

*(The Memorandum of Association and New Bye-laws of the Company  
is a consolidated version not formally adopted by shareholders at a general meeting)*

**Memorandum of Association**

**and**

**New Bye-Laws**

**of**

**Hsin Chong Construction Group Ltd.**

(Incorporated in Bermuda on 16th May, 1991 with limited liability)

*(The English version of this Memorandum of Association and New Bye-laws  
shall prevail over the Chinese version in case of any inconsistency)*

## **Special Resolution**

**of**

**Hsin Chong Construction Group Ltd.**

**Passed on 22 May 2015**

At the annual general meeting of the Company duly convened and held at 2nd Floor, Hsin Chong Center, 107-109 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong on 22 May 2015 at 3:00 p.m., the following resolution was duly passed as a special resolution:

### **SPECIAL RESOLUTION**

**“THAT**

(a) the schedule to the Bye-laws of the Company be and are hereby amended as follows:

(1) Paragraph 1

By deleting the existing definition of “Authorised Denominations” in paragraph 1 and substituting therefor the following:

““Authorised Denominations” means such number of Convertible Preference Shares as is represented by a Certificate (and not part thereof);”

(2) Paragraph 5(I)

By deleting the words “, together with a new Certificate for any unconverted Convertible Preference Shares comprised in the Certificate(s) surrendered by the Converting Shareholder,” in the 3rd line to 5th line of the existing paragraph 5(I).

(3) Paragraph 16(A)

By inserting the following sentence at the end of the last sentence of existing paragraph 16(A):

“Notwithstanding Bye-law 15(A), one Certificate shall be issued in respect of each 100,000,000 Convertible Preference Shares (such number being subject to proportionate increase or decrease, as determined by the Directors to be appropriate upon sub-division or (as the case may be) consolidation of the Convertible Preference Shares) held by a Convertible Preference Shareholder and a balancing Certificate issued for any lesser number of Convertible Preference Shares that remains.”

(4) Paragraph 16(B)

By deleting the following sentences immediately after the first sentence of the existing paragraph 16(B):

“In the case of a transfer of part only of a holding of Convertible Preference Shares represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. In the case of a transfer of Convertible Preference Shares to a person who is already a Convertible Preference Shareholder, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.”; and

- (b) the Directors be and are hereby authorised for and on behalf of the Company to do all such acts and take all steps which they may consider necessary, desirable or expedient to give effect to the amendments to the schedule to the Bye-laws contemplated under this resolution.”

(Sd.) Wilfred WONG Ying Wai  
Chairman of the Meeting

**Special Resolution**  
**of**  
**Hsin Chong Construction Group Ltd.**  
**Passed on 27 November 2014**

At the special general meeting of the Company duly convened and held at 2nd Floor, Hsin Chong Center, 107-109 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong on 27 November 2014 at 3:45 p.m., the following resolution was duly passed as a special resolution:

**SPECIAL RESOLUTION**

**“THAT**

- (a) conditional upon the passing of Ordinary Resolution No. 1 set out in the notice convening the Meeting of which this resolution forms part, the authorised share capital of the Company be and is hereby increased from HK\$500,000,000 divided into 5,000,000,000 shares of HK\$0.10 each to HK\$4,500,000,000 divided into (i) 30,000,000,000 ordinary shares of HK\$0.10 each (“**Shares**”); and (ii) 15,000,000,000 restricted voting convertible preference shares of HK\$0.10 each (“**Convertible Preference Shares**”) by the creation of an additional 25,000,000,000 new Shares and 15,000,000,000 Convertible Preference Shares in the authorised share capital of the Company, carrying such rights and restrictions set out in the Bye-laws of the Company; and
- (b) the Bye-laws of the Company be and are hereby amended as follows:-
- (i) Bye-law 6(A) of the Bye-laws of the Company be and is hereby deleted in its entirety and be replaced by the following:-
- “6(A) The authorised share capital of the Company at the date on which these Bye-Laws come into effect is HK\$200,000 divided into 200,000 shares of HK\$1.00 each. The share capital of the Company shall be divided into two classes of shares being (i) ordinary shares of HK\$0.10 each and (ii) restricted voting convertible preference shares of HK\$0.10, the rights and restrictions in relation to which are set out in the Schedule to these Bye-laws”;
- (ii) the terms set out in appendix VII to the circular of the Company dated 4 November 2014 (a copy of which has been produced to the Meeting and marked “B” and initialled by the chairman of the Meeting for the purpose of identification) be incorporated and repeated in their entirety as a Schedule to the Bye-laws of the Company; and
- (c) the Directors be and are hereby authorised for and on behalf of the Company to do all acts and take all steps which they may consider necessary, desirable or expedient to implement and/or give effect to the creation of Convertible Preference Shares and proposed increase in authorised share capital and amendments to the Bye-laws contemplated under this resolution.”

(Sd.) Wilfred WONG Ying Wai  
Chairman of the Meeting

## **Special Resolutions**

**of**

**Hsin Chong Construction Group Ltd.**

**Passed on 17 June 2013**

At the annual general meeting of the Company duly convened and held at 2nd Floor, Hsin Chong Center, 107-109 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong on 17 June 2013 at 3:30 p.m., the following resolutions were duly passed as special resolutions:

### **SPECIAL RESOLUTIONS**

(1) **“THAT** the bye-laws of the Company (the “Bye-laws”) be and are hereby amended in the following manner (unless defined herein, all expressions used in this resolution no. 7(1) shall have the same meaning as set out in the Bye-laws):

(a) Bye-law 1:

(i) by inserting the following definitions in Bye-law 1:

**“business day”**

shall mean a day on which the Designated Stock Exchange generally is open for the business of dealing in securities in Hong Kong. For the avoidance of doubt, where the Designated Stock Exchange is closed for the business of dealing in securities in Hong Kong on a business day by reason of a number 8 or higher typhoon signal, black rainstorm warning or other similar event, such day shall for the purposes of these Bye-Laws be counted as a business day.

**“the Companies Ordinance”**

shall mean the Companies Ordinance, Cap. 32 of the Laws of Hong Kong as amended from time to time.

**“Relevant Period”**

shall mean the period commencing from the date on which any of the securities of the Company first become listed on the Designated Stock Exchange to and including the date immediately before the day on which none of such securities are so listed (and so that if at any time listing of such securities is suspended for any reason whatsoever and for any length of time, they shall nevertheless be treated, for the purpose of this definition, as listed).

(ii) by deleting the words “from time to time” after the words “share capital” at the beginning of the definition of “capital” in Bye-law 1; and by inserting the words “from time to time” after the words “of the Company” at the end of the definition of “capital” in Bye-law 1.

(iii) by deleting the existing definition “Auditors” in its entirety and inserting in its place the following definition “Auditor(s)” in substitution therefor:

**“Auditor(s)”**

shall mean the auditor(s) of the Company for the time being and may include any individual or partnership.

(iv) by deleting the last fifth paragraph of the existing Bye-law 1 in its entirety and inserting in its place the following in substitution therefor:

“A resolution shall be a Special Resolution when it has been passed by a majority of not less than three-fourths of the votes cast by such Members as, being entitled to do, vote in person or, in the cases of such members as are corporations, by their respective duly authorised representatives or, in case of a member being a Clearing house (or its nominee), by its duly authorised representatives or representatives or, where proxies and attorneys are allowed, by proxy or attorney at a general meeting of which notice has been duly given in accordance with Bye-law 62.”

(v) by deleting the last fourth paragraph of the existing Bye-law 1 in its entirety and inserting in its place the following in substitution therefor:

“A resolution shall be an Ordinary Resolution when it has been passed by a simple majority of such members as, being entitled so to do, vote in person or, in the case of any member being a corporation, by its duly authorised representative or, in case of a member being a Clearing house (or its nominee), by its duly authorised representative or representatives or, where proxies or attorneys are allowed, by proxy or attorney at a general meeting of which notice has been duly given in accordance with Bye-law 62.”

(b) Bye-law 5(A):

by deleting the last sentence of the existing Bye-law 5(A) and inserting in its place the following in substitution therefor:

“To every such separate general meeting the provisions of these Bye-Laws relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be not less than two persons holding or representing by proxy or by attorney one-third in nominal value of the issued shares of that class, and that any holder of shares of the class present in person or by proxy (but so that at any adjourned meeting any two or more holders of shares of the class present in person or by proxy or by attorney shall be a quorum) and that every such holder shall have one vote for every share of the class held by him.”

(c) Bye-law 6(C):

by deleting the existing Bye-law 6(C) and its footnote in its entirety and inserting in its place the following as the new Bye-law 6(C) in substitution therefor:

“Subject to compliance with the rules and regulations of the Designated Stock Exchange and any other relevant regulatory authority, the Company may give financial assistance for the purpose of or in connection with a purchase made or to be made by any person of any shares in the Company.”

(d) Bye-law 14(C):

by inserting the following as the new Bye-law 14(C):

“(C) The Register and branch register of Members, as the case may be, shall be open to inspection between 10 a.m. and 12 noon during business hours by members of the public without charge at the Registered Office or such other place at which the Register is kept in accordance with the Companies Act. The Register including any overseas or local or other branch register of Members may, after notice has been given by advertisement in any newspapers in accordance with the requirements of any Designated Stock Exchange or by any means in such manner as may be accepted by the Designated Stock Exchange to that effect, be closed at such times or for such periods not exceeding in the whole thirty (30) days in each year as the Board may determine and either generally or in respect of any class of shares.”

(e) Bye-law 14(D):

by inserting the following as the new Bye-law 14(D):

“(D) The register may be closed at such time or for such period not exceeding in the whole thirty (30) days in each year as the Board may determine.”

(f) Bye-law 35:

by inserting the words “in any manner permitted by and in accordance with the rules of the Designated Stock Exchange or by an instrument of transfer” after the words “effected by transfer” in the first line of Bye-law 35.

(g) Bye-law 62:

- (i) by deleting the first sentence of the existing Bye-law 62 and inserting in its place the following in substitution therefor:

“An annual general meeting shall be called by at least twenty-one (21) clear days and twenty (20) clear business days notice in writing, a meeting called for the passing of a Special Resolution shall be called by at least twenty-one (21) clear days notice in writing, and a meeting of the Company other than an annual general meeting or a meeting for the passing of a Special Resolution shall be called by at least fourteen (14) clear days and ten (10) clear business days notice in writing.”

- (ii) by inserting the words “(as defined in Bye-law 64)” after the words “in case of special business” in the existing Bye-law 62.

(h) Bye-law 63(B):

- (i) by inserting the words “or notice of appointment of corporate representative” after the words “In the case where instruments of proxy” in the first line of the existing Bye-law 63(B).
- (ii) by inserting the words “or notice of appointment of corporate representative” after the words “or the non-receipt of such instrument of proxy” in the second line of the existing Bye-law 63(B).

(i) Bye-law 64:

- (i) by deleting the word “and” after the words “the fixing of the remuneration of the Auditors,” in the fifth line of the existing Bye-law 64; and
- (ii) by inserting the following at the end of the existing Bye-law 64:

“and the granting of any mandate or authority to the Board to repurchase securities of the Company, and the granting of any mandate or authority to the Board to offer, allot, grant options over, or otherwise dispose of the unissued shares of the Company representing not more than 20% (or such other percentage as may from time to time be specified in any rules or regulations of the Designated Stock Exchange) in nominal value of its then existing issued share capital and the number of any securities repurchased pursuant to the mandate or authority granted to the Board to repurchase securities.”



(j) Bye-law 64A:

by inserting the following as the new Bye-law 64A:

“64A. Subject to the rules of the Designated Stock Exchange and the laws and regulations of Bermuda, any Director may participate in a general meeting by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting are capable of hearing each other.”

(k) Bye-law 69:

(i) by deleting the existing Bye-law 69 in its entirety and inserting in its place the following as the new Bye-law 69(1):

“69(1) Subject to any special rights or restrictions as to voting for the time being attached to any shares by or in accordance with these Bye-laws, at any general meeting on a poll every Member present in person or by proxy or, in the case of a Member being a corporation, by its duly authorised representative shall have one vote for every fully paid share of which he is the holder but so that no amount paid up or credited as paid up on a share in advance of calls or instalments is treated for the foregoing purposes as paid up on the share. A resolution put to the vote of a meeting shall be decided by way of a poll save that the chairman of the meeting may in good faith, allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands in which case every Member present in person (or being a corporation, is present by a duly authorised representative), or by proxy(ies) shall have one vote provided that where more than one proxy is appointed by a Member which is a Clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands. For purposes of this Bye-law, procedural and administrative matters are those that (i) are not on the agenda of the general meeting or in any supplementary circular that may be issued by the Company to its Members; and (ii) relate to the chairman’s duties to maintain the orderly conduct of the meeting and/or allow the business of the meeting to be properly and effectively dealt with, whilst allowing all Members a reasonable opportunity to express their views.”

(ii) by inserting the following as the new Bye-law 69(2):

“69(2) Where a show of hands is allowed, before or on the declaration of the result of the show of hands, a poll may be demanded:

- (a) by at least three Members present in person or in the case of a Member being a corporation by its duly authorised representative or by proxy for the time being entitled to vote at the meeting; or
- (b) by a Member or Members present in person or in the case of a Member being a corporation by its duly authorised representative or by proxy and representing not less than one-tenth of the total voting rights of all Members having the right to vote at the meeting; or
- (c) by a Member or Members present in person or in the case of a Member being a corporation by its duly authorised representative or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all shares conferring that right.

A demand by a person as proxy for a Member or in the case of a Member being a corporation by its duly authorised representative shall be deemed to be the same as a demand by the Member.”

(l) Bye-law 70:

by deleting the existing Bye-law 70 in its entirety and inserting in its place the following in substitution therefor:

“Where a resolution is voted on by a show of hands, a declaration by the chairman that a resolution has been carried, or carried unanimously, or by a particular majority, or not carried by a particular majority, or lost, and an entry to that effect made in the minute book of the Company, shall be conclusive evidence of the facts without proof of the number or proportion of the votes recorded for or against the resolution. The result of the poll shall be deemed to be the resolution of the meeting. The Company shall only be required to disclose the voting figures on a poll if such disclosure is required by the rules of the Designated Stock Exchange.”

(m) Bye-law 71:

by deleting the existing Bye-law 71 in its entirety and inserting in its place the following in substitution therefor:

“On a poll votes may be given either personally or by proxy.”

(n) Bye-law 72:

by deleting the existing Bye-law 72 in its entirety and inserting in its place the following in substitution therefor:

“In the case 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 in addition to any other vote he may have. In case of any dispute as to the admission or rejection or any vote, the Chairman shall determine the same, and such determination shall be final and conclusive.”

(o) Bye-law 73:

by deleting the existing Bye-law 73 in its entirety and inserting in its place the following in substitution therefor:

“A person entitled to more than one vote on a poll need not use all his votes or cast all the votes he uses in the same way.”

(p) Bye-law 82:

by deleting the existing Bye-law 82 in its entirety and inserting in its place the following in substitution therefor:

“The instrument appointing a proxy or an attorney and, if requested by the Board, the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at such place or one of such places (if any) as is specified in the notice of meeting or in the instrument of proxy issued by the Company (or, if no place is specified, at the Registration Office) not less than forty-eight (48) hours before the time for holding the meeting or adjourned meeting (as the case may be) at which the person named in such instrument proposes to vote, and in default shall not be treated as valid. No instrument appointing a proxy or power of attorney shall be valid after the expiration of twelve (12) months from the date of its execution, except at an adjourned meeting where the meeting was originally held within twelve (12) months from such date. Delivery of an instrument appointing a proxy or a power of attorney shall not preclude a member from attending and voting in person (or in the case of a member being a corporation, its duly authorised representative) at the meeting or upon the poll concerned and, in such event, the instrument appointing a proxy or power of attorney shall be deemed to be revoked.”

