix from the day appointed for the payment thereof to the time of the actual payment but the Directors shall be at liberty to waive payment of that interest wholly or in part.
24. No member shall be entitled to receive any dividend or bonus or to be present and vote (save as proxy for another member who is entitled) at any general meeting, either personally or by proxy or authorised representative or be reckoned in a quorum or to exercise any other privilege as a member until all calls and 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.
25. 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 the Bye-Laws; and it shall not be necessary to prove the appointment of the Directors who made such call nor any other matters whatsoever and the proof of the matters aforesaid only shall be conclusive evidence of the existence of the debt.
26. Any sum (whether on account of the nominal value of the share and/or by way of premium) which by the terms of issue or allotment of a share becomes payable upon allotment or at any date fixed by or in accordance with such terms of issue or allotment shall for all the purposes of the Bye-Laws be deemed to be a call duly made, notified any payable on the date on which by the terms of issue or allotment the same becomes payable. In case of non-payment all the relevant provisions of the Bye-Laws as to payment of interest and expenses, forfeiture or otherwise shall apply as of such sum had become payable by virtue of a call duly made and notified.

- A3-3(1)
27. The Directors may make arrangements on the issue of shares for differences in the amount of calls to be paid and in the times of payment between one allottee or holder and another.
  28. The Directors may, if they think fit, receive from any member willing to advance the same and either in money or money's worth all or any part of the moneys uncalled and unpaid or instalments not yet payable upon any shares held by him; and upon all or any of the moneys so advanced may (until the same would, but for such advance, become presently payable) pay interest at such rate (not exceeding, without the sanction of the Company in general meeting, 6 per cent per annum) as may be agreed upon between the member paying the sum in advance and the Directors. The Directors may at any time repay the amount so advanced or any part thereof upon giving to such member not less than one month's notice in writing of their intention in that behalf, unless before the expiration of such notice the amount proposed to be repaid shall have been called up on the shares in respect of which it was advanced in which event the same shall be applied in or towards satisfaction of the call under the applicable provisions of the Bye-Laws.

### **FORFEITURE OF SHARES**

29. If a member fails to pay in full any call or instalment of a call on the day appointed for the payment thereof, the Directors 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 24, 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.
30. The notice shall name a further day (not earlier than 14 days after the date of service of the notice) on or before which and the place where the payment required by the notice is to be made and shall state that in the event of non-payment at or before the time and at the place appointed the shares in respect of which the call was made will be liable to be forfeited.
31. 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 Directors to that effect. Such forfeiture shall include all dividends and bonuses declared in respect of the forfeited shares but not paid before the forfeiture. The Directors may accept a surrender of any share liable to be forfeited hereunder and in such case, references in these presents to forfeiture shall include surrender.
32. Until cancelled in accordance with the requirements of the Act, any share so forfeited shall be deemed to be the property of the Company and may be sold, reallocated or otherwise disposed of either to the person who was, before the forfeiture, the holder thereof or entitled thereto or to any other person on such terms and in such manner as the Directors think fit and at any time before a sale or disposition thereof the forfeiture may be cancelled on such terms as the Directors think fit.
33. 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 calls already made and moneys which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares and without any deduction or allowance for the value of the shares at the date of forfeiture (together with interest thereon at such rate not exceeding 10 per cent per annum as the Directors may prescribe from the date of forfeiture if the Directors think fit to enforce payment of such interest) but his liability shall cease if and when the Company shall receive payment in full of all such calls, monies and interests 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 and/or by way of premium, shall, notwithstanding that such time has not yet arrived be deemed to be payable at 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, if later, the date of actual payment.

34. A statutory declaration in writing to the effect that the declarant 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 shares. The Company may receive the consideration, if any, given for the share on any sale, allotment or disposition thereof and may, subject to the restrictions contained in the Bye-Laws, execute a transfer of the share in favour of the person to whom the share is sold, allotted 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 for the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, allotment or disposal of the share.
35. 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.
36. (A) Notwithstanding any such forfeiture as aforesaid, the Directors may at any time, before any shares so forfeited shall have been sold, allotted or otherwise disposed of, permit the shares forfeited to be redeemed upon the terms of payment of all calls and interest due upon and expenses incurred in respect of the shares and upon such further terms (if any) as they think fit.
- (B) The forfeiture of a share shall not prejudice the right of the Company to any call already made or instalment payable thereon.
- (C) 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.

### **STOCK**

37. To the extent permitted by Statutes, the Company may from time to time by ordinary resolution convert any paid up shares into stock and may from time to time by like resolution reconvert any stock into paid up shares of any denomination.
38. 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 hereto as circumstances admit Provided that the Directors may from time to time, if they think 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.
39. 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.
40. Such of the provisions of the Bye-Laws as are applicable to paid up shares shall apply to stock and the words "share" and "member" herein shall include "stock" and "stockholder".

### **TRANSFER OF SHARES**

41. (A) All transfers of shares may be effected by transfer in writing in any usual or common form or in any other form acceptable to the Directors and may be under hand only.

- (B) The instrument of transfer shall be executed by or on behalf of both the transferor and the transferee provided that the Directors may dispense with the execution of the instrument of transfer by the transferee in any case which they think fit in their discretion to do so. The Board may also resolve, either generally or in any particular case, upon request by either the transferor or transferee, to accept mechanically executed transfers.
- (C) The transferor shall remain the holder of the shares concerned until the name of the transferee is entered in the register in respect thereof.
42. Nothing in the Bye-Laws shall preclude the Directors from recognising a renunciation of the allotment or provisional allotment of any share by the allottee in favour of some other person. The Directors in their sole and absolute discretion and without assigning any reason therefor may decline to register any transfer of shares which are not fully paid up to a person of whom they do not approve and they may also refuse to register any transfer of share (not being a fully paid up share) on which the Company has a lien. The Directors shall not register a transfer to a person who is known to them to be an infant or a person of unsound mind or under any other legal disability but the Directors shall not be bound to enquire into the age or soundness of mind or legal ability of any transferee.
- A3-1(2)
43. Every instrument of transfer shall be left at the office or at such other place as the Directors may appoint for registration accompanied by the certificate of the shares to be transferred and such other evidence as the Directors may reasonably require to prove the title of the transferor or his right to transfer the shares. If the Directors refuse to register a transfer they shall within 2 months after the date on which the transfer was lodged with the Company send to each of the transferor and transferee notice of the refusal. All instruments of transfer which are registered shall be retained by the Company but any instrument of transfer which the Directors may decline to register shall (except in the case of fraud) be returned to the person depositing the same together with the share certificate and such other evidence as aforesaid within 2 months after the date on which the transfer was lodged with the Company.
44. The Directors may also decline to recognise any instrument of transfer unless:
- (i) a fee of HK\$2.50 (or such higher amount as shall for the time being be approved by the Designated Stock Exchange on which the shares of the Company are listed) or such lesser sum as the Directors may from time to time require is paid to the Company for registering any transfer or other document relating to or affecting the title to the shares involved or for otherwise making an entry in the register relating to such shares;
- (ii) the instrument of transfer is in respect of only one class of shares;
- (iii) if applicable, the instrument of transfer is properly stamped; and
- (iv) in the case of a transfer to joint holders, the number of joint holders to whom the share is to be transferred does not exceed 4
- A3-1(3)
45. Upon every transfer of shares the certificate relating to the shares to be transferred held by the transferor shall be given up to be cancelled and shall forthwith be cancelled accordingly and a new certificate shall be issued with a fee not exceeding the amount prescribed by the rules of the Designated Stock Exchange 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 with a fee not exceeding the amount prescribed by the rules of the Designated Stock Exchange.
46. The registration of transfers may be suspended and the register closed on giving notice by advertisement in an appointed newspaper and published in the newspapers at such times and for such periods as the Directors may from time to time determine and either generally or in respect of any class of shares. The register shall not be closed for more than thirty days in any year.