(q) Bye-law 84:

by deleting the first sentence of the existing Bye-law 84 and inserting in its place the following in substitution therefor:

“The instrument appointing a proxy to vote at a general meeting or a power of attorney shall: (i) be deemed to confer authority upon the proxy or attorney to vote on any resolution (or amendment thereto) put to the meeting for which it is given as the proxy or attorney thinks fit.”

(r) Bye-law 89:

by deleting the existing Bye-law 89 and its footnote in its entirety and inserting in its place the following in substitution therefor:

“Any Director may at any time by Notice delivered to the Registered Office or Head Office or at a meeting of the Directors appoint any person to be his alternate Director. Any person so appointed shall have all the rights and powers of the Director or Directors for whom such person is appointed in the alternative provided that such person shall not be counted more than once in determining whether or not a quorum is present. An alternate Director may be removed at any time by the person or body which appointed him and, subject thereto, the office of alternate Director shall continue until the happening of any event which, if he were a Director, would cause him to vacate such office or if his appointer ceases for any reason to be a Director. Any appointment or removal of an alternate Director shall be effected by Notice signed by the appointor and delivered to the Registered Office or Head Office or tendered at a meeting of the Board. An alternate Director may also be a Director in his own right and may act as alternate to more than one Director.”

(s) Bye-law 91:

by deleting the existing Bye-law 91 in its entirety and inserting in its place the following in substitution therefor:

“Neither a Director or an alternate Director shall be required to hold any shares of the Company by way of qualification.”

(t) Bye-law 119:

by deleting the existing Bye-law 119 and its footnote in their entirety and inserting in its place the following in substitution therefor:

“The Board shall from time to time elect or otherwise appoint a director to be a chairman and may also, but shall not be required to, elect any Deputy Chairman (or two or more Deputy Chairman) or a President or Vice President (or two or more Vice Presidents) and determine the period for which each of them is to hold office. The Chairman or, in his absence, the Deputy Chairman shall preside at meetings of the Board, but if no such Chairman or Deputy Chairman be elected or appointed, or if at any meeting the Chairman or Deputy Chairman is not present within five minutes after the time appointed for holding the same, the Directors present shall choose one of their number to be Chairman of such meeting. All the provisions of Bye-laws 111, 112, 113 and 114 shall mutatis mutandis apply to any Directors elected or otherwise appointed to any office in accordance with the provisions of this Bye-law.”

(u) Bye-law 120:

by inserting the following as the last sentence of the existing Bye-law 120:

“A resolution passed at any meeting held in the above manner, and authenticated by the chairman of the Board or the Secretary, shall be as valid and effectual as if it had been passed at a meeting of the Board (or committee, as the case may be) duly convened and held.”

(v) Bye-law 143(A):

by deleting the existing Bye-law 143(A) in its entirety and inserting the following in substitution therefor:

“No dividend shall be paid or distribution made out of contributed surplus if to do so would render the Company unable to pay its liabilities as they become due or the realisable value of its assets would thereby become less than its liabilities.”

(w) Bye-law 161(A):

by inserting the words “and twenty (20) clear business days” after the words “at least twenty-one (21) clear days” in the sixth line of the existing Bye-law 161(A).

(x) Bye-law 162(C):

by inserting the following as the new Bye-law 162(C):

“(C) The members may, at any general meeting convened and held in accordance with these Bye-Laws, remove the Auditor by Special Resolution at any time before the expiration of the term of office and shall, by Ordinary Resolution, at that meeting appoint new Auditor in its place for the remainder of the term.”

(y) Bye-law 162(D):

by inserting the following as the new Bye-law 162(D):

“(D) If the office of Auditor becomes vacant by the resignation or death of the Auditor, or by his becoming incapable of acting by reason of illness or other disability at a time when his services are required, the Directors or the Company in general meeting shall fill his vacancy and fix the remuneration of the Auditor so appointed.”

(z) Bye-law 164:

by inserting the words “and twenty (20) clear business days” after the words “not less than twenty-one (21) clear days” in the third line of the existing Bye-law 164.

(aa) Bye-law 182:

(i) by deleting the existing sub-title “Changes in Applicable Law” preceding Bye-law 182; and

(ii) by deleting the existing Bye-law 182 and its footnote in its entirety.”

(2) “**THAT** subject to the passing of special resolution no. 7(1) as set out in the notice convening this meeting, a new set of Bye-laws which consolidates all the amendments to the Bye-laws in the past and the proposed amendments referred to in resolution no. 7(1), a copy of which has been marked “B” and produced to this meeting and signed by the chairman of the meeting for the purpose of identification, be and is hereby adopted as the new Bye-laws of the Company in substitution for and to the exclusion of the existing Bye-laws of the Company with immediately effect.”

(Sd.) Wilfred WONG Ying Wai  
Chairman of the Meeting

## Ordinary Resolutions

of

**Hsin Chong Construction Group Ltd.**

**Passed on 19 October 2011**

At the special general meeting of the members of the Company duly convened and held at 2nd Floor, Hsin Chong Center, 107-109 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong on 19 October 2011 at 9:30 a.m., the following resolutions were duly passed as ordinary resolutions:

### ORDINARY RESOLUTIONS

**“THAT**

- (a) the authorised share capital of the Company be and is hereby increased from HK\$100,000,000 divided into 1,000,000,000 shares of HK\$0.1 each in the share capital of the Company to HK\$500,000,000 divided into 5,000,000,000 Shares by the creation of an additional 4,000,000,000 new shares of HK\$0.1 each in the share capital of the Company (the **“Proposed Increase in Authorised Share Capital”**); and
- (b) any one or more of the Directors be and is/are hereby authorised for and on behalf of the Company to execute all such documents, instruments and agreements and to do all such acts or things deemed by him/her/them to be incidental to, ancillary to or in connection with the matters contemplated in and for the completion of the Proposed Increase in Authorised Share Capital.”

(Sd.) Kenneth CHU Ting-kin  
Chairman of the Meeting

**Special Resolution**  
**of**  
**Hsin Chong Construction Group Ltd.**

**Passed on 18th August, 2006**

At the annual general meeting of the members of Hsin Chong Construction Group Ltd. duly convened and held at the Board Room, 10th Floor, Hsin Chong Center, 107-109 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong on Friday, 18th August, 2006, the following resolution was duly passed as a Special Resolution: -

"**THAT** the existing Bye-Laws of the Company be and are hereby amended in the following manner:

(a) The existing Bye-Law 69 be amended by:

(i) inserting the words "voting by way of a poll is required by the rules of the Designated Stock Exchange or" after the words "on a show of hands unless" in the first sentence of Bye-Law 69 ; and

(ii) deleting the full-stop at the end of the existing Bye-Law 69(iv) and replacing therewith a semicolon and the word "or" and inserting the following as new Bye-Law 69(v):

"(v) if required by the rules of the Designated Stock Exchange, by any director or directors who, individually or collectively, hold proxies in respect of shares representing five per cent. (5%) or more of the total voting rights at such meeting."

(b) The existing Bye-Law 70 be amended by inserting the following after the third sentence in Bye-Law 70:

"The Company shall only be required to disclose the voting figures on a poll if such disclosure is required by the rules of the Designated Stock Exchange."

(c) The existing Bye-Law 96(A)(vi) be amended by deleting the words "a Special Resolution" before the words "of the Company" in Bye-Law 96(A)(vi) and replacing therewith the words "an Ordinary Resolution".

(d) By deleting the existing Bye-Law 98(A) in its entirety and replacing it with the following:



"98.(A) To the extent not prohibited by or inconsistent with any provision of the Statutes and notwithstanding any other provisions in the Bye-Laws, at each annual general meeting one-third of the directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation provided that every director (including those appointed for a specific term) shall be subject to retirement at least once every three years. The directors to retire in every year shall be those who have been longest in office since their last re-election or appointment 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. A retiring director shall be eligible for re-election. Any director appointed pursuant to Bye-Law 101(B) shall not be taken into account in determining which particular directors or the number of directors who are to retire by rotation. Every director who would otherwise have been subject to retirement by rotation as aforesaid but for the prohibition or restriction imposed by the relevant provisions of the Statutes shall be subject to re-election at least once every three years."

- (e) The existing Bye-Law 101 (A) be amended by deleting the words "only until the next following annual general meeting of the Company and shall then be eligible for re-election at the meeting but shall not be taken into account in determining the directors who are to retire by rotation at such meeting" from the second sentence and replacing therewith the words "until his successor is elected or appointed".
- (f) By deleting the word "Special" after the words "The Company may by" on the 1st line of Bye-Law 103 and replacing it with the word "Ordinary."
- (g) The existing Bye-law 182 be amended by deleting the existing Bye-law 182(iv) in its entirety and re-numbering the existing Bye-Laws 182(v) and (vi) as Bye-Laws 182 (iv) and (v) respectively."

(Sd.) V nee YEH  
\_\_\_\_\_  
Chairman of the Meeting

**Special Resolution of**  
**Hsin Chong Construction Group Ltd.**  
**Passed on 20th August, 2004**

At the Annual General Meeting of the Members of the Company duly convened and held at the Board Room, 10th Floor, Hsin Chong Center, 107-109 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong on 20th August, 2004, the following resolution was duly passed as a Special Resolution:

"THAT the Bye-Laws of the Company be amended."

(Sd.) V nee YEH  
\_\_\_\_\_  
Chairman of the Meeting

Remark: The full text of the proposed amendments to the Company's Bye-Laws is set out in the appendix as attached.

## APPENDIX

The Company's Bye-laws are proposed to be amended in the following manner:

**(a) Bye-law 1**

1. By deleting the existing definition of "associates" in its entirety and substituting therefor the following new definition:

"associate" shall have the meaning attributed to it in the rules of the Designated Stock Exchange."

2. By adding the following definitions immediately after the definition of "Bermuda" :

"clear days" shall mean in relation to the period of notice that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect.

"Clearing house" shall mean a clearing house recognized by the laws of the jurisdiction in which the shares of the Company are listed or quoted on a stock exchange in such jurisdiction."

3. By adding the following definition immediately after the definition of "the Companies Act":

"Designated Stock Exchange" shall mean a stock exchange which is an appointed stock exchange for the purposes of the Companies 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."

4. By deleting the existing definition of "Newspapers" in its entirety and substituting therefor the following new definition:

"Newspapers" have the meaning attributed to the term "published in the newspapers" in the rules of the Designated Stock Exchange."

5. By adding the word "clear" after the words "less than 21" on the 6th line and on the last line of the paragraph starting with the words "A resolution shall be a Special Resolution . ...".

6. By adding the word "clear" after the words "less than 14" on the last line of the paragraph starting with the words "A resolution shall be an Ordinary Resolution when it . ...".

7. By adding the following paragraphs immediately after the paragraph starting with the words "A Special Resolution shall be. ...":

"Expressions referring to writing shall, unless the contrary intention appears, be construed as including printing, lithography, photography and other modes of representing words or figures in a visible form, and including where the representation takes the form of electronic display, provided that both the mode of service of the relevant document or notice and the member's election comply with all applicable Statutes, rules and regulations.

References to a document being executed include references to it being executed under hand or under seal or by electronic signature or by any other method and references to a notice or document

include a notice or document recorded or stored in any digital, electronic, electrical, magnetic or other retrievable form or medium and information in visible form whether having physical substance or not."

8. By deleting the words "recognized clearing house within the meaning of Section 2 of the Securities (Clearing Houses) Ordinance (Chapter 420 of the laws of Hong Kong)" wherever they appear and replacing therewith the words "Clearing house".

**(b) Bye-law 15**

By deleting the existing Bye-law 15 in its entirety and substituting the following therefor:

"15. (A) Every person whose name is entered, upon an allotment of shares, as a member in the register shall be entitled, without payment, to receive one certificate for all such shares of any one class or several certificates each for one or more of such shares of such class upon payment for every certificate after the first of such reasonable out-of-pocket expenses as the Board from time to time determines provided that such payment shall not exceed the amount as may from time to time be permitted under the rules of the Designated Stock Exchange.

(B) Share certificates shall be issued within the relevant time limit as prescribed in the Companies Act or as the Designated Stock Exchange may from time to time determine, whichever is the shorter, after allotment or, except in the case of a transfer which the Company is for the time being entitled to refuse to register and does not register, after lodgment of a transfer with the Company."

**(c) Bye-law 35**

By deleting the existing Bye-law 35 in its entirety and substituting the following therefor:

"35. Subject to these Bye-laws and the Companies Act, all transfers of shares may be effected by transfer in writing in the usual or common form or in a form prescribed by the Designated Stock Exchange or in such other form as the Board may accept and may be under hand or if the transferor or transferee is a Clearing house or its nominee(s), by hand or by machine imprinted signature or by such other manner of execution as the Board may approve from time to time."

**(d) Bye-law 36**

By adding the following sentence after the words ", to do so." on the 4th line of Bye-law 36:

"Without prejudice to Bye-law 35, the Board may resolve, either generally or in any particular case, upon request by either the transferor or the transferee, to accept mechanically executed transfers."

**(e) Bye-law 39(B)**

By deleting the words "such fee, not exceeding in the case of any share capital listed on a stock exchange in Hong Kong HK\$2 (or such greater sum as may be permitted from time to time by the Stock Exchange in Hong Kong)" on the 1st line of Bye-law 39(B) and replacing therewith the words "a fee of such maximum sum as the Designated Stock Exchange may determine to be payable or such lesser sum as the Board may from time to time require is paid to the Company in respect thereof".

**(f) Bye-law 43**

By deleting the existing Bye-law 43 in its entirety and substituting the following therefor:

"43. The registration of transfers may be suspended and the register closed, on giving notice by advertisement in an appointed newspaper and, where applicable, in Newspapers or by any means in such manner as may be accepted by the Designated Stock Exchange, at such times and for such periods as the Board 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."

**(g) Bye-law 59**

By adding the following immediately after the words "that of the next" on the 5th line of the existing Bye-law 59:

"unless a longer period would not infringe the rules of the Designated Stock Exchange, if any"

**(h) Bye-law 62**

1. By adding the word "clear" after the word "twenty-one" on the 2nd line and the word "fourteen" on the 4th line of Bye-law 62.

2. By deleting the following words on the 5th line of Bye-law 62:

"shall be exclusive of the day on which it is served or deemed to be served and inclusive of the day for which it is given, and"

**(i) Bye-law 69**

By deleting the words "recognized clearing house within the meaning of Section 2 of the Securities (Clearing Houses) Ordinance (Chapter 420 of the laws of Hong Kong)" wherever they appear and replacing therewith the words "Clearing house".

**(j) Bye-law 75(A)**

By deleting the words "recognized clearing house within the meaning of Section 2 of the Securities (Clearing Houses) Ordinance (Chapter 420 of the laws of Hong Kong)" wherever they appear and replacing therewith the words "Clearing house".

**(k) Bye-law 75(B)**

1. By deleting the words "recognized clearing house within the meaning of Section 2 of the Securities (Clearing Houses) Ordinance (Chapter 420 of the laws of Hong Kong)" on the 1st line of the existing Bye-law 75(B) and replacing therewith the words "Clearing house".

2. By deleting the words "recognized clearing house" on the 11th line of the existing Bye-law 75(B) and replacing therewith the words "Clearing house".

3. By deleting the words "clearing house" on the 12th line of the existing Bye-law 75(B) and replacing therewith the words "Clearing house".

**(l) Bye-law 79**

1. By deleting the existing Bye-law 79(B) in its entirety and substituting the following therefor:

"79. (B) Where the Company has knowledge that any member is, under the rules of the Designated Stock Exchange, required to abstain from voting on any particular resolution of the Company or restricted to voting only for or only against any particular resolution of the Company, any votes cast by or on behalf of such member in contravention of such requirement or restriction shall not be counted."

2. By adding the following new Bye-law 79(C):

"79. (C) If: (a) any objection shall be raised to the qualification of any voter; (b) any vote has been counted which ought not to have been counted or which might have been rejected; or (c) any vote is 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 have affected the decision of the meeting. The decision of the chairman on such matters shall be final and conclusive."

**(m) Bye-law 80**

By deleting the last two sentences of the existing Bye-law 80 and substituting the following therefor:

"A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at a general meeting of the Company or at a class meeting. A proxy need not be a member. In addition, a proxy or proxies representing either a member who is an individual or a member which is a corporation or a Clearing house shall be entitled to exercise the same powers on behalf of the member which he or they represented as such member could exercise."

**(n) Bye-law 83**

By deleting the existing Bye-law 83 in its entirety and substituting the following therefor:

"83. Instruments of proxy shall be in any common form or in such other form as the Board may approve (provided that this shall not preclude the use of the two-way form) and the Board may, if it thinks fit, send out with the notice of any meeting forms of instrument of proxy for use at the meeting."

**(o) Bye-law 85**

1. By deleting the words "or, in case of a member being a recognized clearing house within the meaning of Section 2 of the Securities (Clearing Houses) Ordinance (Chapter 420 of the laws of Hong Kong) (or its nominee), by its duly authorized representative or representatives" after the words "authorized representative".
2. By adding the words "or Clearing house" immediately after the word "corporation" on the 2nd line of the Bye-law 85.

**(p) Bye-law 86**

By deleting the words "recognized clearing house within the meaning of Section 2 of the Securities (Clearing Houses) Ordinance (Chapter 420 of the laws of Hong Kong)" wherever they appear and substituting therewith the words "Clearing house".

**(q) Bye-law 97**

By deleting the existing Bye-laws 97(G), (H), (I), (J) and (K) in their entirety and substituting therefor the following new Bye-laws 97(G), (H), (I), (J) and (K):

- “(G) A Director who to his knowledge is interested or has an associate who is interested in any way, whether directly or indirectly, in a contract or arrangement or proposed contract or arrangement with the Company shall declare the nature of his interest or the interest of his associate at the meeting of the Board at which the question of entering into the contract or arrangement is first taken into consideration, if he knows his interest or the interest of his associate then exists, or in any other case at the first meeting of the Board after he knows that he or his associate is or has become so interested. For the purposes of this Bye-Law, a general notice to the Board by a Director to the effect that (a) he or any of his associates is a member of a specified company or firm and is to be regarded as interested in any contract or arrangement which may after the date of the notice be made with that company or firm or (b) he or any of his associates is to be regarded as interested in any contract or arrangement which may after the date of the notice be made with a specified person who is connected with him or them, shall be deemed to be a sufficient declaration of interest under this Bye-law in relation to any such contract or arrangement; provided that no such notice shall be effective unless either it is given at a meeting of the Board or the Director takes reasonable steps to secure that it is brought up and read at the next Board meeting after it is given.
- (H) Save as otherwise provided by these Bye-laws, a Director shall not vote (nor be counted in the quorum) on any resolution of the Board approving any contract or arrangement or any other proposal in which he or any of his associates is materially interested, but this prohibition shall not apply to any of the following matters namely:
- (i) any contract or arrangement for the giving to such Director or his associate(s) any security or indemnity in respect of money lent or obligation incurred or undertaken by him or any of his associates at the request of or for the benefit of the Company or any of its subsidiaries;
  - (ii) any contract or arrangement for the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his associate(s) has himself or themselves assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;
  - (iii) any contract or arrangement by a Director or any of his associates to subscribe for shares, debentures or other securities of the Company issued or to be issued pursuant to any offer or invitation to members or debentures holders of the Company or any class thereof, and which does not provide in respect of any Director or any of his associates as such any privilege or advantage not accorded to any other members or debentures holders of the Company or any class thereof or to the public or any sections thereof;
  - (iv) any contract or arrangement 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 any of his associates is or is to be interested as a participant in the underwriting or sub-underwriting of the offer;

- (v) any contract or arrangement in which the Director or any of his associates is interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his or their interest in shares or debentures or other securities of the Company;
  - (vi) any contract, arrangement or proposal concerning any company in which the Director or any of his associates is interested only, whether directly or indirectly, as an officer or executive or shareholder or in which the Director or any of his associates is beneficially interested in shares of that company, provided that he and any of his associates are not in aggregate beneficially interested in five (5) per cent or more of the issued shares or of the voting rights of any class of shares of such company (or of any third company through which his interest or that of any of his associates is derived);
  - (vii) any proposal or arrangement concerning the benefit of employees of the Company or its subsidiaries including the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates to directors (and their associates) and employees of the Company or of any of its subsidiaries and does not provide in respect of any Director or any of his associates any privilege or advantage not accorded generally to the class of persons to which such scheme or fund relates; and
  - (viii) any proposal or arrangement concerning the adoption, modification or operation of any share scheme involving the issue or grant of options over shares or other securities by the Company to, or for the benefit of the employees of the Company or of any of its subsidiaries, under which the Director or any of his associates may benefit.
- (I) A company shall be deemed to be a company in which a Director and/or his associate(s) owns five (5) per cent or more if and so long as (but only if and so long as) he and/or his associate(s), (either directly or indirectly) are the holders of or beneficially interested in five (5) per cent or more of any class of the equity share capital of such company or of the voting rights available to members of such company (or of any third company through which his interest or that of any of his associates is derived). For the purpose of this paragraph there shall be disregarded any shares held by a Director or his associate(s) as bare or custodian trustee and in which he or any of them has no beneficial interest, any share comprised in a trust in which the interest of the Director or his associate(s) is/are in reversion or remainder if and so long as some other person is entitled to receive the income thereof, and any share comprised in an authorized unit trust scheme in which the Director or his associate(s) is/are interested only as a unit holder and any share which carry no voting right at general meetings and very restrictive dividend and return of capital right.
- (J) Where a company in which a Director and/or his associate(s) holds five (5) per cent or more is materially interested in a transaction, then that Director and/or his associate(s) shall also be deemed materially interested in such transaction.
- (K) If any question shall arise at any meeting of the Board as to the materiality of the interest of a Director (other than the chairman of the meeting) or his associate(s) or as to the entitlement of any Director (other than such 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 Board.



If any question as aforesaid shall arise in respect of the chairman of the meeting such question shall be decided by a resolution of the Board (for which purpose such chairman shall not vote thereon) and such resolution shall be final and conclusive except in a case where the nature or extent of the interest of such chairman as known to such chairman has not been fairly disclosed to the Board.

**(r) Bye-law 102**

By deleting the existing Bye-law 102 in its entirety and substituting the following therefor:

"102. No person other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for election as a Director at any general meeting unless a notice in writing signed by a member (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election as a Director and also a notice in writing signed by the person to be proposed of his willingness to be elected as a Director shall have been lodged at the Head Office or at the Registration Office provided that the minimum length of the period, during which such notice(s) are given, shall be at least seven (7) days and that the period for lodgment of such notice(s) shall commence no earlier than the day after the dispatch of the notice of the general meeting appointed for such election and end no later than seven (7) days prior to the date of such general meeting."

**(s) Bye-law 161**

By deleting the existing Bye-law 161 in its entirety and substituting the following therefor:

"161. (A) Subject to Section 88 of the Companies Act and Bye-law 161(B), a printed copy of the directors' report, accompanied by the balance sheet and profit and loss account, including every document required by law to be annexed thereto, made up to the end of the applicable financial year and containing a summary of the assets and liabilities of the Company under convenient heads and a statement of income and expenditure, together with a copy of the Auditors' report, shall be sent to each person entitled thereto at least twenty-one (21) clear days before the date of the general meeting and at the same time as the notice of annual general meeting and laid before the Company in general meeting in accordance with the requirements of the Companies Act provided that this Bye-law shall not require a copy of those documents to be sent to any person whose address the Company is not aware of or to more than one of the joint holders of any shares or debentures.

(B) To the extent permitted by and subject to due compliance with all applicable Statutes, rules and regulations, including, without limitation, the rules of the Designated Stock Exchange, and to obtaining all necessary consents, if any, required thereunder, the requirements of Bye law 161(A) shall be deemed satisfied in relation to any person by sending to the person in any manner not prohibited by the Statutes, a summary financial statement derived from the Company's annual accounts and the directors' report which shall be in the form and containing the information required by applicable laws and regulations, provided that any person who is otherwise entitled to the annual financial statements of the Company and the directors' report thereon may, if he so requires by notice in writing served on the Company, demand that the Company sends to him, in addition to a summary financial statement, a complete printed copy of the Company's annual financial statement and the director's report thereon.

(C) The requirement to send to a person referred to in Bye-law 161(A) the documents referred to in that provision or a summary financial report in accordance with Bye-law 161(B) shall be deemed satisfied where, in accordance with all applicable Statutes, rules and regulations, including, without limitation, the rules of the Designated Stock Exchange, the Company publishes copies of the documents referred to in Bye-law 161(A) and, if applicable, a summary financial report complying with Bye-law 161(B), on the Company's computer network or in any other permitted manner (including by sending any form of electronic communication), and that person has agreed or is deemed to have agreed to treat the publication or receipt of such documents in such manner as discharging the Company's obligation to send to him a copy of such documents."

**(t) Bye-law 164**

By deleting the existing Bye-law 164 in its entirety and substituting the following therefor:

"164. A person other than a retiring Auditor shall not be capable of being appointed Auditor at an annual general meeting unless notice of an intention to nominate that person to the office of Auditor has been given to the Company not less than twenty-one (21) clear days before the annual general meeting, and the Company shall send a copy of any such notice to the retiring Auditor and shall give notice thereof to the members not less than seven (7) days before the annual general meeting provided that the above requirements may be waived by notice in writing by the retiring Auditor to the Secretary."

**(u) Bye-law 166**

By deleting the existing Bye-law 166 in its entirety and substituting the following therefor:

"166. Any notice or document (including any "corporate communication" within the meaning ascribed thereto under the rules of the Designated Stock Exchange), whether or not, to be given or issued under these Bye-laws from the Company to a member shall be in writing or by cable, telex or facsimile transmission message or other form of electronic transmission or communication and any such notice and document may be served or delivered by the Company on or to any member either personally or by sending it through the post in a prepaid envelope addressed to such member at his registered address as appearing in the Register or at any other address supplied by him to the Company for the purpose or, as the case may be, by transmitting it to any such address or transmitting it to any telex or facsimile transmission number or electronic number or address or website supplied by him to the Company for the giving of notice to him or which the person transmitting the notice reasonably and bona fide believes at the relevant time will result in the notice being duly received by the member or may also be served by advertisement in appointed newspapers or in Newspapers or, to the extent permitted by the applicable laws, by placing it on the Company's website or the website of the Designated Stock Exchange, and giving to the member a notice stating that the notice or other document is available there (a "notice of availability"). The notice of availability may be given to the member by any of the means set out above. In the case of joint holders of a share all notices shall be given to that one of the joint holders whose name stands first in the Register and notice so given shall be deemed a sufficient service on or delivery to all the joint holders."

**(v) Bye-law 168**

By deleting the existing Bye-law 168 and the existing marginal note in their entirety and substituting the following therefor:

"168. Any notice or other document:

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

with the following marginal note:

"When notice deemed to be served"

**(w) Bye-law 180**

By deleting the words "the stock exchange in the Relevant Territory" and replacing therewith the words "the Designated Stock Exchange" in Bye-law 180(D).

**Special Resolution of**

**Hsin Chong Construction Group Ltd.**

**Passed on 22nd August, 1996**

At the Annual General Meeting of the Members of the Company duly convened and held at the Board Room, 5th Floor, Devon House, 979 King's Road, Quarry Bay, Hong Kong on 22nd August, 1996, the following resolution was duly passed as a Special Resolution:

"THAT Bye-Laws of the Company be and is hereby altered by deleting the word "only" in Bye-Law 35 and substituting therefor the words "or mechanically executed"."

(Sd.) Meou-tsen Geoffrey YEH  
Chairman of the Meeting

**Special Resolution of**

**Hsin Chong Construction Group Ltd.**

**Passed on the 23rd Day of August, 1994**

At the Annual General Meeting of the Members of the Company duly convened and held at the Board Room, 5th Floor, Devon House, 979 King's Road, Quarry Bay, Hong Kong on the 23rd day of August, 1994, the following resolution was duly passed as a Special Resolution:

"THAT the Bye-Laws of the Company be and are hereby amended as follows:-

- (i) by renumbering the existing Bye-Law 75 as Bye-Law 75(A);
- (ii) by adding a new Bye-Law 75(B) as follows :-

"If a recognised clearing house within the meaning of Section 2 of the Securities (Clearing Houses) Ordinance (Chapter 420 of the laws of Hong Kong) (or its nominee) is a member of the Company it may, by resolution of its directors or other governing body or by power of attorney, authorise such person or persons as it thinks fit to act as its representative or representatives at any meeting of the Company or at any meeting of any class of members of the Company provided that, if more than one person is so authorised, the authorisation shall specify the number and class of shares in respect of which each such person is so authorised. person so authorised shall be entitled to exercise the same powers on behalf of the recognised clearing house (or its nominee) which he represents as the clearing house (or its nominee) could exercise if it were an individual shareholder of the Company ." ; and

- (iii) THAT Bye-Laws 1, 69, 75, 80, 85 and 86 be amended by adding "or, in case of a member being a recognised clearing house within the meaning of Section 2 of the Securities (Clearing House) Ordinance (Chapter 420 of the laws of Hong Kong) (or its nominee), by its duly authorised representative or representatives" after "authorised representative" wherever it appears."

(Sd.) Meou-tsen Geoffrey YEH  
Chairman of the Meeting

FORM NO. 6

[COPY]

## **CERTIFICATE OF INCORPORATION**

I hereby in accordance with the provisions of section 14 of the Companies Act, 1981, issue this Certificate of Incorporation and do certify that on the 16th day of May 1991

### **HSIN CHONG CONSTRUCTION GROUP LTD.**

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

Given under my hand this 16th day of May 1991

(Signed)

---

for Registrar of Companies

**The Companies Act 1981**  
**Company Limited by Shares**  
**Memorandum of Association**  
**of**  
**Hsin Chong Construction Group Ltd.**

*(Reprinted in August 2004  
and  
incorporating all amendments made up to 27 November 2014)*

*(The English version of this Memorandum of Association  
shall prevail over the Chinese version in case of any inconsistency)*

[COPY]

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

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

**HSIN CHONG CONSTRUCTION GROUP LTD.**

was delivered to the Registrar of Companies on the **18th** day of **December 2014** in  
accordance with section 45(3) of *the Companies Act 1981* (“the Act”).



Given under my hand and Seal of the  
REGISTRAR OF COMPANIES this  
**31st** day of **December 2014**  
(Signed)  
**for Registrar of Companies**

Capital prior to increase: **HK\$ 500,000,000.00**

Amount of increase: **HK\$ 4,000,000,000.00**

Present Capital: **HK\$ 4,500,000,000.00**



[COPY]

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

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

of

**HSIN CHONG CONSTRUCTION GROUP LTD.**

was delivered to the Registrar of Companies on the **28th** day of **October 2011** in accordance with section 45(3) of *the Companies Act 1981* (“the Act”).



Given under my hand and Seal of the  
REGISTRAR OF COMPANIES this  
**7th** day of **November 2011**.