## UNTRACED SHAREHOLDERS

47. (A) Without prejudice to the rights of the Company under paragraph (B) of this Bye-Law, the Company may cease sending dividend warrants by post if such warrants have been left uncashed on 2 consecutive occasions provided however that the Company may exercise the power to cease sending dividend warrants by post after first occasion on which such a warrant is returned undelivered.
- A3-13(1)
- (B) The Company shall have the power to sell, in such manner as the Directors think fit, any shares of a member who is untraceable, but no such sale shall be made unless:
- (i) all cheques or warrants, being not less than 3 in total number, for any sum payable in cash to the holder of such shares in respect of them sent in the manner authorised by the Bye-Laws of the Company have remained uncashed for a period of 12 years;
- A3-13(2)(a)
- (ii) the Company has not at any time during the 12 year period received any indication of the existence of the member or of any person who is entitled to such shares; and
- (iii) upon expiry of the 12 year period the Company has caused an advertisement to be published in the newspapers giving notice of its intention to sell such shares and a period of 3 months has elapsed since the date of such advertisement and the Company has notified the Designated Stock Exchange of such intention
- A3-13(2)(b)

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

## TRANSMISSION OF SHARES

48. 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 holder shall be the only persons recognised by the Company as having any title to his interest in the share; but nothing herein contained shall release the estate of the deceased (whether sole or joint holder) from any liability in respect of any share which had been held by him jointly with other persons or solely.
49. Any person to whom the right to any share has been transmitted by death, bankruptcy or operation of law may, upon such evidence being produced as may from time to time properly be required by the Directors and subject as hereinafter provided, elect either to be registered himself as holder of the shares, whether in whole or part, or to have some person nominated by him registered as the transferee thereof, whether in whole or part, but the Directors shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the shares by the original member before the event giving rise to the transmission. The merger of any 2 or more corporation by operation of law for the purposes of this Bye-Laws.



50. If the person so becoming entitled shall elect to be registered himself, whether in whole or part in respect of the shares involved, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If he shall elect to have another person registered in respect of the shares the right to which has been so transmitted, he shall testify his election by executing in favour of that person a transfer of the relevant shares. All the limitations, restrictions and provisions of the Bye-Laws relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the transmission had not occurred and the notice or transfer were a transfer signed by the original registered holder.
51. Any person to whom the right to any share has been transmitted by operation of law shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the shares. Provided always that the Directors may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within 90 days the Directors may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share until the requirements of the notice have been complied with but subject to the requirements of Bye-Law 75 being met, such person may vote at meetings of the Company.

#### **ALTERATION OF CAPITAL**

52. 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 shares 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 as the resolution shall prescribe.
53. Except so far as otherwise provided by the conditions of issue or by the Bye-Laws, any new shares issued as a consequence of an alteration of capital shall be subject to the same provisions with reference to the payments of calls and instalments, liens, transfer, transmission, forfeiture, cancellation, surrender, voting and otherwise as the shares in the original capital.
54. The Company may from time to time by ordinary resolution:
- (i) consolidate and divide all or any of its capital into shares of larger amount than its existing shares; on any consolidation of fully paid shares into shares of larger amount, the Directors may settle any difficulty which may arise as they think 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 shares and if it shall happen that any person shall become entitled to fractions of a consolidated shares or shares, such fractions may be sold by some person appointed by the Directors 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 shares or shares rateably in accordance with their rights and interests or may be paid to the Company for the Company's benefit;
  - (ii) sub-divide its existing 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 Act; 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;

- (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 capital by the amount of the shares so cancelled;
  - (iv) change the currency denomination of its share capital;
  - (v) divide its shares into several classes and attach thereto respectively and preferential deferred, qualified or special rights, privileges or conditions; and
  - (vi) make provision for the issue and allotment of shares which do not carry any voting rights.
55. The Company may by special resolution reduce its capital, any capital redemption reserve fund or any share premium account or other undistributable reserve in any manner prescribed by the Act.

### **GENERAL MEETINGS**

56. The Company shall in each year hold a general meeting as its annual general meeting in addition to any other meetings in that year and shall specify the meeting as such in the notices calling it and not more than 15 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 at such time and place as the Directors shall appoint. All general meetings other than annual general meetings shall be called special general meetings.
57. (A) The Directors may, whenever they think fit, convene a special general meeting. A special general meeting shall also be convened on the written requisition of any 2 or more members holding at the date of the deposit of the requisition in aggregate not less than one-tenth of such of the paid up capital of the Company as at the date of the deposit carries the right of voting at general meetings of the Company. Such requisitionists must state the objects of the meeting and must be signed by the requisitionists and deposited at the office. If the Directors do not within 21 days from the date of the deposit of such requisition proceed duly to convene a special general meeting, the requisitionists themselves or any of them representing more than one half of the total voting rights of all of them may convene the special general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Directors, and all reasonable expenses incurred by the requisitionists as a result of the failure of the Directors to convene such a meeting shall be reimbursed to them by the Company.
- (B) Save as provided in the Act, a resolution in writing signed (in such manner as to indicate, expressly or impliedly, unconditional approval) by or on behalf of all members for the time being entitled to receive notice of and to attend and vote at general meetings of the Company shall, for the purposes of these Bye-Laws, be treated as an ordinary resolution duly passed at a general meeting of the Company duly convened and held and, where relevant, as a special resolution so passed. Any such resolution shall be deemed to have been passed at a meeting held on the date on which it was signed by the last member to sign, and where the resolution states a date as being the date of the signature thereof by any member the statement shall be prima facie evidence that it was signed by him on that date. Such a resolution may consist of several documents in the like form, each signed by one or more relevant members.

### **NOTICE OF GENERAL MEETINGS**

- A13-3 58. Subject to such other minimum period as may be specified in the Listing Rules from time to time, (i) an annual general meeting shall be called by notice in writing of not less than 20 clear business days or 21 clear days (whichever is longer); (ii) a meeting of the Company other than an annual general meeting called for the passing of a special resolution shall be called by notice in writing of not less than 21 clear days or 10 clear business days (whichever is longer); and (iii)

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 notice in writing of not less than 10 clear business days or 14 clear days (whichever is longer). 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. The notice convening an annual general meeting shall specify the meeting as such and the notice convening a meeting to pass a special resolution shall specify the intention to propose the relevant resolution as a special resolution.

59. Subject to the foregoing Bye-Law, the notice of every general meeting 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 the Bye-Laws entitled to receive such notices from the Company Provided that subject to the provisions of the Act a meeting of the Company shall, notwithstanding that it is called by shorter notice than that specified in this Bye-Laws, 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 95 per cent in nominal value of the shares giving that right.
60. The accidental omission to give notice of a meeting to or the non-receipt of notice of a meeting by any person entitled to receive notice shall not invalidate any resolution passed or any proceedings at any meeting.
61. In cases where instruments of proxy are or are to be sent out with notices, the accidental omission to send such instruments of proxy to or the non-receipt of such instruments of proxy by an person entitled to receive notice shall not invalidate any resolution passed or any proceedings at any such meeting.

#### **PROCEEDINGS AT GENERAL MEETINGS**

62. All business shall be deemed special that is transacted at a special general meeting and at an annual general meeting, with the exception of the declaration and sanctioning of a dividend, making a call in accordance with the provisions of the Bye-Laws, the reading, consideration and adoption of the accounts, balance sheet and the reports of the Directors and other documents required to be annexed to the balance sheet, the election of Directors in the place of those retiring at the meeting whether by rotation or otherwise, the appointment of the auditors (where special notice of the intention for such appointment is not required by the Act) and the fixing, or the determination of the method of fixing, of the remuneration of the Directors and of the auditors.
63. For all purposes that quorum for a general meeting shall be 2 members entitled to vote present in person or by separate proxy or authorized representative. No business shall be transacted at any general meeting unless the requisite quorum shall be present at the commencement of the business provided that the absence of a quorum shall not preclude the appointment, choice or election of a chairman which shall not be treated as part of the business of the meeting.
64. If within 15 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; 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 Directors.
65. Each Directors shall be entitled to attend and speak at any general meeting of the Company and at any separate meeting of the holders of any class of shared in the Company.

66. The Chairman or, in this absence, the Deputy Chairman, if any, shall preside as chairman at every general meeting of the Company.
67. If at any meeting neither the Chairman nor the Deputy Chairman is present within 15 minutes after the time appointed for holding the meeting or is willing to act as chairman, the Directors present shall choose one of their number as chairman and if only one Director shall be present he shall, if willing to act, preside as chairman. If no Director shall be present or if all the Directors present decline to take the chair or if the chairman chosen shall retire from the chair, then the members present shall choose one of their own number to be the chairman.
68. The chairman may, with the consent of any meeting at which a quorum is present and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place as the meeting shall determine, but no business shall be transacted at any adjourned meeting other than the business which might lawfully have been transacted at the meeting from which the adjournment took place. When a meeting is adjourned for 14 days or more, at least 7 clear days' written notice specifying the place, the day and the hour of the adjourned meeting shall be given as in the case of an original meeting but it shall not be necessary to specify in such notice the nature of the business to be transacted at the adjourned meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
69. 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 taken as may from time to time be required under the rules of the Designated Stock Exchange or any other applicable laws, rules or regulations or unless a poll is (before or on the declaration of the result of the show of hands) demanded by:
- (i) the chairman;
  - (ii) at least 3 members present in person or by proxy or authorized representative for the time being entitled to vote at the meeting;
  - (iii) any member or members present in person or by proxy or authorised representative and holding between them not less than one-enth of the total voting rights of all the members having the right to attend and vote at the meeting; or
  - (iv) any member of members present in person or by proxy or authorised representative and holding shares in the Company conferring a right to attend and 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 is taken as may from time to time be required under the rules of the Designated Stock Exchange or any other applicable laws, rules or regulations or unless a poll is so demanded and the demand is 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 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 of or against that resolution.