(Signed)

**for Registrar of Companies**

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

**Amount of increase: HK\$ 400,000,000.00**

**Present Capital: HK\$ 500,000,000.00**

[COPY]

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

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

of

**HSIN CHONG CONSTRUCTION GROUP LTD.**

was delivered to the Registrar of Companies on the **8th** day of **September, 1998** in accordance with section 45(3) of *the Companies Act 1981* ("the Act").

Given under my hand this **9th**  
day of **September, 1998.**  
(Signed)  
for **Registrar of Companies**

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

**Amount of increase: HK\$ 20,000,000 .00**

**Present Capital: HK\$100,000,000.00**

FORM NO. 7a

[COPY]

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

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

**of**

**HSIN CHONG CONSTRUCTION GROUP LTD.**

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

**on the**

**29th day of July, 1991**

**IN WITNESS WHEREOF I have  
hereto set my hand this**

**29th day of July, 1991**

**(Signed)**

**\_\_\_\_\_  
Registrar of Companies**

**Capital prior to increase: HK\$ 200,000.00**

**Amount of increase: HK\$79,800,000.00**

**Present capital: HK\$80,000,000.00**

FORM NO. 7a

[COPY]

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

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

**of**

**HSIN CHONG CONSTRUCTION GROUP LTD.**

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

**on the**

**29th day of July, 1991**

**IN WITNESS WHEREOF I have  
hereto set my hand this**

**29th day of July, 1991**

**(Signed)**

**Registrar of Companies**

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

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

**Present capital: HK\$200,000.00**

**FORM NO. 2**

**[COPY]**

**THE COMPANIES ACT 1981**

**MEMORANDUM OF ASSOCIATION OF  
COMPANY LIMITED BY SHARES  
(Section 7(1) and (2))**

**MEMORANDUM OF ASSOCIATION  
OF  
HSIN CHONG CONSTRUCTION GROUP LTD.  
(hereinafter referred to as "the Company")**

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

<b>NAME &amp; ADDRESS</b>	<b>BERMUDIAN STATUS (Yes/No)</b>	<b>NATIONALITY</b>	<b>NUMBER OF SHARES SUBSCRIBED</b>
A. Shaun Morris Cedar House, 41 Cedar Avenue, Hamilton HM 12, Bermuda	Yes	British	1
Ruby L. Rawlins Cedar House, 41 Cedar Avenue, Hamilton HM 12, Bermuda	Yes	British	1
Marcia De Couto Cedar House, 41 Cedar Avenue, Hamilton HM 12, Bermuda	Yes	British	1
Sally Ann Dowling Cedar House, 41 Cedar Avenue, Hamilton HM 12, Bermuda	Yes	British	1

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

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

Not Applicable

5. The Company does not propose to carry on business in Bermuda.
- \*6. The authorised share capital of the Company is HK\$100,000.00 divided into 100,000 shares of HK\$1.00 each. The minimum subscribed share capital of the Company is HK\$100,000.00.

7. The objects for which the Company is formed and incorporated are:-

- (i) To carry on the business of a holding company in all its branches and to coordinate the policy and administration of any subsidiary company or companies or any group of companies of which the company or any subsidiary company is a member or which are in any manner controlled by the company;
  - (ii) To act and to perform all the functions of an investment holding company, and for that purpose to acquire and hold for investment shares, stocks, debentures, debenture stock, bonds, obligations and securities issued by or on behalf of any government or state or of any share or marketable security issued by or on behalf of any corporation, company or body of persons wherever incorporated and to acquire and hold for investment bonds, obligations and securities issued or guaranteed by any government, sovereign ruler, commissioners, public body or authority, supreme, municipal, local or otherwise; the said shares and securities shall be acquired by original subscriptions, tender, purchase exchange, underwriting, participation and syndicates or in any other manner and whether or not fully paid up, and to make payments thereon as called upon or in advance of calls or otherwise and to subscribe for the same, whether conditionally or absolutely, and to hold the same with a view to investment, both with the power to vary any investments, and to exercise and enforce all rights and powers conferred by or incident to the ownership thereof, and to invest and deal with the monies of the Company not immediately required upon such securities and in such manner as may be from time to time determined;
  - (iii) To enter into any guarantee, contract of indemnity or suretyship and to ensure, support or secure with or without consideration or benefit the performance of any obligation of any person or persons and to guarantee the fidelity of individuals filling or about to fill situations of trust or confidence; Provided that this shall not be construed as authorising the Company to carry on the business of banking as defined in The Bank's Act 1969 or the business of wholesale banking or financial guarantee business or the business of promissory note operations; and
  - (iv) As set forth in paragraphs (b) to (n) and (p) to (t) inclusive of the Second Schedule to the Companies Act 1981.
8. The Company has the powers set out in the First Schedule to the Companies Act 1981 (excluding the power set out in paragraph 1 thereof) and the additional powers set out in the Schedule annexed hereto.

- \*1. By an Ordinary Resolution passed on 19th July, 1991 at 2:40 p.m., the authorised share capital of the Company be increased from HK\$100,000.00 to HK\$200,000.00 by the creation of an additional 100,000 shares of HK\$1.00 each.
2. By an Ordinary Resolution passed on 19th July, 1991 at 3:10 p .m., each of the issued shares of HK\$1.00 each in the share capital of the Company be divided into 10 shares of HK\$0.10 each and the authorised share capital of the Company be increased from HK\$200,000.00 to HK\$80,000,000.00 by the creation of an additional 798,000,000 shares of HK\$0.10 each.

3. By an Ordinary Resolution passed on 27th August, 1998 at 11:30 a.m., the authorised share capital of the Company be increased from HK\$80,000,000.00 to HK\$100,000,000.00 by the creation of an additional 200,000,000 shares of HK\$0.10 each.
4. By an Ordinary Resolution passed on 19th October, 2011 at 9:30 a.m., the authorised share capital of the Company be increased from HK\$100,000,000.00 to HK\$500,000,000.00 by the creation of an additional 4,000,000,000 shares of HK\$0.10 each.
5. By a Special Resolution passed on 27th November, 2014 at 3:45 p.m., the authorised share capital of the Company be increased from HK\$500,000,000.00 to HK\$4,500,000,000.00 by the creation of an additional 25,000,000,000 ordinary shares of HK\$0.10 each and 15,000,000,000 convertible preference shares of HK\$0.10 each.

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

(Sd.) A. Shaun Morris  
-----

(Sd.) Tammy J. Robinson  
-----

(Sd.) Ruby L. Rawlins  
-----

(Sd.) Tammy J. Robinson  
-----

(Sd.) Marcia De Couto  
-----

(Sd.) Tammy J. Robinson  
-----

(Sd.) Sally Ann Dowling  
-----

(Sd.) Tammy J. Robinson  
-----

(Subscribers)

(Witnesses)

SUBSCRIBED this 10th day of May, 1991

**THE COMPANIES ACT 1981**

**FIRST SCHEDULE  
(Section 11(1))**

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

1. to carry on any other business capable of being conveniently carved on in connection with its business or likely to enhance the value of or making profitable any of its property or rights;
2. to acquire or undertake the whole or any part of the business, property and liabilities of any person carrying on any business that the company is authorized to carry on;
3. to apply for register, purchase, lease, acquire, hold, use, control, licence, sell, assign or dispose of patents, patent rights, copyrights, trade marks, formulae, licences, inventions, processes, distinctive marks and similar rights;
4. to enter into partnership or into any arrangement for sharing of profits, union of interests, cooperation, joint venture, reciprocal concession or otherwise with any person carrying on or engaged in or about to carry on or engage in any business or transaction that the company is authorized to carry on or engage in or any business or transaction capable of being conducted so as to benefit the company;
5. to take or otherwise acquire and hold securities in any other body corporate having objects altogether or in part similar to those of the company or carrying on any business capable of being conducted so as to benefit the company;
6. subject to section 96 to lend money to any employee or to any person having dealings with the company or with whom the company proposes to have dealings or to any other body corporate any of whose shares are held by the company;
7. to apply for, secure or acquire by grant, legislative enactment, assignment, transfer, purchase or otherwise and to exercise, carry out and enjoy any charter, licence, power authority, franchise, concession, right or privilege, that any government or authority or any body corporate or other public body may be empowered to grant, and pay for, aid in and contribute toward carrying it into effect and to assume any liabilities or obligations incidental thereto;
8. to establish and support or aid in the establishment and support of associations, institutions, funds or trusts for the benefit of employees or former employees of the company or its predecessors, or the dependents or connections of such employees or former employees, and grant pensions and allowances, and make payments towards insurance or for any object similar to those set forth in this paragraph, and to subscribe or guarantee money for charitable, benevolent, educational or religious objects or for any exhibition or for any public, general or useful objects;
9. to promote any company for the purpose of acquiring or taking over any of the property and liabilities of the company or for any other purpose that may benefit the company;
10. to purchase, lease, take in exchange, hire or otherwise acquire any personal property and any rights or privileges that the company considers necessary or convenient for the purposes of its business;
11. to construct, maintain, alter, renovate and demolish any buildings or works necessary or convenient for its objects ;
12. to take land in Bermuda by way of lease or letting agreement for a term not exceeding twenty-one years, being land "bonafide" required for the purposes of the business of the company and with the consent of the Minister granted in his discretion to take land in Bermuda by way of lease or letting agreement for a



similar period in order to provide accommodation or recreational facilities for its officers and employees and when no longer necessary for any of the above purposes to terminate or transfer the lease or letting agreement;

13. except to the extent, if any, as may be otherwise expressly provided in its incorporating Act or memorandum and subject to the provisions of this Act every company shall have power to invest the moneys of the company by way of mortgage of real or personal property of every description in Bermuda or elsewhere and to sell, exchange, vary, or dispose of such mortgage as the company shall from time to time determine;
14. to construct, improve, maintain, work, manage, carry out or control any roads, ways, tramways, branches or sidings, bridges, reservoirs, watercourses, wharves, factories, warehouses, electric works, shops, stores and other works and conveniences that may advance the interests of the company and contribute to, subsidize or otherwise assist or take part in the construction, improvement, maintenance, working, management, carrying out or control thereof;
15. to raise and assist in raising money for, and aid by way of bonus, loan, promise, endorsement, guarantee or otherwise, any person and guarantee the performance or fulfilment of any contracts or obligations of any person, and in particular guarantee the payment of the principal of and interest on the debt obligations of any such person;
16. to borrow or raise or secure the payment of money in such manner as the company may think fit;
17. to draw, make, accept, endorse, discount, execute and issue bills of exchange, promissory notes, bills of lading, warrants and other negotiable or transferable instruments ;
18. when properly authorized to do so, to sell, lease, exchange or otherwise dispose of the undertaking of the company or any part thereof as an entirety or substantially as an entirety for such consideration as the company thinks fit;
19. to sell, improve, manage, develop, exchange, lease, dispose of, turn to account or otherwise deal with the property of the company in the ordinary course of its business ;
20. to adopt such means of making known the products of the company as may seem expedient, and in particular by advertising, by purchase and exhibition of works of art or interest, by publication of books and periodicals and by granting prizes and rewards and making donations ;
21. to cause the company to be registered and recognized in any foreign jurisdiction, and designate persons therein according to the laws of that foreign jurisdiction or to represent the company and to accept service for and on behalf of the company of any process or suit;
22. to allot and issue fully-paid shares of the company in payment or part payment of any property purchased or otherwise acquired by the company or for any past services performed for the company;
23. to distribute among the members of the company in cash, kind, specie or otherwise as may be resolved, by way of dividend, bonus or any other manner considered advisable, any property of the company, but not so as to decrease the capital of the company unless the distribution is made for the purpose of enabling the company to be dissolved or the distribution, apart from this paragraph, would be otherwise lawful;
24. to establish agencies and branches;
25. to take or hold mortgages, hypothecs, liens and charges to secure payment of the purchase price, or of any unpaid balance of the purchase price, of any part of the property of the company of whatsoever kind sold by the company, or for any money due to the company from purchasers and others and to sell or otherwise dispose of any such mortgage, hypothec, lien or charge;
26. to pay all costs and expenses of or incidental to the incorporation and organization of the company;
27. to invest and deal with the moneys of the company not immediately required for the objects of the company in such manner as may be determined;

28. to do any of the things authorized by this subsection and all things authorized by its memorandum as principals, agents, contractors, trustees or otherwise, and either alone or in conjunction with others;
29. to do all such other things as are incidental or conducive to the attainment of the objects and the exercise of the powers of the company.

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

**THE COMPANIES ACT 1981**  
**SECOND SCHEDULE**  
**(Section 11(2))**

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

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

## **The Schedule**

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

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

**The Companies Act 1981**  
**Company Limited by Shares**

**New Bye-Laws**

**of**

**Hsin Chong Construction Group Ltd.**

*(adopted at the annual general meeting held on 17 June 2013  
and  
incorporating all amendments made up to 22 May 2015)*

*(The English version of this New Bye-laws shall prevail  
over the Chinese version in case of any inconsistency)*

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OF  
Hsin Chong Construction Group Ltd.**

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**New Bye-Laws**  
**of**  
**Hsin Chong Construction Group Ltd.**

**Preliminary**

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

"**Bermuda**" shall mean the Islands of Bermuda.

"**business day**" shall mean a day on which the Designated Stock Exchange generally is open for the business of dealing in securities in Hong Kong. For the avoidance of doubt, where the Designated Stock Exchange is closed for the business of dealing in securities in Hong Kong on a business day by reason of a number 8 or higher typhoon signal, black rainstorm warning or other similar event, such day shall for the purposes of these Bye-Laws be counted as a business day.

"**clear days**" shall mean in relation to the period of notice that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect.

"**Clearing house**" shall mean a clearing house recognized 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**" shall mean Hsin Chong Construction Group Ltd. incorporated in Bermuda on the 16th day of May 1991.

"**the Companies Act**" shall mean the Companies Act 1981 of Bermuda as may from time to time be amended.

"**the Companies Ordinance**" shall mean the Companies Ordinance, Cap. 32 of the Laws of Hong Kong as amended from time to time.

"**Designated Stock Exchange**" shall mean a stock exchange which is an appointed stock exchange for the purposes of the Companies 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.

"**Statutes**" shall mean the Companies Act and every other act (as amended from time to time) for the time being in force of the Legislature of the Islands of Bermuda applying to or affecting the Company, the Memorandum of Association and/or these presents.

"**these Bye-Laws**" or "**these presents**" shall mean these Bye-Laws in their present form and all supplementary, amended or substituted Bye-Laws for the time being in force.

"**capital**" shall mean the share capital of the Company from time to time.

"**share**" shall mean share in the capital of the Company.

"**shareholder**" or "**member**" shall mean the duly registered holder from time to time of the shares in the capital of the Company.

"**paid up**" shall mean paid up or credited as paid up.

"**the Principal Register**" shall mean the register of members of the Company maintained in Bermuda.

"**the register**" shall mean the Principal Register and any branch register to be kept pursuant to the provisions of the Statutes.

"**Registered Office**" shall mean the registered office of the Company for the time being.

"**Head Office**" shall mean such office of the Company as the Directors may from time to time determine to be the principal office of the Company.

"**Transfer Office**" shall mean the place where the Principal Register is situate for the time being.

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

"**Relevant Period**" shall mean the period commencing from the date on which any of the securities of the Company first become listed on the Designated Stock Exchange to and including the date immediately before the day on which none of such securities are so listed (and so that if at any time listing of such securities is suspended for any reason whatsoever and for any length of time, they shall nevertheless be treated, for the purpose of this definition, as listed).

"**Relevant Territory**" shall mean Hong Kong or such other territory as the Directors may from time to time decide if the issued ordinary share capital of the Company is listed on a stock exchange in such territory.

The expressions "**debenture**" and "**debenture holder**" shall respectively include "**debenture stock**" and "**debenture stockholder**".

The expressions "**holding company**" and "**subsidiary**" shall have the meanings ascribed to them by the Companies Act.

"**the Board**" shall mean the Directors from time to time of the Company or (as the context may require) the majority of Directors present voting at a meeting of the Directors.

"**associate**" shall have the meaning attributed to it in the rules of the Designated Stock Exchange.

"**Secretary**" shall mean the person or corporation for the time being performing the duties of that office.

"**Auditor(s)**" shall mean the auditor(s) of the Company for the time being and may include any individual or partnership.

"**the Chairman**" shall mean the Chairman presiding at any meeting of members or of the Board.

"**call**" shall include any instalment of a call.

"**Seal**" shall mean any one or more common seals from time to time of the Company for use in Bermuda or in any place outside Bermuda.

"**Securities Seal**" shall mean a seal for use for sealing certificates for shares or other securities issued by the Company which is a facsimile of the Seal of the Company with the addition on its face of the words "Securities Seal".

"**dividend**" shall include scrip dividends, distributions in specie or in kind, capital distributions and capitalisation issues, if not inconsistent with the subject or context.

"**HK\$**" shall mean Hong Kong dollars or other lawful currency of Hong Kong.

"**appointed newspaper**" shall have the meaning as defined in the Companies Act.

"**Newspapers**" shall have the meaning attributed to the term "published in the newspapers" in the rules of the Designated Stock Exchange.



"**month**" shall mean a calendar month.

"**writing**" or "**printing**" shall include writing, printing, lithography, photography, typewriting and every other mode of representing words or figures in a legible and non-transitory form.

Words denoting the singular shall include the plural and words denoting the plural shall include the singular.

Words importing any gender shall include every gender and words importing persons shall include partnerships, firms, companies and corporations.

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

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

A resolution shall be a Special Resolution when it has been passed by a majority of not less than three-fourths of the votes cast by such Members as, being entitled to do, vote in person or, in the cases of such members as are corporations, by their respective duly authorised representatives or, in case of a member being a Clearing house (or its nominee), by its duly authorised representatives or representatives or, where proxies and attorneys are allowed, by proxy or attorney at a general meeting of which notice has been duly given in accordance with Bye-law 62.

*Special  
Resolution*

A resolution shall be an Ordinary Resolution when it has been passed by a simple majority of such members as, being entitled so to do, vote in person or, in the case of any member being a corporation, by its duly authorised representative or, in case of a member being a Clearing house (or its nominee), by its duly authorised representative or representatives or, where proxies or attorneys are allowed, by proxy or attorney at a general meeting of which notice has been duly given in accordance with Bye-law 62.

*Ordinary  
Resolution*

A Special Resolution shall be effective for any purpose for which an Ordinary Resolution is expressed to be required under any provision of these Bye-Laws or the Statutes.

Expressions referring to writing shall, unless the contrary intention appears, be construed as including printing, lithography, photography and other modes of representing words or figures in a visible form, and including where the representation takes the form of electronic display, provided that both the mode of service of the relevant document or notice and the member's election comply with all applicable Statutes, rules and regulations.

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

2. Without prejudice to any other requirements of the Statutes, a Special Resolution shall be required to alter the objects and powers contained in the Memorandum of Association, to approve any amendment of these presents or to change the name of the Company. *The purpose for which Special Resolution is required*

### **Shares and Modification of Rights**

3. Without prejudice to any special rights or restrictions for the time being attaching to any shares or any class of shares, any share may be issued upon such terms and conditions and with such preferred, deferred or other special rights, or such restrictions, whether in regard to dividend, voting, return of capital or otherwise, as the Company may from time to time by Ordinary Resolution determine (or, in the absence of any such determination or so far as the same may not make specific provision, as the Board may determine) and any preference share may, subject to the Companies Act and with the sanction of a Special Resolution, be issued on the terms that it is liable to be redeemed upon the happening of a specified event or upon a given date and either at the option of the Company or, if so authorised by the Memorandum of Association of the Company, at the option of the holder. *Issue of shares*
4. The Board may subject to approval by the Members in general meeting issue warrants to subscribe for any class of shares or securities of the Company on such terms as it may from time to time determine. Where warrants are issued to bearer, no new warrant shall be issued to replace one that has been lost unless the Board is satisfied beyond reasonable doubt that the original has been destroyed and the Company has received an indemnity in such form as the Board shall think fit with regard to the issue of any such new warrant. *Warrants*
5. (A) For the purposes of Section 47 of the Companies Act, if at any time the capital is divided into different classes of shares, all or any of the special rights attached to any class (unless otherwise provided for by the terms of issue of the shares of that class) may, subject to the provisions of the Companies Act, be varied or abrogated either with the consent in writing of the holders of not less than three-fourths in nominal value of the issued shares of that class or with the sanction of a Special Resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting the provisions of these Bye-Laws relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be not less than two persons holding or representing by proxy or by attorney one-third in nominal value of the issued shares of that class, and that any holder of shares of the class present in person or by proxy (but so that at any adjourned meeting any two or more holders of shares of the class present in person or by proxy or by attorney shall be a quorum) and that every such holder shall have one vote for every share of the class held by him. *How rights of shares may be modified*
- (B) The provisions of this Bye-Law shall apply to the variation or abrogation of the special rights attached to some only of the shares of any class as if each group of shares of the class differently treated formed a separate class the rights whereof are to be varied.
- (C) The Special rights conferred upon the holders of any shares or class of shares shall not, unless otherwise expressly provided in the rights attaching to or the terms of issue of such shares be deemed to be altered by the creation or issue of further shares ranking pari passu therewith.

### Shares and Increase of Capital

6. (A) The authorised share capital of the Company at the date on which these Bye-Laws come into effect is HK\$200,000 divided into 200,000 shares of HK\$1.00 each. The share capital of the Company shall be divided into two classes of shares being (i) ordinary shares of HK\$0.10 each and (ii) restricted voting convertible preference shares of HK\$0.10, the rights and restrictions in relation to which are set out in the Schedule to these Bye-laws"; *Structure of Share Capital*
- (B) Subject to the Statutes, the power contained in the Memorandum of Association for the Company to purchase or otherwise acquire its share shall be exercisable by the Board upon such terms and subject to such conditions as they think fit. *Company to purchase of finance purchase of own shares*
- (C) Subject to compliance with the rules and regulations of the Designated Stock Exchange and any other relevant regulatory authority, the Company may give financial assistance for the purpose of or in connection with a purchase made or to be made by any person of any shares in the Company.
7. The Company in general meeting may from time to time, whether or not all the shares for the time being authorised shall have been issued and whether or not all the shares for the time being issued shall have been fully paid up, by Ordinary Resolution increase its share capital by the creation of new shares, such new capital to be of such amount and to be divided into shares of such class or classes and of such amounts in Hong Kong dollars or United States dollars or such other currency as the members may think fit and as the resolution shall prescribe. *Power to increase capital*
8. Any new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the general meeting resolving upon the creation thereof shall direct, and if no direction be given, subject to the provisions of the Statutes and of these Bye-Laws, as the Board shall determine; and in particular such shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with a special right or without any right of voting. *On what conditions new shares may be issued*
9. The Company may by Ordinary Resolution, before the issue of any new shares, determine that the same, or any of them, shall be offered in the first instance, and either at par or at a premium, to all the existing holders of any class of shares in proportion as nearly as may be to the number of shares of such class held by them respectively, or make any other provisions as to the issue and allotment of such shares, but in default of any such determination or so far as the same shall not extend, such shares may be dealt with as if they formed part of the capital of the Company existing prior to the issue of the same. *When to be offered to existing members*
10. Except so far as otherwise provided by the conditions of issue or by these Bye-Laws, any capital raised by the creation of new shares shall be treated as if it formed part of the original capital of the Company and such shares shall be subject to the provisions contained in these Bye-Laws with reference to the payment of calls and instalments, transfer and transmission, forfeiture, lien, cancellation, surrender, voting and otherwise. *New shares to form part of the original capital*
11. All unissued shares shall be at the disposal of the Board and it may with the prior approval of the Company in General Meeting offer, allot (with or without conferring a right of renunciation), grant options over or otherwise dispose of them to such persons, at such times, for such consideration and generally on such terms as it in its absolute discretion thinks fit, but so that no shares shall be issued at a discount provided that no such prior approval shall be required in relation to the allotment of shares in the Company under an offer made prorata by the Company to the shareholders. The Directors shall, as regards any offer or allotment of shares, comply with the provisions of the Companies Act, if and so far as such provisions may be applicable thereto. Neither the Company nor the Board shall be obliged, when making or granting any allotment of, offer of, option over or disposal of shares, to make, or make available, any such offer, option or shares to shareholders or others with registered addresses in any particular territory or territories being a territory or territories where, in the absence

of a registration statement or other special formalities, this would or might, in the opinion of the Board, be unlawful or impracticable. Shareholders affected as a result of the foregoing sentence shall not be, or be deemed to be, a separate class of shareholders for any purpose whatsoever.

12. The Company may at any time pay a commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares in the Company or procuring or agreeing to procure subscriptions (whether absolute or conditional) for any shares in the Company, but so that the conditions and requirements of the Companies Act shall be observed and complied with, and in each case the commission shall not exceed ten percent of the price at which the shares are issued. *Company may pay commission*
13. Except as otherwise expressly provided by these Bye-Laws or as required by Law or as ordered by a court of competent jurisdiction, no person shall be recognised by the Company as holding any share upon any trust and, except as aforesaid, the Company shall not be bound by or be compelled in any way to 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 any other right or claim to or in respect of any shares except an absolute right to the entirety thereof of the registered holder. *Company not to recognise trusts in respect of shares*

### **Register of Members and Share Certificates**

14. (A) The Board shall cause to be kept a register of the members and there shall be entered therein the particulars required under the Companies Act. *Share register*
- (B) Subject to the provisions of the Companies Act, if the Board considers it necessary or appropriate, the Company may establish and maintain a local or branch register at such location outside Bermuda as the Board thinks fit and, while the issued share capital of the Company is, with the consent of the Board, listed on any stock exchange in Hong Kong, the Company shall keep a branch register in Hong Kong. *Local or Branch Register*
- (C) The Register and branch register of Members, as the case may be, shall be open to inspection between 10 a.m. and 12 noon during business hours by members of the public without charge at the Registered Office or such other place at which the Register is kept in accordance with the Companies Act. The Register including any overseas or local or other branch register of Members may, after notice has been given by advertisement in any newspapers in accordance with the requirements of any Designated Stock Exchange or by any means in such manner as may be accepted by the Designated Stock Exchange to that effect, be closed at such times or for such periods not exceeding in the whole thirty (30) days in each year as the Board may determine and either generally or in respect of any class of shares.
- (D) The register may be closed at such time or for such period not exceeding in the whole thirty (30) days in each year as the Board may determine.
15. (A) Every person whose name is entered, upon an allotment of shares, as a member in the register shall be entitled, without payment, to receive one certificate for all such shares of any one class or several certificates each for one or more of such shares of such class upon payment for every certificate after the first of such reasonable out-of-pocket expenses as the Board from time to time determines provided that such payment shall not exceed the amount as may from time to time be permitted under the rules of the Designated Stock Exchange. *Shares certificates*
- (B) Share certificates shall be issued within the relevant time limit as prescribed in the Companies Act or as the Designated Stock Exchange may from time to time determine, whichever is the shorter, after allotment or, except in the case of a transfer which the Company is for the time being entitled to refuse to register and does not register, after lodgment of a transfer with the Company.
16. Every certificate for shares, warrants or debentures or representing any other form of securities of the Company shall be issued under the Seal of the Company, which for this purpose may be a Securities Seal. *Shares certificates to be sealed*
17. Every share certificate hereafter issued shall specify the number and class of shares in respect of which it is issued and the amount paid thereon and may otherwise be in such form as the Board may from time to time prescribe. A share certificate shall relate to only one class of shares. *Every certificate to specify number and class of shares*

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

*Joint holders*

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

19. If a share certificate is defaced, lost or destroyed, it may be replaced on payment of such fee, if any, (not exceeding, in the case of any share capital listed on a stock exchange in Hong Kong, HK\$2 or such greater sum as may be permitted from time to time by the Stock Exchange in Hong Kong, and, in the case of any other capital, such sum in such currency as the Board may from time to time determine to be reasonable in the territory in which the relevant register is situate, or otherwise such other sum as the Company may by Ordinary Resolution determine) as the Board shall from time to time determine and on such terms and conditions, if any, as to publication of notices, evidence and indemnity as the Board thinks fit and in the case of wearing out or defacement, after delivery up of the old certificate. In the case of destruction or loss, the person to whom such replacement certificate is given shall also bear and pay to the Company any exceptional costs and the reasonable out-of-pocket expenses incidental to the investigation by the Company of the evidence of such destruction or loss and of such indemnity.

*Replacement  
of share  
certificates*

### **Lien**

20. The Company shall have a first and paramount lien on every share (not being a fully paid up share) for all moneys, whether presently payable or not, called or payable at a fixed time in respect of such share; and the Company shall also have a first and paramount lien and charge on all shares (other than fully paid up shares) standing registered in the name of a member, whether singly or jointly with any other person or persons, for all the debts and liabilities of such members or his estate to the Company and whether the same shall have been incurred before or after notice to the Company of any equitable or other interest of any person other than such member, and whether the period for the payment or discharge of the same shall have actually arrived or not, and notwithstanding that the same are joint debts or liabilities of such member or his estate and any other person, whether a member of the Company or not. The Company's lien (if any) on a share shall extend to all dividends and bonuses declared in respect thereof. The Board may at any time either generally or in any particular case waive any lien that has arisen, or declare any share to be exempt wholly or partially from the provisions of this Bye-Law.

*Company's  
lien*

21. The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable or the liability or engagement in respect of which such lien exists is liable to be presently fulfilled or discharged, nor until the expiration of fourteen days after a notice in writing, stating and demanding payment of the sum presently payable or specifying the liability or engagement and demanding fulfilment or discharge thereof and giving notice of intention to sell in default, shall have been given to the registered holder for the time being of the shares or the person entitled by reason of such holder's death, bankruptcy or winding-up to the shares.