70. If a poll is duly demanded it shall (subject as provided in Bye-Law 73) be taken in such manner (including the use of ballot or voting papers or tickets or scrutineers) and at such time and place, not being more than 30 days from the date of the meeting or adjourned meeting at which the poll was demanded, as the chairman directs and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. No notice need be given of a poll not taken immediately. 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.
71. All questions submitted to a meeting shall be decided by a simple majority of votes except where a greater majority is required by the Bye-Laws or by the Statutes. In the event of an

equality of votes whether on a show of hands or on a poll, the chairman of the meeting shall be entitled to a second or casting vote.

72. 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.
73. A poll duly demanded on the election of a chairman of a meeting or on a question of adjournment shall be taken forthwith at the meeting and without adjournment. A poll demanded on any other question shall be taken at such time (being not later than 30 days after the date of the demand) and place as the chairman of the meeting directs.

#### **VOTES OF MEMBERS**

74. Subject to any rights or restrictions for the time being attached to any class or classes of shares, at any general meeting on a show of hands every member present in person or by proxy or authorised representative shall have one vote, and on a poll every member present in person or by proxy or by authorised representative shall have one vote for each share of which he is the holder and which is fully paid up or credited as fully paid up (but so that no amount paid up or credited as paid up on shares shared in advance of calls or instalments shall be treated for the purpose of this Bye-Law as paid up on the share). A person entitled to cast more than one vote upon a poll need not use all his votes or cast all the votes he uses in the same way.
75. Any person entitled under Bye-Law 49 to be registered as a shareholder 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 48 hours before the time of the holding of the meeting or adjourned meeting (as the case may be) at which he proposed to vote, he shall satisfy the Directors of his right to be registered as the holder of such shares or the Directors shall have previously admitted his right to vote at such meeting in respect thereof.
76. In the case of joint holders the vote of the senior who tenders a vote, whether in person or by proxy or by authorised representative, shall be accepted to the exclusion of the votes of the other joint holders; and for this purpose seniority shall be determined by the order in which the names stand in the register. 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.
77. 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.
78. (A) Where the Company has knowledge that any member is, under any applicable laws and the rules of the Designated Stock Exchange from time to time, 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.  
  
(B) If (a) any objection shall be raised to the qualification of any voter or (b) any votes have been counted which ought not to have been counted or which might have been rejected or (c) any votes are not counted which ought to have been counted, the objection or error shall not vitiate the decision of the meeting or adjourned meeting on any resolution unless the same is raised or pointed out at the meeting or, as the case may be, the adjourned meeting at which the vote objected to is given or tendered or at which the error occurs. Any objection or error shall be referred to the chairman of the meeting and shall only vitiate the decision of the meeting on any resolution if the chairman decides that the same may be affected the decision of the meeting. The decision of the chairman on such matters shall be final and conclusive.

79. Any member of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person as his proxy to attend and vote instead of him. On a poll votes may be given either personally or by proxy (which term shall for the purposes of this Bye-Law and Bye-Laws 80 to 85 (inclusive) include an authorised representative appointed under Bye-Law 86). Provided that such is permitted by the Statutes, a proxy need not be a member of the Company. A member may appoint not more than two proxies to attend on the same occasion.
- A13-2(2)
80. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorized in writing or, if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised.
- A3-11(2)
81. 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 the office or at the place or one of such places (if any) as may be specified for that purpose in or by way of note to the notice convening the meeting or in any notice of any adjourned meeting or, in either case, in any document sent therewith or in the instrument of proxy issued by the Company not less than 48 hours before the time for holding the meeting or adjourned meeting or poll (as the case may be) at which the person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid. Delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the meeting or poll concerned.
82. No instrument appointing a proxy shall be valid after the expiration of 12 months from the date of its execution unless it states that it is valid for all meetings whatsoever until revoked with the exception that any instrument may be used at any adjournment of the meeting for which it was originally intended and on a poll demanded at a meeting or adjourned meeting provided that in all these cases the meeting was originally held within 12 months from such date.
83. The instrument appointing a proxy to vote at a general meeting shall be deemed to confer authority to demand or join in demanding a poll and to vote on any amendment of a resolution put to the meeting for which it is given as the proxy thinks fit.
84. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or the revocation of the proxy or power of attorney or other authority under which the proxy was executed or transfer of the share in respect of which the proxy is given provided that no intimation in writing of the death, insanity, revocation or transfer has been received at the office or such other place as was specified for the deposit of instrument of proxy or by the chairman of the meeting at least 2 hours before the commencement of the meeting or adjourned meeting at which the instrument of proxy is used.
85. An instrument appointing a proxy whether for a specified meeting or otherwise may be in any usual or common form or in any other form which the Directors may approve provided that no provision contained herein shall prohibit, and the Directors shall not prohibit: the use of a two-way proxy form and the Directors may, if they think fit, send out with the notice of any meeting forms of instruments of proxy for use at the meeting.
- A3-11(1)
86. (A) 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 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.
- (B) Notwithstanding any other provision of these presents, if a Clearing House (or its nominee(s)) is a member of the Company, it may authorise or appoint such person or persons as it thinks fit to act as its representative or representatives or proxy or proxies at any meeting of the Company or at any meeting of any class of members of the Company
- A13-6

provided that, if more than one person is so authorised or appointed, the authorisation or the instrument(s) appointing the proxy(ies) shall specify the number and class of shares in respect of which each such person is so authorised or appointed; and the person so authorised or appointed shall be deemed to have been duly authorised or appointed without the need of producing any documents of title, notarised authorisation and/or further evidence for substantiating the facts that it is duly authorised or appointed and shall be entitled to exercise the same rights and powers on behalf of the Clearing House (or its nominee(s)) which he represents in respect of the number and class of shares specified in the relevant authorization or the instrument(s) appointing the proxy(ies) as that Clearing House (or its nominee(s)) could exercise as if it were an individual member.

#### **OFFICE**

87. The office shall be at such place in Bermuda as the Directors shall from time to time appoint.

#### **DIRECTORS**

88. Subject to the provisions of the Bye-Laws and the Act, the Company may by ordinary resolution elect any person to be a Director either to fill a casual vacancy or as an addition to the existing Directors.
89. 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 by a member (not being the person to be proposed) 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 given to the Company provided that the minimum length of the period, during which such notices are given, shall be at least seven days. The period for lodgment of such notices will 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.
- A3-4(4)
- A3-4(5)
90. The Company may at a special general meeting called for that purpose, by special resolution remove any Director before the expiration of his period of office (notwithstanding anything in the Bye-Laws or in any agreement between the Company and such Director but without prejudice to any claim which such Director may have against the Company for damages under any such agreement) and may by ordinary resolution elect another person in his stead provided that the notice of any such meeting convened for the purpose of removing a director shall contain a statement of the intention so to do and be served on such Director 14 days before the meeting and at such meeting, such director shall be entitled to be heard on the motion for his removal. Any person so elected shall hold office for such time only as the Director in whose place he is elected would have held the same if he had not been removed.
- A3-4(3)
91. Without prejudice to the power of the Company in pursuance of the provisions of the Bye-Laws to appoint any person to be a Director and subject to the provisions of the Act, the Directors may appoint any person to be a Director as an additional Director or to fill a casual vacancy but so that the maximum number of Directors so appointed shall not exceed the number determined from time to time by the members in general meeting. Any Director so appointed shall hold office only until the next following general meeting of the Company (in the case of filling a casual vacancy) or until the next following annual general meeting of the Company (in the case of an addition to their number), and shall then be eligible for re-appointment.
- A3-4(2)
92. Provided that such is permitted by the Statutes, a Director shall not be required to hold any qualification shares and a Director or alternate Director (as the case may be) who is not a member shall be entitled to receive notice of and to attend and speak at any general meeting of the Company and of all classes of shares of the Company.
93. (A) 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 Directors may agree or, failing such 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.

(B) The Directors shall obtain the approval of the Company in general meeting before making any payment to any Director or past Director 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).

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94. Any Director who, by request of the Directors or the Company, goes or resides outside the jurisdiction in which he normally resides for any purpose of the Company or holds any executive office or who serves on any committee or who otherwise performs services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director may be paid such extra remuneration by way of salary, commission, participation in profits or otherwise as the Directors may determine.
95. 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, in or about the business of the Company.
96. The Directors may establish and maintain or procure the establishment and maintenance of any contributory or non-contributory pension or superannuation funds or death or disability benefits 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 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 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 Directors 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 Directors may do all or 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.
97. Without prejudice to the provisions for retirement by rotation herein contained, the office of a Director shall be vacated if the Director:
- (i) becomes bankrupt or has a receiving order made against him or suspends payment or makes any arrangement or composition with his creditors generally;
  - (ii) becomes a lunatic or of unsound mind or a patient for any purpose of any statute relating to mental health and the Directors resolve that his office be vacated;
  - (iii) (not being a Director appointed to an office in the management or business of the Company under Bye-Law 107 whose contract precludes resignation) resigns his office by notice in writing to the Company;
  - (iv) is convicted of an indictable offence;



- (v) has his office vacated or becomes prohibited from being a Director under any of the provisions of the Act or any order made under the Act;
  - (vi) absents himself from the meetings of the Directors during a continuous period of 6 months, without special leave of absence from the Directors and his alternate Director (if any) shall not during such period have attended in his stead and the Directors pass a resolution that his office be vacated by reason of such absence;
  - (vii) shall be removed from office by a special resolution of the Company under Bye-Law 90; or
  - (viii) becomes prohibited from being a director by any provisions of the Statutes.
98. 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.

### **ROTATION OF DIRECTORS**

99. Subject to the manner of retirement by rotation of Directors as from time to time prescribed under the rules of the Designated Stock Exchange, at each annual general meeting, one-third of the Directors for the time being (or if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation, provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. Any Director appointed pursuant to Bye-Law 91 shall not be taken into account in determining which particular Directors or the number of Directors who are to retire by rotation. A Director retiring at a meeting shall retain office until the close of the meeting. The Directors to retire shall, subject as aforesaid, 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 Directors to retire on each occasion (both as to number and identity) shall be determined by the composition of the Directors at the date of the notice convening the annual general meeting and no Director shall be required to retire or be relieved from retiring by reason of any change in the number and identity of the Directors after the date of such notice but before the close of the meeting. The retiring Directors shall be eligible for re-election.
100. 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.
101. 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 if willing, continue in office until the next annual general meeting and so on from year to year until their places are filled, unless:
- (i) it shall be determined at such meeting to reduce the number of Directors;
  - (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.
102. The Company may from time to time in general meeting by ordinary resolution fix, increase or reduce the maximum and minimum number of Directors but so that the number of Directors shall never be less than 2.
103. The Company may keep at its office (or such other place as the Directors may decide) a register in which there shall be entered such particulars in respect of the Directors and secretaries as the Directors deem fit.

## **POWERS AND DUTIES OF DIRECTORS**

104. (A) The business of the Company shall be managed by the Directors who, without limiting the generality of the foregoing, may pay all expenses incurred in setting up and registering the Company and may exercise all such powers of the Company as are not required, by the Statutes or Bye-Laws, to be exercised by the Company in general meeting subject, nevertheless, to such regulations as may be prescribed by the Company in general meeting being not inconsistent with any of the provisions of the Statutes or Bye-Laws; but no regulation made by the Company in general meeting shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made. The general powers given by this Bye-Law shall not be limited or restricted by any special authority or power given to the Directors by any other Bye-Law.
- (B) Without prejudice to the general powers conferred by the Bye-Laws, it is hereby expressly declared that the Directors 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.
105. The Directors may from time to time and at any time by power of attorney or otherwise appoint any company, firm or person or any fluctuating body of persons, whether nominated directly or indirectly by the Directors, 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 Directors under the Bye-Laws) and for such period and subject to such conditions as they 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 Directors 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.
106. The Directors may establish any local committees, boards or agencies for managing any of the affairs of the Company, either in Bermuda, Hong Kong or elsewhere, and may appoint any persons to be members of such committees boards or agencies and may appoint any manager or agents (and in particular, but without limitation, may appoint any company, firm or person to be the Company's investment manager) and may in each case fix their remuneration and may delegate to any local committee, board or agency any of the powers, authorities and discretions vested in the Directors (other than their powers to make calls and forfeit shares) with power to sub-delegate and may authorise the members of any local committee, board or agency 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 Directors may think fit and the Directors may remove any person so appointed and may annual 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.
107. The Directors may as soon as possible after the statutory meeting and after each annual general meeting elect one of their number to be the Chairman and another of their number to be the Deputy Chairman. In addition, the Directors may from time to time appoint one or more of their body to the office of Managing Director, Joint Managing Director, Deputy Managing Director or other Executive Director, General Manager, Joint General Manager and/or such other office in the management or business of the Company on such terms and for such period as they may determine and, without prejudice to the terms of any contract entered into in any particular case, may at any time revoke any such appointment.

108. A Director appointed to an office under Bye-Law 107 shall be subject to the same provisions as to removal as the other Directors of the Company and he shall (subject to the provisions of any contract between him and the Company) ipso facto and immediately cease to hold such office if he shall cease to hold the office of Director for any cause.
109. The Directors may from time to time entrust to and confer upon a Managing Director, Joint Managing Director, Deputy Managing Director, Executive Director, General Manager or Joint General Manager or a Director appointed to any other office in the management or business of the Company any of the powers exercisable by them as Directors upon such terms and conditions and with such restrictions as they think fit and either collaterally with or to the exclusion of their own powers and may from time to time revoke, withdraw, alter or vary all or any of such powers but no person dealing in good faith and without notice of such revocation, withdrawal, alteration or variation shall be affected thereby.
110. Notwithstanding Bye-Laws 93, 94, 95 and 96, the remuneration of a 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 business of the Company shall from time to time be fixed by the Directors and may be by way of salary, commission, 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 Directors may from time to time decide. Such remuneration shall be in addition to his remuneration as a Director.
111. The Directors shall cause minutes to be duly entered in books provided for the purpose:
- (i) of all appointments of officers made by the Directors;
  - (ii) of the names of the Directors present at each meeting of the Directors and of any committee of Directors;
  - (iii) of all declarations made or notices given by any Director (either generally or specially) of his interest in any contract or proposed contract or of his holding of any office or property whereby any conflict of duty or interest may arise; and
  - (iv) of all resolutions and proceedings of general meetings of the Company and of meetings of the Directors and any committee of Directors;

and any such minutes of any general meeting of the Company or any meeting of the Directors or of any committee of Directors shall be signed by the chairman of such meeting or by the chairman of the next succeeding meeting and if so signed shall be receivable as conclusive evidence of the matters stated therein.

#### **DIRECTORS' INTERESTS**

112. (A) Subject to the provisions of the Act, a Director may be or become a director or other officer of, or otherwise interested in, any company promoted by the Company or in which the Company may be interested as vendor, shareholder or otherwise and, subject to the Act, no such Director shall be accountable to the Company for any remuneration or benefits received by him as a director or officer of, or from his interest in, such other company unless the Company otherwise directs. Subject to the provisions of the Act, the Directors 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 in all respects as they think fit (including the exercise thereof in favour of any resolution appointing themselves or any of them as directors or other officers of such company) and any Director may vote in favour of the exercise of such voting rights in the manner aforesaid notwithstanding that he may be, or be about to be, appointed a director or other officer of such a company and that as such he is or may become interested in the exercise of such voting rights in the manner aforesaid.

(B) A Director may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of Director for such period and on such terms as to remuneration (whether by way of salary, commission, participation in profits or otherwise) as the Directors may determine and no Director or intending Director shall be disqualified by his office from contracting with the Company either with regard to his tenure of any such office or place of profit or as vendor, purchaser or otherwise nor shall any such contract or any contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested (whether or not such contract or arrangement is with any person, company or partnership of or in which any Director shall be a member) be liable to be avoided on that account nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established provided that such Director shall forthwith disclose the nature of his interest in any contract or arrangement in which he is interested at the earliest meeting of the Directors at which it is practicable for him to do so notwithstanding that the question of entering into such contract or arrangement is not taken into consideration at that meeting as required by and subject to the provisions of the Act and the Bye-Laws. A Director shall not vote or be counted in the quorum in respect of any resolution concerning his own appointment as the holder of any office or place of profit with the Company (including the arrangement or variation of the terms thereof or the termination thereof).

(C) A general notice to the Directors by a Director that he is to be regarded as interested in any contract or arrangement which may be made with a specified person, firm or corporation after the date of such notice shall 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 Directors or the Director takes reasonable steps to ensure that it is brought up and read at the next meeting of the Directors after it is given.

(D) Any Director may act by himself or 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 a Director or his firm shall not act as auditors to the Company.