*Sale of shares  
subject to lien*

22. The net proceeds of such sale after the payment of the costs of such sale shall be applied in or towards payment or satisfaction of the debt or liability or engagement in respect whereof the lien exists, so far as the same is presently payable, and any residue shall (subject to a like lien for debts or liability not presently payable as existed upon the shares prior to the sale) be paid to the person entitled to the shares at the time of the sale. For giving effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof and may enter the purchaser's name in the register as holder of the shares, and the purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
- Application of proceeds of such sale*

### **Calls on Shares**

23. The Board may from time to time make such calls as it may think fit upon the members in respect of any moneys unpaid on the shares held by them respectively (whether on account of the nominal value of shares or by way of premiums) and not by the conditions of allotment thereof made payable at a fixed time. A call may be made payable either in one sum or by instalments.
- Calls/instalments*
24. Fourteen days' notice at least of any call shall be given specifying the time and place of payment and to whom such call shall be paid.
- Notice of Call*
25. A copy of the notice referred to in Bye-Law 24 shall be sent to members in the manner in which notices may be sent to members by the Company as herein provided.
- Copy of notice to be sent to members*
26. Every member upon whom a call is made shall pay the amount of every call so made on him to the person and at the time or times and place or places as the Board shall appoint.
- Every member liable to pay call at appointed time and place*
27. A call shall be deemed to have been made at the time when the resolution of the Board authorising such call was passed.
- When call deemed to have been made*
28. The joint holders of a share shall be severally as well as jointly liable for the payment of all calls and instalments due in respect of such share or other moneys due in respect thereof.
- Liability of joint holders*
29. The Board may from time to time at its discretion extend the time fixed for any call, and may extend such time as regards all or any of the members, whom due to residence outside the Relevant Territory or other cause the Board 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.
- Board may extend time fixed for call*
30. If the sum payable in respect of any call or instalments is not paid on or before the day appointed for payment thereof, the person or persons from whom the sum is due shall pay interest on the same at such rate not exceeding ten percent per annum as the Board shall fix from the day appointed for the payment thereof to the time of the actual payment, but the Board may waive payment of such interest wholly or in part.
- Interest on unpaid calls*
31. No member shall be entitled to receive any dividend or bonus or to be present and vote (save as proxy for another members) at any general meeting, either personally, or (save as proxy for another member) by proxy, or be reckoned in a quorum, or to exercise any other privileges as a member until all calls or instalments due from him to the Company, whether alone or jointly with any other person, together with interest and expenses (if any) shall have been paid.
- Suspension of privileges while call unpaid*

32. 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 of the Board making the call is duly recorded in the minute book of the Board; and that notice of such call was duly given to the member sued, in pursuance of these Bye-Laws; and it shall not be necessary to prove the appointment of the Board who made such call, nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt. *Evidence in action for call*
33. Any sum which by the terms of allotment of a share is made payable upon allotment or at any fixed date, whether on account of the nominal value of the share and/or by way of premium, shall for all purposes of these Bye-Laws be deemed to be a call duly made, notified, and payable on the date fixed for payment, and in case of non-payment all the relevant provisions of these Bye-Laws as to payment of interest and expenses, forfeiture and the like, shall apply as if such sums had become payable by virtue of a call duly made and notified. The Board may on the issue of shares differentiate between the allottees or holders as to the amount of calls to be paid and the time of payment. *Sums payable on allotment deemed a call*  
*Shares may be issued subject to different conditions as to calls, etc.*
34. The Board may, if it thinks fit, receive from any member willing to advance the same, and either in money or money's worth, all or any part of the money uncalled and unpaid or instalments payable upon any shares held by him, and upon all or any of the moneys so advanced the Company may pay interest at such rate (if any) not exceeding ten percent per annum as the Board may decide but a payment in advance of a call shall not entitle the member to receive any dividend or to exercise any other rights or privileges as a member in respect of the share or the due portion of the shares upon which payment has been advanced by such member before it is called up. The Board may at any time repay the amount so advanced upon giving to such member not less than one month's notice in writing of their intention in that behalf, unless before the expiration of such notice the amount so advanced shall have been called up on the shares in respect of which it was advanced. *Payment of calls in advance*

#### **Transfer of Shares**

35. Subject to these Bye-laws and the Companies Act, all transfers of shares may be effected by transfer in any manner permitted by and in accordance with the rules of the Designated Stock Exchange or by an instrument of transfer in writing in the usual or common form or in a form prescribed by the Designated Stock Exchange or in such other form as the Board may accept and may be under hand or if the transferor or transferee is a Clearing house or its nominee(s), by hand or by machine imprinted signature or by such other manner of execution as the Board may approve from time to time. *Form of transfer*
36. The instrument of transfer of any share shall be executed by or on behalf of the transferor and the transferee provided that the Board may dispense with the execution of the instrument of transfer by the transferee in any case in which it thinks fit, in its absolute discretion, to do so. Without prejudice to Bye-law 35, the Board may resolve, either generally or in any particular case, upon request by either the transferor or the transferee, to accept mechanically executed transfers. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register in respect thereof. Nothing in these Bye-Laws shall preclude the Board from recognising a renunciation of the allotment or provisional allotment of any share by the allottee in favour of some other person. *Execution of transfer*
37. (A) The Board may, in its absolute discretion, at any time and from time to time transfer any share upon the Principal Register to any branch register or any share on any branch register to the Principal Register or any other branch register. *Shares registered on Principal Register, branch register, etc.*

(B) Unless the Board otherwise agrees (which agreement may be on such terms and subject to such conditions as the Board in its absolute discretion may from time to time stipulate, and which agreement it shall, without giving any reason therefor, be entitled in its absolute discretion to give or withhold) no shares on the Principal Register shall be transferred to any branch register nor shall shares on any branch register be transferred to the Principal Register or any other branch register and all transfers and other documents of title shall be lodged for registration, and registered, in the case of any shares on a branch register, at the relevant Registration Office, and, in the case of any shares on the Principal Register, at the Transfer Office. Unless the Board otherwise agrees, all transfers and other documents of title shall be lodged for registration with, and registered at, the relevant Registration Office.

(C) Notwithstanding anything contained in this Bye-Law, the Company shall as soon as practicable and on a regular basis record in the Principal Register all transfers of shares effected on any branch register and shall at all times maintain the Principal Register in all respects in accordance with the Companies Act.

38. The Board may, in its absolute discretion, and without assigning any reason, refuse to register a transfer of any share (not being a fully paid up share) to a person of whom it does not approve or any share issued under any share incentive scheme for employees upon which a restriction on transfer imposed thereby still subsists, and it may also refuse to register any transfer of any share (whether fully paid or not) to more than four joint holders or any transfer of any share (not being a fully paid up share) on which the Company has a lien.

*Board may  
refuse to  
register a  
transfer*

39. (A) The Board may also decline to recognise any instrument of transfer unless:-

*Requirements  
as to transfer*

(i) the instrument of transfer is lodged at the relevant Registration Office or, as the case may be, the Transfer Office accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer (and, if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do);

(ii) the instrument of transfer is in respect of only one class of share;

(iii) the shares concerned are free of any lien in favour of the Company;

(iv) if applicable, the instrument of transfer is properly stamped; and

(v) where applicable, the permission of the Bermuda Monetary Authority with respect thereto has been obtained.

(B) The Company may require payment of a fee of such maximum sum as the Designated Stock Exchange may determine to be payable or such lesser sum as the Board may from time to time require is paid to the Company in respect thereof or, in the case of any share capital denominated in a currency other than Hong Kong dollars, such sum in such currency, in each case as the Directors shall from time to time determine, or otherwise in each case such other sum as the Company may by ordinary resolution determine, in respect of the registration of any instrument of probate or letters of administration or confirmation as executor or certificate of marriage or death or stop notice or power of attorney or other document relating to or affecting the title to any shares (other than an instrument of transfer) or otherwise for making any entry in the Register of Members affecting the title to any shares.



40. No transfer of any shares (not being a fully paid up share) shall be made to an infant or to a person of unsound mind or under other legal disability. *No transfer to an infant*
41. If the Board shall refuse to register a transfer of any share, it shall, within two months after the date on which the transfer was lodged with the Company, send to each of the transferor and the transferee notice of such refusal. *Notice of refusal*
42. Upon every transfer of shares the certificate held by the transferor shall be given up to be cancelled, and shall forthwith be cancelled accordingly, and a new certificate shall be issued without charge to the transferee in respect of the shares transferred to him, and if any of the shares included in the certificate so given up shall be retained by the transferor a new certificate in respect thereof shall be issued to him without charge. The Company shall also retain the instrument of transfer. *Certificate to be given up on transfer*
43. The registration of transfers may be suspended and the register closed, on giving notice by advertisement in an appointed newspaper and, where applicable, in Newspapers or by any means in such manner as may be accepted by the Designated Stock Exchange, at such times and for such periods as the Board 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. *When transfer books and register may be closed*

### Transmission of Shares

44. In the case of the death of a member, the survivor or survivors where the deceased was a joint holder, and the legal personal representatives of the deceased where he was a sole or only surviving holder, shall be the only persons recognised by the Company as having any title to his interest in the shares; but nothing herein contained shall release the estate of a deceased holder (whether sole or joint) from any liability in respect of any share solely or jointly held by him. *Deaths of registered holder or of joint holder or shares*
45. Any person becoming entitled to a share in consequence of the death or bankruptcy or winding-up of a member may, upon such evidence as to his title being produced as may from time to time be required by the Board, and subject as hereinafter provided, elect either to be registered himself as holder of the share or to have some person nominated by him registered as the transferee thereof. *Registration of personal representatives and trustee in bankruptcy*
46. If the person becoming entitled to a share pursuant to Bye-Law 45 shall elect to be registered himself, he shall deliver or send to the Company a notice in writing signed by him, at (unless the Board otherwise agrees) the Registration Office, stating that he so elects. If he shall elect to have his nominee registered, he shall testify his election by executing a transfer of such share to his nominee. All the limitations, restriction and provisions of these presents relating to the right to transfer and the registration of transfers of share shall be applicable to any such notice or transfer as aforesaid as if the death, bankruptcy or winding-up of the member had not occurred and the notice or transfer were a transfer executed by such member. *Notice of election to be registered*  
*Registration of Nominee*
47. A person becoming entitled to a share by reason of the death, bankruptcy or winding-up of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share. However, the Board may, if it thinks fit, withhold the payment of any dividend payable or other advantages in respect of such share until such person shall become the registered holder of the share or shall have effectually transferred such share. *Retention of dividends, etc. until transfer or transmission of shares of a deceased or bankrupt member*

### Forfeiture of Shares

48. If a member fails to pay any call or instalment of a call on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, without prejudice to the provisions of Bye-Law 31, serve a notice on him requiring payment of so much of the call or instalments as is unpaid, together with any interest which may have accrued and which may still accrue up to the date of actual payment. *if call or instalment not paid notice may be given*
49. The notice shall name a further day (not earlier than the expiration of fourteen days from the date of the notice) on or before which the payment required by the notice is to be made, and it shall also name the place where payment is to be made such place being either the Registered Office of the Company or such other place at which calls of the Company are usually made. The notice shall also state that, in the event of non-payment at or before the time appointed, the shares in respect of which the call was made will be liable to be forfeited. *Form of notice*
50. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends and bonuses declared in respect of the forfeited share and not actually paid before the forfeiture. The Directors may accept the surrender of any shares liable to be forfeited hereunder and in such cases references in these Bye-Laws to forfeiture shall include surrender. *If notice not complied with shares may be forfeited*
51. Any share so forfeited shall be deemed to be the property of the Company, and may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit and at any time before a sale or disposition the forfeiture may be cancelled on such terms as the Board thinks fit. *Forfeited shares to become property of Company*
52. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding, remain liable to pay to the Company all moneys which, at the date of forfeiture, were payable by him to the Company in respect of the shares, together with (if the Board shall in its discretion so require) interest thereon from the date of forfeiture until the date of actual payment as such rate not exceeding ten percent per annum as the Board may prescribe, and the Board may enforce the payment thereof if it thinks fit, and without any deduction or allowance for the value of the shares at the date of forfeiture, but his liability shall cease if and when the Company shall have received payments in full of all such moneys in respect of the shares. For the purposes of this Bye-Law any sum which by the terms of issue of a share, is payable thereon at a fixed time which is subsequent to the date of forfeiture, whether on account of the nominal value of the share or by way of premium, shall notwithstanding that that time has not yet arrived be deemed to be payable at the date of forfeiture, and the same shall become due and payable immediately upon the forfeiture, but interest thereon shall only be payable in respect of any period between the said fixed time and the date of actual payment. *Arrears to be paid notwithstanding forfeiture*
53. A statutory declaration in writing 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 share. The Company may receive the consideration, if any, given for the share on any sale or disposition thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of and he shall thereupon be registered as the holder of the share, and shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share. *Evidence of forfeiture and transfer of forfeited share*

54. When any share shall have been forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the register, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or make any such entry. *Notice after forfeiture*
55. Notwithstanding any such forfeiture as aforesaid the Board may at any time, before any shares so forfeited shall have been sold, re-allotted or otherwise disposal of, cancel the forfeiture on such terms as the Board thinks fit or permit the shares so forfeited to be bought back or 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 it thinks fit. *Power to redeem forfeited shares*
56. The forfeiture of a share shall not prejudice the right of the Company to any call already made or instalment payment thereon. *Forfeiture not to prejudice Company's right to call or instalment*
57. (A) The provisions of these Bye-Laws as to forfeiture shall apply in the case of non-payment of any sum which, by 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. *Forfeiture for non-payment of any sum due on shares*
- (B) In the event of a forfeiture of shares the member shall be bound to deliver and shall forthwith deliver to the Company the certificate or certificates held by him for the shares so forfeited and in any event the certificates representing shares so forfeited shall be void and of no further effect.

#### **Alteration of Capital**

58. (A) The Company may from time to time by Ordinary Resolution:-
- (i) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; and on consolidation of fully paid shares into shares of larger amount, the Board may settle any difficulty which may arise as it thinks expedient and in particular (but without prejudice to the generality of the foregoing) may as between the holders of shares to be consolidated determine which particular shares are to be consolidated into each consolidated share, and if it shall happen that any person shall become entitled to fractions of a consolidated share or shares, such fractions may be sold by some person appointed by the Board for that purpose and the person so appointed may transfer the shares so sold to the purchasers thereof and the validity of such transfer shall not be questioned, and so that the net proceeds of such sale (after deduction of the expenses of such sale) may either be distributed among the persons who would otherwise be entitled to a fraction or fractions of a consolidated share or shares rateably in accordance with their rights and interest or may be paid to the Company for the Company's benefit; *Consolidation and division of capital and sub-division and cancellation of shares*
- (ii) divide its shares into several classes and attach thereto respectively any preferential, deferred, qualified or special rights, privileges or conditions;

- (iii) sub-divide its shares or any of them into shares of smaller amount than is fixed by the Memorandum of Association, subject nevertheless to the provisions of the Companies 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 subdivision, 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;
- (iv) cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled; and
- (v) make provision for the issue and allotment of shares which do not carry any voting rights.

(B) The Company may by Special Resolution reduce its share capital, any capital redemption reserve fund or any share premium account or other undistributable reserve in any manner authorised and subject to any conditions prescribed by law. *Reduction of capital*

### General Meetings

59. The Company shall in each year hold a general meeting as its annual general meeting in addition to any other meeting in that year and shall specify the meeting as such in the notice calling it; and not more than fifteen months shall elapse between the date of one annual general meeting of the Company and that of the next unless a longer period would not infringe the rules of the Designated Stock Exchange, if any. The annual general meeting shall be held in the Relevant Territory or elsewhere as may be determined by the Board and at such time and place as the Board shall appoint. *When annual general meeting to be held*
60. All general meetings other than annual general meetings shall be called special general meetings. *Special general meeting*
61. The Board may, whenever it thinks fit, convene a special general meeting, and special general meetings shall also be convened on requisition, as provided by the Companies Act, or, in default, may be convened by the requisitionists. *Convening of special general meeting*
62. An annual general meeting shall be called by at least twenty-one (21) clear days and twenty (20) clear business days notice in writing, a meeting called for the passing of a Special Resolution shall be called by at least twenty-one (21) clear days notice in writing, and a meeting of the Company other than an annual general meeting or a meeting for the passing of a Special Resolution shall be called by at least fourteen (14) clear days and ten (10) clear business days notice in writing. The notice shall specify the place, the day and the hour of meeting and, in case of special business (as defined in Bye-law 64), the general nature of that business, and shall be given, in manner hereinafter mentioned or in such other manner, if any, as may be prescribed by the Company in general meeting, to such persons as are, under these Bye-Laws, entitled to receive such notices from the Company, provided that subject to the provisions of the Companies Act, a meeting of the Company shall notwithstanding that it is called by shorter notice than that specified in this Bye-Law be deemed to have been duly called if it is so agreed:- *Notice of meetings*
- (i) in the case of a meeting called as the annual general meeting, by all the members entitled to attend and vote thereat; and

- (ii) in the case of any other meeting, by a majority in number of the members having a right to attend and vote at the meeting, being a majority together holding not less than ninety-five percent in nominal value of the shares giving that right.