(E) A Director shall not vote nor be counted in the quorum on any resolution of the Directors approving any contract, arrangement or other proposal in which he or any of his associates has a material interest, and if he shall do so his vote shall not be counted, but this prohibition shall not apply to any of the following proposals, contracts or arrangements, namely:

- (i) the giving of any security or indemnity either:
  - (a) to the Director or his associate(s) in respect of money lent or obligations incurred or undertaken by him or any of them at the request of or for the benefit of the Company or any of its subsidiaries; or
  - (b) to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his associate(s) has himself/themselves assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;
- (ii) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase where the Director or his associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;

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- (iii) any proposal concerning any other company in which the Director or his associate(s) is/are interested only, whether directly or indirectly, as an officer or executive or shareholder or in which the Director or his associate(s) is/are beneficially interested in shares of that company, provided that the Director and any of his associates are not in aggregate beneficially interested in five per cent. or more of the issued shares of any class of such company (or of any third company through which his interest or that of his associates is derived) or of the voting rights;
  - (iv) any proposal or arrangement concerning the benefit of employees of the Company or its subsidiaries including:
    - (a) the adoption, modification or operation of any employees' share scheme or any share incentive or share option scheme under which the Director may benefit; or
    - (b) the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates both to Directors, his associates and employees of the Company or any of its subsidiaries 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
  - (v) any contract or arrangement in which the Director or his associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company;
- (F) If any question shall arise at any meeting of the Directors 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 the chairman) to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the chairman of the meeting and his ruling in relation to such other Director shall be final and conclusive except in a case where the nature or extent of the interest of the Director and/or his associate(s) concerned as known to such Director has not been fairly disclosed to the other Directors. If any question as aforesaid shall arise in respect of the chairman of the meeting and/or his associate(s), such question shall be decided by a resolution of the Directors (for which purpose such chairman shall not vote thereon) and such resolution shall be final and conclusive except in a case where the nature or extent of the interest of such chairman and/or his associate(s) as known to him has not been fairly disclosed to the other Directors.

### **PROCEEDINGS OF DIRECTORS**

113. The Directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings and proceedings as they think fit. Questions arising at any meeting shall be decided by a majority of votes and in the case of an equality of votes the chairman shall have a second or casting vote. A Director may, and the Secretary on the requisition of a Director shall, at any time summon a meeting of the Directors. 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 alternate Director or in such other manner as the Directors 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 Hong Kong. A Director may waive notice of any meeting either prospectively or retrospectively. A meeting of the Directors or a committee of Directors may be held by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting.

114. A resolution in writing signed by all the Directors present in Hong Kong except such as are temporarily unable to act through ill-health or disability and all the alternate Directors present in Hong Kong whose appointors are absent from Hong Kong or temporarily unable to act as aforesaid and in either case who are entitled to receive notice of a meeting of the Directors shall (so long as they constitute a quorum as provided in Bye-Law 116 for the time being and provided that a copy of such resolution has been given or the contents thereof communicated to all the Directors for the time being entitled to receive notices of board meeting) be as valid and effectual as if it had been passed at a meeting of the Directors duly convened and held. Any such resolution may consist of several documents in like form each signed by one or more of the Directors or alternate Directors.
115. A meeting of the Directors for the time being at which a quorum is present shall be competent to exercise at or any of the authorities, powers and discretions by or under the Bye-Laws for the time being vested in or exercisable by the Directors generally.
116. Unless otherwise determined by the Directors, the quorum for a meeting of Directors shall be 2. Any Director who ceases to be a Director at a Directors' meeting any continue to be present and to act as a Director and be counted in the quorum until the termination of the Directors' meeting if no other Director objects and if otherwise a quorum of Directors would not be present. For the purpose of this Bye-Law an alternate Director shall be counted in a quorum but, notwithstanding that an alternate Director is an alternate for more than one Director, he shall for quorum purposes be counted only as one Director.
117. 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 the Bye-Laws as the necessary quorum for meetings of Directors, the continuing 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.
118. The Chairman or, in his absence, the Deputy Chairman, shall preside as chairman at meetings of Directors. If at any meeting neither the Chairman nor the Deputy Chairman is present within 5 minutes after the time appointed for holding the same, the Directors present shall choose one of their number to be chairman of the meeting.
119. The Directors may delegate, and impose regulations in respect of such delegation of, any of their powers, authorities and discretions to committees consisting of such member or members of their body and such other persons as they think fit provided that the majority of the members of any such committee are Directors of the Company and that no meeting of any such committee shall be qualified as a quorum for the purpose of exercising any of such powers, authorities or discretions unless a majority of those present are Directors of the Company. The Directors 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, and 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 on it by the Directors.
120. All acts done by any such committee in conformity with such regulations and in fulfillment of the purposes for which it is appointed, but not otherwise, shall have the like force and effect as if done by the Directors and the Directors shall have power, with the consent of the Company in general meeting, to remunerate the members of any special committee and charge such remuneration to the current expenses of the Company.
121. The meetings and proceedings of any such committee consisting of 2 or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors including Bye-Law 114 so far as the same are applicable thereto and are not replaced by any regulations imposed by the Directors pursuant to Bye-Law 119.
122. All acts bona fide done by any meeting of the Directors or of a committee of Directors or by any person acting as a Director shall, notwithstanding that it be afterwards discovered that there was

some defect in the appointment of any such Director or person acting as aforesaid or that they or any of them were or was 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.

#### **ALTERNATE DIRECTORS**

123. (A) The Company may in general meeting elect or authorise the Directors to elect or appoint on its behalf a person or persons qualified to be Directors to act as Directors in the alternative to any of the Directors of the Company, and any Director may at any time by notice in writing delivered to the office or at a meeting of the Directors appoint any person (including another Director) to be an alternate Director in his place. Any person so appointed shall (except when absent from Hong Kong) be entitled to receive notices of and to attend and vote at meetings of the Director and be counted towards a quorum and generally at such meetings to perform all the functions of the Director in respect of whom he is appointed (the "Principal Director") as a Director and shall automatically vacate his office on the expiration of the term for or the happening of the event until which he is by the terms of his appointment to hold office or which, were he a Director, would cause him to vacate such office or his appointor in writing revokes the appointment or if the Principal Director ceases for any reason to hold office as a Director provided that, if at any meeting any Principal Director retires by rotation or otherwise but is re-elected at the same meeting, any appointment of an alternate Director in respect of such Principal Director which was in force immediately before his retirement shall remain in force as though he had not retired. Any alternate Director may be removed by the Company in general meeting and, if appointed by the Directors, may be removed by the Directors. An appointment of an alternate Director under this Bye-Law shall not prejudice the right of the Principal Director to receive notices of and to attend and vote at meetings of the Directors and the powers of the alternate Director shall automatically be suspended during such time as the Principal Director is himself present in person at a meeting of the Directors. An alternate Director may also be a Director in his own right and may act as alternate to more than one Director.
- (B) For the purposes of the proceedings at Directors' meetings the provisions of the Bye-Laws shall apply as if an alternate Director (instead of his Principal Director) 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 the Principal Director is for the time being absent from Hong Kong or otherwise not available or unable to act, such alternate Director's signature to any resolution in writing of the Directors shall be as effective as the signature of the Principal Director. To such extent as the Directors may from time to time determine in relation to any committee of the Directors' the foregoing provisions of this paragraph shall also apply mutatis mutandis to any meeting of any such committee of which the Principal Director 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 the Bye-Laws.
- (C) 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 the Principal Director as such Principal Director may by notice in writing to the Company from time to time direct. An alternate Director shall alone be responsible to the Company for his acts and defaults and shall not be deemed to be the agent of or for any Director for whom he is alternate.

## **MANAGERS**

124. The Directors may from time to time appoint a 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 participation in the profits of the Company or by a combination of two or more of these modes and pay the working expenses of any of the staff of the manager or managers who may be employed by him or them in the business of the Company.
125. The appointment of such manager or managers may be for such period as the Directors may decide and the Directors may confer upon him or them all or any of the powers of the Directors and such title or titles as they may think fit.
126. The Directors may enter into such agreement or agreements with any such manager or managers upon such terms and conditions in all respects as the Directors may in their absolute discretion think fit, including a power for such 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.

## **SECRETARY**

127. The secretary shall be appointed by the Directors for such term, at such remuneration and upon such conditions as they may think fit; and any secretary so appointed may be removed by them. Anything by the Act or the Bye-Laws required or authorized 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, acting or deputy secretary or if there is no assistant, acting or deputy secretary capable of acting, by or to any officer of the Company authorised generally or specially in that behalf by the Directors.
128. Any provision of the Act or the 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.