63. (A) The accidental omission to give any notice to, or the non-receipt of any notice by, any person entitled to receive notice shall not invalidate any resolution passed or any proceedings at any such meeting.

*omission to give notice*

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

### Proceedings at General Meetings

64. All business shall be deemed special that is transacted at a special general meeting, and also all business that is transacted at an annual general meeting with the exception of sanctioning dividends, the reading, considering and adopting of the accounts and balance sheet and the reports of the Directors and Auditors and other documents required to be annexed to the balance sheet, the election of Directors and appointment of Auditors and other officers in the place of those retiring, the fixing of the remuneration of the Auditors, the voting of remuneration or extra remuneration to the Directors and the granting of any mandate or authority to the Board to repurchase securities of the Company, and the granting of any mandate or authority to the Board to offer, allot, grant options over, or otherwise dispose of the unissued shares of the Company representing not more than 20% (or such other percentage as may from time to time be specified in any rules or regulations of the Designated Stock Exchange) in nominal value of its then existing issued share capital and the number of any securities repurchased pursuant to the mandate or authority granted to the Board to repurchase securities.

*Special business*

*Business of annual general meeting*

64A. Subject to the rules of the Designated Stock Exchange and the laws and regulations of Bermuda, any Director may participate in a general meeting by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting are capable of hearing each other.

65. For all purposes the quorum for a general meeting shall be two members present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy and entitled to vote. No business shall be transacted at any general meeting unless the requisite quorum shall be present at the commencement of the meeting.

*Quorum*

66. If within fifteen minutes from the time appointed for the meeting or such longer period as the chairman of the meeting may think fit to allow a quorum is not present, the meeting, if convened upon the requisition of members, shall be dissolved, but in any other case it shall stand adjourned to such other day and such time and place as may have been specified for the purpose in the notice convening the meeting or (if not so specified) as the chairman of the meeting may determine and in the latter case, not less than seven day's notice of the adjourned meeting shall be given in like manner as in the case of the original meeting.

*When if quorum not present meeting to be dissolved and when to be adjourned*

67. The Chairman (if any) of the Board or, if he is absent or declines to take the chair at such meeting, the Deputy Chairman (if any) shall take the chair at every general meeting, or, if there be no such Chairman or Deputy Chairman, or, if at any general meeting neither of such Chairman or Deputy Chairman is present within fifteen minutes after the time appointed for holding such meeting, or both such persons decline to take the chair at such meeting, the Directors, present shall choose one of their number as Chairman, and if no Director be present or if all the Directors present decline to take the chair or if the Chairman chosen shall retire from the chair, then the members present shall choose one of their own number to be Chairman.

*Chairman of general meeting*

68. The Chairman may, with the consent of any general meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn any meeting from time to time (or sine die) and from place to place as the meeting shall determine. No business shall be transacted at any adjourned meeting other than the business which might have been transacted at the meeting from which the adjournment took place. Where a meeting is adjourned sine die, the time and place for the adjourned meeting shall be fixed by the Directors. When a meeting is adjourned for thirty days or more or sine die, not less than seven days' notice of the adjourned shall be given in like manner as in the case of the original meeting.

*Power to adjourn general meeting, business of adjourned meeting*

69. (1) Subject to any special rights or restrictions as to voting for the time being attached to any shares by or in accordance with these Bye-laws, at any general meeting on a poll every Member present in person or by proxy or, in the case of a Member being a corporation, by its duly authorised representative shall have one vote for every fully paid share of which he is the holder but so that no amount paid up or credited as paid up on a share in advance of calls or instalments is treated for the foregoing purposes as paid up on the share. A resolution put to the vote of a meeting shall be decided by way of a poll save that the chairman of the meeting may in good faith, allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands in which case every Member present in person (or being a corporation, is present by a duly authorised representative), or by proxy(ies) shall have one vote provided that where more than one proxy is appointed by a Member which is a Clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands. For purposes of this Bye-law, procedural and administrative matters are those that (i) are not on the agenda of the general meeting or in any supplementary circular that may be issued by the Company to its Members; and (ii) relate to the chairman's duties to maintain the orderly conduct of the meeting and/or allow the business of the meeting to be properly and effectively dealt with, whilst allowing all Members a reasonable opportunity to express their views.
69. (2) Where a show of hands is allowed, before or on the declaration of the result of the show of hands, a poll may be demanded:
- (a) by at least three Members present in person or in the case of a Member being a corporation by its duly authorised representative or by proxy for the time being entitled to vote at the meeting; or
  - (b) by a Member or Members present in person or in the case of a Member being a corporation by its duly authorised representative or by proxy and representing not less than one-tenth of the total voting rights of all Members having the right to vote at the meeting; or
  - (c) by a Member or Members present in person or in the case of a Member being a corporation by its duly authorised representative or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all shares conferring that right.

A demand by a person as proxy for a Member or in the case of a Member being a corporation by its duly authorised representative shall be deemed to be the same as a demand by the Member.

70. Where a resolution is voted on by a show of hands, a declaration by the chairman that a resolution has been carried, or carried unanimously, or by a particular majority, or not carried by a particular majority, or lost, and an entry to that effect made in the minute book of the Company, shall be conclusive evidence of the facts without proof of the number or proportion of the votes recorded for or against the resolution. The result of the poll shall be deemed to be the resolution of the meeting. The Company shall only be required to disclose the voting figures on a poll if such disclosure is required by the rules of the Designated Stock Exchange.

*Poll*

71. On a poll votes may be given either personally or by proxy.

72. In the case 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 in addition to any other vote he may have. In case of any dispute as to the admission or rejection or any vote, the Chairman shall determine the same, and such determination shall be final and conclusive.

*Chairman to  
have casting  
vote*

73. A person entitled to more than one vote on a poll need not use all his votes or cast all the votes he uses in the same way.

74. For purposes of section 106 of the Companies Act, a Special Resolution of the Company, and of any relevant class of shareholders, shall be required to approve any amalgamation agreement as referred to in that section. *Approval of amalgamation agreement*

#### **Votes of Members**

75. (A) Subject to any special rights, privileges or restrictions as to voting for the time being attached to any class or classes of shares, at any general meeting on a show of hands every member who is present in person (or, in the case of a member being a corporation, by its duly authorised representative or, in case of a member being a Clearing house (or its nominee), by its duly authorised representative or representatives) or by proxy or by attorney shall have one vote, and on a poll every member present in person (or, in the case of a member being a corporation, by its duly authorised representative or, in case of a member being a Clearing house (or its nominee), by its duly authorised representative or representatives) or by proxy or by attorney, shall have one vote for every share of which he is the holder which is fully paid up or credited as fully paid up (but so that no amount paid up or credited as paid up on a share in advance of calls or instalments shall be treated for the purposes of this Bye-Law as paid up on the share). On a poll a member entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way. *Votes of members*
- (B) If a Clearing house (or its nominee) is a member of the Company it may, by resolution of its directors or other governing body or by power of attorney, authorise such person or persons as it thinks fit to act as its representative or representatives at any meeting of the Company or at any meeting of any class of members of the Company provided that, if more than one person is so authorised, the authorisation shall specify the number and class of shares in respect of which each such person is so authorised. A person so authorised shall be entitled to exercise the same powers on behalf of the Clearing house (or its nominee) which he represents as the Clearing house (or its nominee) could exercise if it were an individual shareholder of the Company.
76. Any person entitled under Bye-Law 45 to be registered as the holder of any shares may vote at any general meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that at least 48 hours before the time of the holding of the meeting or adjourned meeting (as the case may be) at which he proposes to vote, he shall satisfy the Board of his right to be registered as the holder of such shares or the Board shall have previously admitted his right to vote at such meeting in respect thereof. *Votes in respect of deceased and bankrupt members*
77. Where there are joint registered holders of any share, any one of such persons may vote at any meeting, either personally or by proxy or by attorney, in respect of such share as if he were solely entitled thereto: but if more than one of such joint holders be present at any meeting personally or by proxy or by attorney, that one of the said persons so present whose name stands first on the register in respect of such share shall alone be entitled to vote in respect of thereof. Several executors or administrators of a deceased member in whose name any share stands first shall for the purposes of this Bye-Law be deemed joint holders thereof. *Joint holders*
78. 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 or by attorney. Evidence to the satisfaction of the Board of the authority of the person claiming to exercise the right to vote shall be delivered to such place or one of such places (if any) as is specified in accordance with these Bye-Laws for the deposit of instruments of proxy or, if no place is specified, at the Registration Office. *Votes of member of unsound mind*

79. (A) Save as expressly provided in these Bye-Laws, no person other than a member duly registered and who shall have paid everything for the time being due from him payable to the Company in respect of his shares shall be entitled to be present or to vote (save as proxy for another member) either personally or by proxy or by attorney or to be reckoned in a quorum, at any general meeting. *Qualification for voting*
- (B) Where the Company has knowledge that any member is, under the rules of the Designated Stock Exchange, required to abstain from voting on any particular resolution of the Company or restricted to voting only for or only against any particular resolution of the Company, any votes cast by or on behalf of such member in contravention of such requirement or restriction shall not be counted.
- (C) If: (a) any objection shall be raised to the qualification of any voter; (b) any vote has been counted which ought not to have been counted or which might have been rejected; or (c) any vote is 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 have affected the decision of the meeting. The decision of the chairman on such matters shall be final and conclusive.
80. Any member of the Company entitled to attend and vote at a meeting of the Company or a meeting of the holders of any class of shares in the Company shall be entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at a general meeting of the Company or at a class meeting. A proxy need not be a member. In addition, a proxy or proxies representing either a member who is an individual or a member which is a corporation or a Clearing house shall be entitled to exercise the same powers on behalf of the member which he or they represented as such member could exercise. *Proxies*
81. The instrument appointing a proxy or an attorney shall be in writing under the hand of appointor or of his attorney duly authorised in writing, or if the appointor is a corporation either under seal or under the hand of an officer or attorney duly authorised. *Instrument appointing proxy to be in writing*
82. The instrument appointing a proxy or an attorney and, if requested by the Board, the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at such place or one of such places (if any) as is specified in the notice of meeting or in the instrument of proxy issued by the Company (or, if no place is specified, at the Registration Office) not less than forty-eight (48) hours before the time for holding the meeting or adjourned meeting (as the case may be) at which the person named in such instrument proposes to vote, and in default shall not be treated as valid. No instrument appointing a proxy or power of attorney shall be valid after the expiration of twelve (12) months from the date of its execution, except at an adjourned meeting where the meeting was originally held within twelve (12) months from such date. Delivery of an instrument appointing a proxy or a power of attorney shall not preclude a member from attending and voting in person (or in the case of a member being a corporation, its duly authorised representative) at the meeting or upon the poll concerned and, in such event, the instrument appointing a proxy or power of attorney shall be deemed to be revoked. *Appointment of proxy must be deposited*



83. Instruments of proxy shall be in any common form or in such other form as the Board may approve (provided that this shall not preclude the use of the two-way form) and the Board may, if it thinks fit, send out with the notice of any meeting forms of instrument of proxy for use at the meeting. *Form of proxy*
84. The instrument appointing a proxy to vote at a general meeting or a power of attorney shall: (i) be deemed to confer authority upon the proxy or attorney to vote on any resolution (or amendment thereto) put to the meeting for which it is given as the proxy or attorney thinks fit. Provided that any form issued to a member for use by him for appointing a proxy to attend and vote at a special general meeting or at an annual general meeting at which any special business is to be transacted shall be such as to enable the member, according to his intentions, to instruct the proxy to vote in favour of or against (or, in default of instructions, to exercise his discretion in respect of) each resolution dealing with any such business; and (ii) unless the contrary is stated therein, be valid as well for any adjournment of the meeting as for the meeting to which it relates. *Authority under instrument appointing proxy*
85. A vote given in accordance with the terms of an instrument of proxy or power of attorney or by the duly authorised representative of a corporation or Clearing house shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or power of attorney or other authority under which proxy or power of attorney was executed or the transfer of the share in respect of which the proxy or power of attorneys is given, provided that no intimation in writing of such death, insanity, revocation or transfer as aforesaid shall have been received by the Company at its Registration Office, or at such other place as is referred to in Bye-Law 82, at least two hours before the commencement of the meeting or adjourned meeting at which the proxy or power of attorney is used. *When vote by proxy valid though authority revoked*
86. 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. References in these Bye-Laws to a member present in person at a meeting shall, unless the context otherwise requires, include a corporation which is a member represented at the meeting by such duly authorised representative or, in case of a member being a Clearing house (or its nominee), by its duly authorised representative or representatives. *Corporation acting by representatives at meetings*

#### **Registered Office**

87. The Registered Office of the Company shall be at such place in Bermuda as the Board shall from time to time appoint. *Registered office*

#### **Board of Directors**

88. The number of Directors shall not be less than two. The Board shall cause to be kept a register of the Directors and Secretaries. *Constitution of Board*
89. Any Director may at any time by Notice delivered to the Registered Office or Head Office or at a meeting of the Directors appoint any person to be his alternate Director. Any person so appointed shall have all the rights and powers of the Director or Directors for whom such person is appointed in the alternative provided that such person shall not be counted more than once in determining whether or not a quorum is present. An alternate Director may be removed at any time by the person or body which appointed him and, subject thereto, the office of alternate Director shall continue until the happening of any event which, if he were a Director, would cause him to vacate such office or if his appointer ceases for any reason to be a Director. Any appointment or removal of an alternate Director shall be effected by Notice signed by the appointor and delivered to the Registered Office or Head Office or tendered at a meeting of the Board. An alternate Director may also be a Director in his own right and may act as alternate to more than one Director. *Alternate Directors*

90. (A) An alternate Director shall (except when absent from the territory in which the Head Office is for the time being situate) be entitled to receive notices of meetings of the Board and shall be entitled to attend and vote as a Director at any such meeting at which the Director appointing him is not personally present and generally at such meeting to perform all the functions of his appointer as a Director and for the purposes of the proceedings at such meeting the provisions of these presents shall apply as if he (instead of his appointor) were a Director. If he shall be himself a Director or shall attend any such meeting as an alternate for more than one Director his voting rights shall be cumulative. If his appointor is for the time being absent from the territory in which the Head Office is for the time being situate or otherwise not available or unable to act, his signature to any resolution in writing of the Directors shall be as effective as the signature of his appointor. To such extent as the Board may from time to time determine in relation to any committee of the Board, the foregoing provisions of this paragraph shall also apply mutatis mutandis to any meeting of any such committee of which his appointor is a member. An alternate Director shall not, save as aforesaid, have power to act as a Director nor shall he be deemed to be a Director for the purposes of these Bye-Laws.
- (B) An alternate Director shall be entitled to contract and be interested in and benefit from contracts or arrangements or transactions and to be repaid expenses and to be indemnified to the same extent mutatis mutandis as if he were a Director, but he shall not be entitled to receive from the Company in respect of his appointment as alternate Director any remuneration except only such part (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct.
91. Neither a Director or an alternate Director shall be required to hold any shares of the Company by way of qualification. *Qualification shares for Directors*
92. The Directors shall be entitled to receive by way of remuneration for their services as Directors such sum as shall from time to time be determined by the Company in general meeting, such sum (unless otherwise directed by the resolution by which it is voted) to be divided amongst the Directors in such proportions and in such manner as the Board may agree, or failing agreement, equally, except that in such event any director holding office for less than the whole of the relevant period in respect of which the remuneration is paid shall only rank in such division in proportion to the time during such period for which he has held office. The foregoing provisions shall not apply to a Director who holds any salaried employment or office in the Company except in the case of sums paid in respect of Directors fees. *Directors' remuneration*
93. The Directors shall also be entitled to be repaid all travelling, hotel and other expenses reasonably incurred by them respectively in or about the performance of their duties as directors, including their expenses of travelling to and from board meetings, committee meetings or general meetings or otherwise incurred whilst engaged on the business of the Company or in the discharge of their duties as Directors. *Directors' expenses*
94. The Board may grant special remuneration to any Director who, being called upon, shall perform any special or extra services to or at the request of the Company. Such special remuneration may be made payable to such Director in addition to or in substitution for his ordinary remuneration as a Director, and may be made payable by way of salary, commission or participation in profits or otherwise as may be arranged. *Special remuneration*