## **BORROWING POWERS**

129. The Directors may exercise all the powers of the Company to borrow money, give guarantees and mortgage or charge its undertaking, property and uncalled capital, or any part thereof, and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.
130. 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.
131. 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.
132. 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, but so that no shares shall be issued at a discount.
133. The Directors shall cause a proper register to be kept of all mortgages and charges specifically affecting the property of the Company and shall duty comply with the requirements of the Act in regard to the registration of mortgages and charges therein specified and otherwise.
134. If the Company issues a series of debentures or debenture stock not transferable by delivery, the Directors shall cause a proper register to be kept of the holders of such debentures or debenture stock in accordance with the provisions of the Act.



## **CHEQUES**

135. All cheques, promissory notes, drafts, bills of exchange and other negotiable or transferable 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 Directors shall from time to time by resolution determine. The Company's banking accounts shall be kept with such bankers as the Directors shall from time to time determine.

## **THE SEAL**

- A3-2(1) 136. (A) The Directors shall provide for safe custody of the seal which shall only be used with the authority of the Directors or of a committee authorised by the Directors in that behalf; and every instrument to which the seal shall be affixed shall be signed by one Director and the Secretary or some other person appointed by the Directors for the purpose or by two Directors Provided that the Directors may either generally or in any particular case resolve (subject to such restrictions as to the manner in which the seal may be affixed as the Directors may determine) that such signature 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 contain any signature. Every instrument executed in the manner provided by this Bye-Law shall be deemed to be sealed and executed with the authority of the Directors previously given.
- (B) The Company may have a duplicate seal for use in such state, country or territory outside Bermuda as the Directors shall determine and the Company may by writing under the seal appoint any agent or committee outside Bermuda to be the duly authorised agent of the Company for the purpose of affixing and using such duplicate seal and the agent may impose such restrictions on the use thereof as may be thought fit. The Company may also have, for purpose of sealing securities issued by the Company, and for the purpose of sealing documents representing or evidencing the securities so issued, a duplicate seal which is a facsimile of the seal with the addition on its face of the words "Securities Seal". Wherever in the Bye-Laws reference is made to the seal, the reference shall, so far as may be applicable, be deemed to include such duplicate seals as aforesaid.

## **DIVIDENDS AND RESERVES**

137. Subject to the Act and as hereinafter set out, the Company in general meeting may declare dividends, in any currency, to be paid to the members. No dividend shall be declared or paid and no distribution of contributed surplus shall be made otherwise than in accordance with the Statutes. No dividend shall exceed the amount recommended by the Directors.
138. (A) The Directors may from time to time pay to the members such interim dividends as appear to the Directors to be justified by the position of the Company and, in particular (but without prejudice to the generality of the foregoing), if at any time the capital of the Company is divided into different classes, the Directors 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 but no interim dividend shall be paid on shares carrying deferred or non-preferential rights if, at the time of payment, any preferential dividend is in arrear provided that if the Directors act bona fide the Directors shall not incur any responsibility to the holders of shares conferring any preference for any damage that they may suffer by reason of the lawful payment of an interim dividend on any shares having deferred or non-preferential rights.
- (B) The Directors 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 Directors are of the opinion that the position of the Company justifies the payment.

139. No dividend or other moneys payable by the Company on or in respect of any share shall bear interest against the Company.
140. Whenever the Directors or the Company in general meeting have resolved that a dividend be paid or declared, the Directors may further resolve that such dividend be satisfied wholly or in part by the distribution of specific assets of any kind and in particular of paid up shares, debentures or warrants to subscribe for securities of the Company or other company or in any one or more of such ways and where any difficulty arises in regard to such distribution, the Directors may settle the same as they think 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 Directors 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 Directors may appoint any person to sign such contract on behalf of the persons entitled to the dividend and such appointment shall be effective.
141. (A) Whenever the Directors or the Company in general meeting have resolved that a dividend be paid or declared, the Directors 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 provided that the members 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 Directors;
  - (b) the Directors, after determining the basis of allotment, shall give not less than 2 weeks' notice in writing to the members 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;
  - (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 to the members who have not duly exercised the said cash election on the basis of allotment determined as aforesaid and for such purpose the Directors shall capitalise and apply out of any part of the profits of the Company available for distribution or any part of any of the Company's reserve accounts (including any special account, share premium account and capital redemption reserve fund) as the Directors 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 allottees of the non-elected shares on such basis;
- or (ii) that the members entitled to such dividend shall be entitled to elect to

receive an allotment of shares credited as fully paid in lieu of the whole or such part of the dividend as the Directors may think fit. In such case, the following provisions shall apply:

- (a) the basis of any such allotment shall be determined by the Directors;
- (b) the Directors, after determining the basis of allotment, shall give not less than 2 weeks' notice in writing to the members 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;
- (d) the dividend (or that part of the dividend in respect of which a right of election has been accorded) shall not be payable in cash on shares in respect whereof the share election has been duly exercised ("the elected shares") and in lieu and in satisfaction thereof shares shall be allotted credited as fully paid to the members who have duly exercised the said share election on the basis of allotment determined as aforesaid and for such purpose the Directors shall capitalise and apply out of any part of the profits of the Company available for distribution or any part of any of the Company's reserve accounts (including any special account, share premium account and capital redemption reserve fund) as the Directors 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 allottees 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 dividend in respect of which such shares are allotted (referred to in this Bye-Law 141(B) as "the relevant dividend") (or the right to receive or to elect to receive an allotment of shares in lieu and in satisfaction 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 Directors 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 Directors 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 dividend, distribution, bonus or rights.

(C) The Directors 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 Directors 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 Directors 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 Directors, 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 without offering any right to members to elect to receive such dividend in cash in lieu of such allotment.

(E) The Directors 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 members 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.

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142. Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid but no amounts paid or credited as paid on a share in advance of calls shall be treated for the purposes of this Bye-Law as paid on the share. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly. The Directors may deduct from any dividend, bonus or distribution payable to any member all sums of money (if any) presently payable by him to the Company on account of calls, instalments or otherwise in relation to the shares of the Company.
143. The Directors 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.
144. The Directors may, before recommending any dividend, set aside out of the profits of the Company such sums as they think proper as a reserve or reserves which shall, at the discretion of the Directors, 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 lawfully 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 or warrants of the Company) as the Directors 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.
145. Any general meeting sanctioning a dividend may make a call on the members of such amount as the meeting may determine 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.
146. A transfer of shares shall not pass the right to any dividend or bonus declared thereon before the registration of the transfer.
147. Notwithstanding anything herein contained, if two or more persons are registered as joint

holders of any shares, any one of them may give an effectual receipt for any dividends, interim dividends or bonuses or other moneys payable on or in respect of such shares.

148. Unless otherwise directed by the Directors, and dividend, interest, bonus or other sum payable in cash to the members may be paid by cheque or warrant sent through the post to the registered address of the member or person entitled thereto or to such person at such address as the member or person entitled (as the case may be) may direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or to the order of such other person as the member or person entitled (as the case may be) may direct and shall be sent at his own risk and the payment of any such cheque or warrant shall operate as a good discharge to the Company in respect of the dividend, interest, bonus or other sum represented thereby, notwithstanding that it may subsequently appear that the same has been stolen or that any endorsement thereon has been forged.
149. All dividends or bonuses unclaimed for one year after having been declared may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof or any profit or benefit derived therefrom. All dividends or bonuses unclaimed for 6 years after having been declared shall be forfeited by the Directors and shall revert to the Company.
- A3-3(2)
150. (A) The Directors may, with the sanction of an ordinary resolution if the Company, capitalise any sum standing to the credit of any of the Company's reserve accounts (including share premium account and capital redemption reserve fund) or any sum standing to the credit of any profit and loss account or otherwise available for distribution (and not required for the payment or provision of the dividend on any shares with a preferential right to dividend) by appropriating such sum to the holders of shares in the proportions in which such sum would have been divisible amongst them had the same been a distribution of profits by way of dividend and applying such sum on their behalf in or towards paying up any amounts for the time being unpaid on any shares held by them respectively or in paying up in full unissued shares (or, subject to any special rights previously conferred on any shares or class of shares for the time being issued, unissued shares of any other class not being redeemable shares), debentures or other obligations of the Company for allotment and distribution credited as fully paid up to and amongst them in the proportion aforesaid, or partly in the one way and partly in the other: Provided that a share premium account and a capital redemption reserve fund and any reserve or fund representing unrealised profits may, for the purposes of this Bye-Law, only be applied in paying up unissued shares to be allotted to members as fully paid bonus shares.
- (B) Whenever such a resolution as aforesaid shall have been passed the Directors shall make all appropriations and applications of the undivided profits resolved to be capitalised thereby and all allotments and issues of fully paid up shares or debentures, if any, and generally shall do all acts and things considered necessary or expedient to give effect to any such capitalisation. In particular where any difficulty arises in regard to any distribution under paragraph (A) of this Bye-Law the Directors may settle the same as they think expedient and in particular may issue fractional certificates or authorise any person to sell and transfer any fractions or may resolve that the distribution should be as nearly as may be practicable in the correct proportion but not exactly so or may ignore fractions altogether and may determine that cash payments shall be made to any members in order to adjust the rights of all parties, as may seem expedient to the Directors. The Directors may authorise any person to enter on behalf of all the members entitled thereto into an agreement with the Company providing for any such capitalisation and matters incidental thereto including the allotment to them respectively, credited as fully paid up, of any further shares or debentures to which they may be entitled upon such capitalisation or, as the case may require, the payment up by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised, of the amounts or any part of the amounts remaining unpaid on their existing shares and any agreement made under such authority shall be effective and binding on all concerned.

151. The following provisions shall have effect at any time and from time to time in so far as they are not prohibited by or inconsistent with 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 provisions of the conditions of the warrants, would reduce the subscription price to below the par value of a share then the following provisions shall apply:

(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 nominal amount of the additional shares required to be issued and allotted credited as fully paid pursuant to sub-paragraph (iii) of this paragraph (A) on the exercise in full of all the subscription rights outstanding and shall apply the Subscription Right Reserve in paying up such additional shares in full as and when the same are allotted;

(ii) the Subscription Right Reserve will 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;

(iv) if upon the exercise of the subscription rights represented by and 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 Directors shall apply any profits or reserves then or thereafter becoming available (including to the extent permitted by law, the 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 such time no dividend or other distribution shall be paid or made on the shares. 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 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 Directors 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 a share shall be allotted on exercise of the subscription rights
- (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 for the time being 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 an exercising warrant holder 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.

#### **RECORD DATES**

152. Notwithstanding any other provision of these presents the Company or the Directors may fix any date as the record date for any dividend, distribution, allotment or issue and such record date may be on or at any time before or after any date on which such dividend, distribution, allotment or issue is declared, paid or made.

#### **ANNUAL RETURNS**

153. The Directors shall file the requisite annual declaration and pay the annual government fee in Bermuda in accordance with the Statutes.

#### **ACCOUNTS**

154. The Directors shall cause proper books of account to be kept with respect to:
- (i) all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure took place;
  - (ii) all sales and purchases of goods by the Company; and
  - (iii) the properties, assets, credits and liabilities of the Company and of all other matters required by the Act.

A13-4(1) Proper books shall not be deemed to be kept if there are not kept such books of account as are necessary to give a true and fair view of the state of the Company's affairs and to explain its transactions.

155. The books of account shall be kept at the Company's principal place of business in Hong Kong or at such other place as the Directors think fit and shall always be open to inspection by the Directors, provided that if the books of account shall be kept outside Bermuda there shall be kept at the office such records as will enable the Directors to ascertain with reasonable accuracy the financial position of the Company at the end of each 3 month period.

156. The Directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the account and books of the Company or any of them shall be open to the inspection of 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 law or authorised by the Directors or by the Company in general meeting.

157. The Directors shall from time to time, in accordance with the relevant provisions of the Act, cause to be prepared and audited by the auditors for the time being of the Company such profit and loss accounts, balance sheets and group accounts (if any) as are referred to in those provisions. Such profit and loss accounts, balance sheets and group accounts (if any) as shall have been audited by the auditors for the time being of the Company and such other reports as are referred to in the relevant provisions of the Act shall be laid before the Company at the annual general meeting which must be held in accordance with the provisions of Bye-Law 56.

A13-4(2)

158. (A) Every balance sheet of the Company shall be signed pursuant to the relevant provisions of the Act and, subject to those provisions, a copy of every balance sheet (including every document required by law to be annexed thereto) and profit and loss account which is to be laid before the Company at the annual general meeting, together with a copy of the Directors' report and a copy of the auditors' report, shall be sent to every member of, and every holder of debentures of, the Company and every person registered under Bye-law 49 and to all persons other than members or holders of debentures of the Company, being persons entitled to receive notices of general meetings of the Company, at the same time as notice of the meeting is being sent: 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. Copies of each of the said documents shall also be forwarded in appropriate number to the Designated Stock Exchange on which the shares of the Company shall be listed or the relevant committee thereof in accordance with the terms of any listing agreement for the time being binding on the Company or with the continuing obligation binding on the Company by virtue of any listing.

(B) To the extent permitted by and subject to due compliance with the Bye-Laws, the Statutes and all applicable laws, rules and regulations, including, without limitation, the rules of the Designated Stock Exchange, and to obtaining all necessary consents, if any, required thereunder, the requirements of Bye-Law 158(A) shall be deemed satisfied in relation to any member or any holder of debentures of the Company or any person registered under Bye-Law 49 and to all persons other than members or holders of debentures of the Company being persons entitled to receive notices of general meetings of the Company by sending to such person instead of such copies, not less than twenty-one days before the date of the annual general meeting, in any manner not prohibited by the Bye-Laws, the Statutes and all applicable laws, rules and regulations, summarized financial statements, together with the Directors' report and the auditors' report on such accounts, which shall be in the form and containing the information required by the Bye-Laws, the Statutes and applicable laws, rules and regulations, provided that such person has consented and elected to receive such summarised financial statements in lieu of the full balance sheet together with the profit and loss account as required under Bye-Law 158(A) (the "full financial statements") and the summarised financial statements were accompanied by a



notice informing such person how to notify the Company that he elects to receive the full financial statements. The Company shall send the full financial statements to such person within seven days of receipt of his election to receive the full financial statements.

### **BRANCH REGISTERS**

159. Subject to the provisions of the Act, if the Directors consider it necessary or appropriate, the Company may establish and maintain a branch register of members at such location within or outside Bermuda as the Directors think fit. The Directors may, subject to the Act, make or vary from time to time such provisions as they think fit in respect of the keeping of any such branch register and the transfer of shares to, on or from any such branch register and may comply with the requirements of any local law.

The Directors in so far as permitted by any applicable law may, in their 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. In the event of any such transfer the shareholder requesting such transfer shall bear the cost of effecting the transfer.

Unless the Directors otherwise agrees (which agreement may be on such terms and subject to such conditions as the Directors in their absolute discretion may from time to time determine, and which agreement it shall, without giving any reason therefor, be entitled in its absolute discretion to give or withhold), no shares upon the 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, appointed by the Directors and, in the case of any shares on the Principal Register, at the Office or such other place in Bermuda at which the Principal Register is kept in accordance with the Act.

### **AUDIT**

160. Auditors shall be appointed and their duties regulated in accordance with the Bye-Laws and the provisions of the Act.
161. Subject as otherwise provided by the Act, 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 remuneration to the Directors.
162. Every statement of account audited by the Company's auditors and presented by the Directors at a general meeting shall after approval at such meeting be conclusive as to the contents thereof except as regards any error discovered therein within 3 months of the approval thereof. Whenever any such error is discovered within that period, it shall forthwith be corrected and the statement of account amended in respect of the error shall be conclusive as aforesaid.

## NOTICES

163. Every member, holder of debentures of the Company and any other person who is entitled to receive notices of general meetings of the Company under the provisions of the Statutes or of these presents, shall register with the Company an address either in Hong Kong or elsewhere to which notices can be sent and if any such person shall fail so to do, notice may be given to such person by sending the same in any of the modes hereinafter mentioned to his last known place of business or residence, or if there be none, by posting the same for one day at the office or at the principal place of business for the time being of the Company in Hong Kong or by posting the same on the website of the Company or by any other electronic means.
- A3-7(1),  
7(2),  
7(3)
164. (A) Any notice or document (including any “corporate communication” as defined in 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), whether or not to be given or issued under the Statutes, other applicable laws, rules and regulations or these presents from the Company, may be served or delivered by the Company upon any member of, and any holder of debentures of, the Company and upon any other person who is entitled to receive notices of general meeting of the Company under the provisions of the Statutes, other applicable laws, rules and regulations, and of these presents:
- (i) personally;
  - (ii) by sending it through the post in a prepaid envelope or wrapper addressed to such person at his registered address;
  - (iii) by advertisement in English in at least one English language newspaper and in Chinese in at least one Chinese language newspaper being in each case a newspaper published and circulating generally in Hong Kong and specified or permitted for this purpose by the Statutes and other applicable laws, rules and regulations, and for such period as the Directors shall think fit to the extent permitted by, and in accordance with the Statutes and other applicable laws, rules and regulations;
  - (iv) by sending or transmitting it as an electronic communication to such person at any telex or facsimile, number or electronic number or electronic address or computer network or website supplied by him to the Company for the giving of notice or document from the Company to him to the extent permitted by, and in accordance with the Statutes and other applicable laws, rules and regulations;
  - (v) by publishing it on the Company’s computer network and giving to such person a notice in accordance with the Statutes, other applicable laws, rules and regulations stating that the notice or other document is available there (a “notice of publication”) to the extent permitted by, and in accordance with the Statutes and other applicable laws, rules and regulations. The notice of publication may also be given to such person by any of the means set out in paragraphs (i) to (iv) or (vi) of this Bye-Law 164(A); or
  - (vi) by sending or otherwise making available to such person through such other means to the extent permitted by, and in accordance with, the Statutes and other applicable laws, rules and regulations.
- Subject to the Statutes and other applicable laws, rules and regulations, any notice or other documents (including corporate communication as mentioned above) may be given by the Company in the English language only or in both English and Chinese languages.
- (B) Any notice or other document (including any corporate communication as referred to in Bye-Law 164(A)) given or issued by or on behalf of the Company:–
- (i) if served or delivered in person, shall be deemed to have been served or delivered at

the time of personal service or delivery, and in proving such service or delivery, a certificate in writing signed by the secretary (or other officer of the Company or such other person appointed by the Directors) that the notice or document was so served or delivered shall be conclusive evidence thereof;

- (ii) if served or delivered by post, shall be deemed to have been served or delivered on the day following that on which the envelope or wrapper containing the same is posted, and in proving such service or delivery, it shall be sufficient to prove that the envelope or wrapper containing the notice or document was properly prepaid, addressed and posted. A certificate in writing signed by the secretary (or such other officer of the Company or such other person appointed by the Directors) that the envelope or wrapper containing the notice or other document was so prepaid, addressed and posted shall be conclusive evidence thereof;
- (iii) if sent or transmitted as an electronic communication in accordance with Bye-Law 164(A)(iv) or through such other means in accordance with Bye-Law 164(A)(vi), shall be deemed to have been served or delivered at the time of the relevant despatch or transmission. A notice or document published in the Company's computer network in accordance with Bye-Law 164(A)(v), shall be deemed to have been served or delivered on the day following the day on which a notice of publication is sent to the members, holders of debentures of the Company and any other person who is entitled to receive notices of general meeting of the Company under the provisions of the Statutes and of these presents. In proving service pursuant to this Bye-Law 164(B)(iii), a certificate in writing signed by the secretary (or such other officer of the Company or such other person appointed by the Directors) as to the fact that time of such service, delivery, despatch, transmission or publication shall be conclusive evidence provided that no notification to the effect that the electronic communication has not reached its recipient has been received by the sender, except that any failure in transmission beyond the sender's control shall not invalidate the effectiveness of the notice or document being served; and
- (iv) if served by advertisement in a newspaper in accordance with Bye-Law 164(A)(iii), shall be deemed to have been served on the day on which such notice or document is first published.

- 165. A notice may be given by the Company to the joint holders of a share by giving the notice to the joint holder named first in the register in respect of the share and notice so given shall be sufficient notice to all the joint holders.
- 166. A notice or document may be given by or on behalf of the Company to the person(s) entitled to a share in consequence of death, mental disorder or bankruptcy of a member in such manner as provided in Bye-Law 164(A) in which the same might have been given if the death, mental disorder or bankruptcy had not occurred.
- 167. Any person who, by operation of law, transfer or other means whatsoever, becomes entitled to any share shall be bound by every notice in respect of such share which, prior to his name and address being entered in the register, shall have been duly given under the Bye-Laws to the person from whom he derived his title to such share.
- 168. Notice of every general meeting shall be given in any manner hereinbefore authorised to (a) every member, (b) every person entitled to a share in consequence of the death, mental disorder or bankruptcy of a member who, but for his death, mental disorder or bankruptcy, would be entitled to receive notice of the meeting, and (c) the auditors for the time being of the Company. No other persons shall be entitled to receive notices of general meetings.
- 169. Any notice or document delivered or sent to any member in such manner as provided in Bye-Law 164(A) shall, notwithstanding that such member be then deceased or bankrupt or that any other event has occurred and whether or not the Company has notice of his death,

bankruptcy or such other event, 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 the Bye-Laws be deemed a sufficient service of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in the share.

170. The signature to any notice to be given by the Company may be written, printed or made in an electronic manner.

### **INFORMATION**

171. No member shall be entitled to require discovery of or any information respecting any detail of the Company's trading or any matter which is or may relate to the conduct of the business of the Company and which in the opinion of the Directors will be inexpedient in the interests of the members of the Company to communicate to the public.

### **DESTRUCTION OF DOCUMENTS**

172. The Company may destroy:
- (i) any share certificate which has been cancelled at any time after the expiry of one year from the date of such cancellation;
  - (ii) any dividend mandate or any variation or cancellation thereof or any notification of change of name or address at any time after the expiry of 2 years from the date such mandate, variation, cancellation or notification was recorded by the Company;
  - (iii) any instrument of transfer of shares which has been registered at any time after the expiry of 6 years from the date of registration; and
  - (iv) any other document on the basis of which any entry in the register is made at any time after the expiry of 6 years from the date an entry in the register was first made in respect of it;

and it shall conclusively be presumed in favour of the Company that every share certificate so destroyed was a valid certificate duly and properly cancelled and that every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered and that every other document destroyed hereunder was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company Provided always that:

- (a) the foregoing provisions of this Bye-Law shall apply only to the destruction of a document in good faith and without express notice to the Company that the preservation of such document was relevant to a claim;
- (b) nothing contained in this Bye-Law shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any case where the conditions of proviso (a) above are not fulfilled; and
- (c) references in this Bye-Law to the destruction of any document include references to its disposal in any manner.

## WINDING-UP

173. A resolution that the Company be wound up by the court or be wound up voluntarily shall be a special resolution.
174. If the Company is wound up and the assets available for distribution among the members as such are insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that as nearly as may be the losses shall be borne by the members in proportion to the capital paid up or which ought to have been paid up at the commencement of the winding-up on the shares held by them respectively. If in a winding-up the assets available for distribution among the members are more than sufficient to repay the whole of the capital paid up at the commencement of the winding-up, the excess shall be distributed amongst the members in proportion to the capital at the commencement of the winding-up paid up by them respectively. This Bye-Law shall not add to or detract from the rights of the holders of shares issued upon special terms and conditions.
175. No fee or commission shall be paid by the Company to any Director or liquidator upon any sale or realisation of the Company's undertaking or assets or any part thereof except with the sanction of a general meeting convened by notice specifying the fee or commission proposed to be paid.
176. If the Company shall be wound up (whether voluntarily or under supervision of or by the court), the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members in specie or kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may, for such purpose, set such value as he deems fair upon any 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. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction, shall think fit and the liquidation of the Company may be closed and the Company dissolved but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.
177. In the event of a winding-up of the Company, every member of the Company who is not for the time being in Hong Kong shall be bound, within 14 days after the passing of an effective resolution to wind up the Company voluntarily or the making of an order for the winding-up of the Company, to serve notice in writing on the Company appointing some person resident in Hong Kong and stating that person's full name, address and occupation upon whom all summonses, notices, process, order and judgments in relation to or under the winding-up of the Company may be served and in default of such nomination the liquidator of the Company shall be at liberty on behalf of such member to appoint some such person and service upon any such appointee, whether appointed by the member or the liquidator, shall be deemed to be good personal service on such member for all purposes and, where the liquidator makes any such appointment, he shall with all convenient speed give notice thereof to such member by advertisement to be published in the newspapers or by a registered letter sent through the post and addressed to such member at his address as mentioned in the register and such notice shall be deemed to be served on the day following that on which the advertisement appears or the letter is posted.

## INDEMNITY

178. (A) Subject to the provisions of and so far as may be permitted by the Act, every Director, auditor, secretary or other officer of the Company and every agent or employee of the Company shall be entitled to be indemnified by the Company out of the assets of the Company against all costs, charges, losses, expenses and liabilities which he may sustain or incur in or about the execution and discharge of his duties or in relation thereto including any liability incurred by him in defending any proceeding, civil or criminal, which relates to anything done or omitted or alleged to have been done or omitted by him as officer or employee of the Company and in which judgment is given in his favour (or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part) or in which he is acquitted or in connection with any application under any law for relief from liability in respect of any such act or omission in which relief is granted to him by any court of competent jurisdiction.
- (B) Subject to the provisions of the Act, if any Director and/or other person shall become personally liable for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge, or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Director and/or person so becoming liable as aforesaid from any loss in respect of such liability.