95. (A) Notwithstanding Bye-Laws 92, 93 and 94, 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 Company may from time to time be fixed by the Board and may be by way of salary, commission, or participation in profits or otherwise or by all or any of those modes and with such other benefits (including pension and/or gratuity and/or other benefits on retirement) and allowances as the Board may from time to time decide. Such remuneration shall be in addition to his remuneration as a Director. *Remuneration of Managing Directors etc.*
- (B) Payments to any director or past director of the Company of any sum by way of compensation for loss of office or as consideration for or in connection with his retirement from office (not being a payment to which the director is contractually entitled) must be approved by the Company in general meeting. *Payments for compensation for loss of office*
- (C) The Directors may establish or concur or join with other companies (being subsidiary companies of the Company or companies with which it is associated in business) in establishing and making contributions out of Company's moneys to any schemes or funds for providing pensions, sickless or compassionate allowance, life assurance or other benefits for employees (which expression as used in this and the following paragraph shall include any Director or ex-Director who may hold or have held any executive office or any office of profit under the Company or any of its subsidiary companies) and ex-employees of the Company and their dependants or any class or classes of such persons.
- (D) The Directors may pay, enter into agreements to pay or make grants of revocable or irrevocable, and either subject or not subject to any terms or conditions, pensions or other benefits to employees and ex-employees and their dependants, or to any of such persons, including pensions or benefits additional to those, if any, to which such employees or ex-employees or their dependants are or may become entitled under any such scheme or fund as mentioned in the last preceding paragraph. Any such pension or benefit may, as the Directors consider desirable, be granted to any employee either before and in anticipation of or upon or at any time after his actual retirement.
96. (A) A Director shall vacate his office:- *When office of Director to be vacated*
- (i) if he becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors generally;
  - (ii) if an order shall be made by any court claiming jurisdiction in that behalf on the ground (however formulated) of mental disorder for his detention or for the appointment of a guardian or for the appointment of a receiver or other person (by whatever name called) to exercise powers with respect to his property or affairs.
  - (iii) if he absents himself from the meetings of the Board during a continuous period of six months, without special leave of absence from the Board, and his alternate Director (if any) shall not during such period have attended in his stead, and the Board passes a resolution that he has by reason of such absence vacated his office;
  - (iv) if he becomes prohibited by law from acting as a Director;
  - (v) if by notice in writing delivered to the Company at its Registered Office or at the Head Office he resigns his office;
  - (vi) if he shall be removed from office by an Ordinary Resolution of the Company under Bye-Law 103;

- (vii) if he shall be removed from office by notice in writing served upon him signed by all of his co-directors, but so that if he holds an appointment to an executive office which thereby automatically determines such removal shall be deemed an act of the Company and shall have effect without prejudice to any claim for damages for breach of any contract of service between him and the Company.
- (B) No director shall be required to vacate office or be ineligible for re-election or re-appointment as a Director, and no person shall be ineligible for appointment as a Director by reason only of his having attained any particular age.
97. (A) Subject to the Companies Act, a Director may hold any other office or place of profit with the Company (except that of Auditor) in conjunction with his office of Director for such period and upon such terms as the Board may determine, and may be paid such extra remuneration therefor (whether by way of salary, commission, participation in profits or otherwise) as the Board may determine, and such extra remuneration shall be in addition to any remuneration provided for, by or pursuant to any other Bye-Law.
- (B) A Director may act by himself or his firm in a professional capacity for the Company (otherwise than as Auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a Director.
- (C) A Director of the Company may be or become a director or other officer of, or otherwise interested in, any company promoted by the Company or any other company in which the Company may be interested, and shall not be liable to account to the Company or the members for any remuneration, profit or other benefit received by him as a director or officer of or from his interest in such other company. The Board may also cause the voting power conferred by the shares in any other company held or owned by the Company to be exercised in such manner in all respects as it thinks fit, including the exercise thereof in favour of any resolution appointing the Directors or any of them to be directors or officers of such other company, or voting or providing for the payment of remuneration to the directors or officers of such other company.
- (D) A Director shall not vote or be counted in the quorum on any resolution of the Board concerning his own appointment as the holder of any office or place of profit with the Company or any other company in which the Company is interested (including the arrangement or variation of the terms thereof, or the termination thereof).
- (E) Where arrangements are under consideration concerning the appointment (including the arrangement or variation of the terms thereof, or the termination thereof) of two or more Directors to offices or places of profit with the Company or any other company in which the Company is interested, a separate resolution may be put in relation to each Director and in such case each of the Directors concerned shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment (or the arrangement or variation of the terms thereof, or the termination thereof) and except (in the case of an office or place of profit with any such other company as aforesaid) where the other company is a company in which the Director together with any of his associates own 5 percent or more.

*Director's  
interests*

- (F) Subject to the Companies Act and to the next paragraph of this Bye-Law, no Director or proposed or intended Director shall be disqualified from his office by contracting with the Company, either with regard to his tenure of any office or place of profit or as vendor, purchaser or in any other manner whatever, nor shall any such contract or any other contract or arrangement in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company or the members for any remuneration, profit or other benefits realised by any such contract or arrangement by reason of such Director holding that office or the fiduciary relationship thereby established.
- (G) A Director who to his knowledge is interested or has an associate who is interested in any way, whether directly or indirectly, in a contract or arrangement or proposed contract or arrangement with the Company shall declare the nature of his interest or the interest of his associate at the meeting of the Board at which the question of entering into the contract or arrangement is first taken into consideration, if he knows his interest or the interest of his associate then exists, or in any other case at the first meeting of the Board after he knows that he or his associate is or has become so interested. For the purposes of this Bye-Law, a general notice to the Board by a Director to the effect that (a) he or any of his associates is a member of a specified company or firm and is to be regarded as interested in any contract or arrangement which may after the date of the notice be made with that company or firm or (b) he or any of his associates is to be regarded as interested in any contract or arrangement which may after the date of the notice be made with a specified person who is connected with him or them, shall be deemed to be a sufficient declaration of interest under this Bye-law in relation to any such contract or arrangement; provided that no such notice shall be effective unless either it is given at a meeting of the Board or the Director takes reasonable steps to secure that it is brought up and read at the next Board meeting after it is given.
- (H) Save as otherwise provided by these Bye-laws, a Director shall not vote (nor be counted in the quorum) on any resolution of the Board approving any contract or arrangement or any other proposal in which he or any of his associates is materially interested, but this prohibition shall not apply to any of the following matters namely:
- (i) any contract or arrangement for the giving to such Director or his associate(s) any security or indemnity in respect of money lent or obligation incurred or undertaken by him or any of his associates at the request of or for the benefit of the Company or any of its subsidiaries;
  - (ii) any contract or arrangement for the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his associate(s) has himself or themselves assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;
  - (iii) any contract or arrangement by a Director or any of his associates to subscribe for shares, debentures or other securities of the Company issued or to be issued pursuant to any offer or invitation to members or debentures holders of the Company or any class thereof, and which does not provide in respect of any Director or any of his associates as such any privilege or advantage not accorded to any other members or debentures holders of the Company or any class thereof or to the public or any sections thereof;

- (iv) any contract or arrangement 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 any of his associates is or is to be interested as a participant in the underwriting or sub-underwriting of the offer;
  - (v) any contract or arrangement in which the Director or any of his associates is interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his or their interest in shares or debentures or other securities of the Company;
  - (vi) any contract, arrangement or proposal concerning any company in which the Director or any of his associates is interested only, whether directly or indirectly, as an officer or executive or shareholder or in which the Director or any of his associates is beneficially interested in shares of that company, provided that he and any of his associates are not in aggregate beneficially interested in five (5) per cent or more of the issued shares or of the voting rights of any class of shares of such company (or of any third company through which his interest or that of any of his associates is derived);
  - (vii) any proposal or arrangement concerning the benefit of employees of the Company or its subsidiaries including the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates to directors (and their associates) and employees of the Company or of any of its subsidiaries and does not provide in respect of any Director or any of his associates any privilege or advantage not accorded generally to the class of persons to which such scheme or fund relates; and
  - (viii) any proposal or arrangement concerning the adoption, modification or operation of any share scheme involving the issue or grant of options over shares or other securities by the Company to, or for the benefit of the employees of the Company or of any of its subsidiaries, under which the Director or any of his associates may benefit.
- (I) A company shall be deemed to be a company in which a Director and/or his associate(s) owns five (5) per cent or more if and so long as (but only if and so long as) he and/or his associate(s), (either directly or indirectly) are the holders of or beneficially interested in five (5) per cent or more of any class of the equity share capital of such company or of the voting rights available to members of such company (or of any third company through which his interest or that of any of his associates is derived). For the purpose of this paragraph there shall be disregarded any shares held by a Director or his associate(s) as bare or custodian trustee and in which he or any of them has no beneficial interest, any share comprised in a trust in which the interest of the Director or his associate(s) is/are in reversion or remainder if and so long as some other person is entitled to receive the income thereof, and any share comprised in an authorized unit trust scheme in which the Director or his associate(s) is/are interested only as a unit holder and any share which carry no voting right at general meetings and very restrictive dividend and return of capital right.
- (J) Where a company in which a Director and/or his associate(s) holds five (5) per cent or more is materially interested in a transaction, then that Director and/or his associate(s) shall also be deemed materially interested in such transaction.

- (K) If any question shall arise at any meeting of the Board as to the materiality of the interest of a Director (other than the chairman of the meeting) or his associate(s) or as to the entitlement of any Director (other than such 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 Board. If any question as aforesaid shall arise in respect of the chairman of the meeting such question shall be decided by a resolution of the Board (for which purpose such chairman shall not vote thereon) and such resolution shall be final and conclusive except in a case where the nature or extent of the interest of such chairman as known to such chairman has not been fairly disclosed to the Board.

### **Appointment and Retirement of Directors**

98. (A) To the extent not prohibited by or inconsistent with any provision of the Statutes and notwithstanding any other provisions in the Bye-Laws, at each annual general meeting one-third of the directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation provided that every director (including those appointed for a specific term) shall be subject to retirement at least once every three years. The directors to retire in every year shall be those who have been longest in office since their last re-election or appointment 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. A retiring director shall be eligible for re-election. Any director appointed pursuant to Bye-Law 101(B) shall not be taken into account in determining which particular directors or the number of directors who are to retire by rotation. Every director who would otherwise have been subject to retirement by rotation as aforesaid but for the prohibition or restriction imposed by the relevant provisions of the Statutes shall be subject to re-election at least once every three years. *Retirement of Directors*
- (B) A retiring Director shall be eligible for re-election. The Company at any general meeting at which any Directors retire may fill the vacated offices.
99. 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 be deemed to have been re-elected and 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:- *Retiring Directors to remain in office until successors appointed*
- (i) it shall be determined at such meeting to reduce the number of Directors; or
  - (ii) it is expressly resolved at such meeting not to fill up such vacated offices; or
  - (iii) in any such case the resolution for re-election of a Director is put to the Meeting and lost; or
  - (iv) such Director has given notice in writing to the Company that he is not willing to be re-elected.
100. The Company in general meeting shall from time to time fix and may from time to time by Ordinary Resolution, increase or reduce the maximum and minimum number of Directors. Unless otherwise determined by the Company in General meeting the number of Directors shall never be less than two and there shall be no maximum number. *Power of general meeting to increase or reduce number of Directors*
101. (A) The Company may from time to time in general meeting by Ordinary Resolution elect any person to be a Director either to fill a casual vacancy or as an addition to the Board. Any Director so appointed shall hold office until his successor is elected or appointed. *Appointment of Directors*

(B) The Board shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an addition to the Board 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 annual general meeting of the Company and shall then be eligible for re-election at the meeting.

102. No person other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for election as a Director at any general meeting unless a notice in writing signed by a member (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election as a Director and also a notice in writing signed by the person to be proposed of his willingness to be elected as a Director shall have been lodged at the Head Office or at the Registration Office provided that the minimum length of the period, during which such notice(s) are given, shall be at least seven (7) days and that the period for lodgment of such notice(s) shall commence no earlier than the day after the dispatch of the notice of the general meeting appointed for such election and end no later than seven (7) days prior to the date of such general meeting. *Notice to be given which person proposed for election*
103. The Company may by Ordinary Resolution remove any Director (including a Managing Director or other Executive Director) before the expiration of his period of office notwithstanding anything in these Bye-Laws or in any agreement between the Company and such Director (but without prejudice to any claim which such Director may have for damages for any breach of any contract between him and the Company) and may elect another person in his stead. Any person so elected shall be treated for the purpose of determining the time at which he or any other Director is to retire by rotation as if he had become a Director on the day on which the Director in whose place he is appointed was last elected a Director. In default of such election, the vacancy arising upon the removal of a Director from office may be filled as a casual vacancy. *Power to remove a Director by ordinary resolution*

#### **Borrowing Powers**

104. The Board may from time to time at its discretion exercise all the powers of the Company to raise or borrow or to secure the payment of any sum or sums of money for the purposes of the Company and to mortgage or charge its undertaking, property and uncalled capital or any part thereof. *Power to borrow*
105. The Board may raise or secure the payment or repayment of such sum or sums in such manner and upon such terms and conditions in all respects as it thinks fit and in particular by the issue of debentures, debenture stock, bonds or other securities of the Company, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party. *Conditions on which money may be borrowed*
106. 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. *Assignment*
107. Any debentures, debenture stock, bonds or other securities may be issued at a discount (other than shares), premium or otherwise and with any special privileges as to redemption, surrender, drawings, allotment of shares, attending and voting at general meetings of the Company, appointment of Directors and otherwise. *Special privileges*
108. (A) The Board shall cause a proper register to be kept of all mortgages and charges specifically affecting the property of the Company and shall duly comply with such provisions of the Companies Act with regard to the registration of mortgages and charges as may be specified or required. *Register of charges to be kept*



- (B) If the Company issues a series of debentures or debenture stock not transferrable by delivery, the Board shall cause a proper register to be kept of the holders of such debentures. *Register of debentures or debenture stock*

109. 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. *Mortgage of uncalled capital*

#### **Managing Directors, Etc.**

110. The Board may from time to time appoint any one or more of its body to the office of Managing Director, Joint Managing Director, Deputy Managing Director or other Executive Director and/or such other office in the management of the business of the Company as it may decide for such period and upon such terms as it thinks fit and upon such terms as to remuneration as it may decide in accordance with Bye-Law 94. *power to appoint Managing Directors etc.*
111. Every Director appointed to an office under Bye-Law 110 hereof shall, but without prejudice to any claim for damages for breach of any contract of service between himself and the Company, be liable to be dismissed or removed therefrom by the Board. *Removal of Managing Director, etc.*
112. The appointment of any Director to the office of President, Vice President, Chairman or Vice Chairman or Managing or Joint Managing or Deputy or Assistant Managing Director or such other office as the Directors may determine shall automatically determine if he ceases to be a Director but without prejudice to any claim for damages for breach of any contract of service between him and the Company. *Cessation of appointment*
113. The appointment of any Director to any other executive office shall not automatically determine if he ceases from any cause to be a Director, unless the contract or resolution under which he holds office shall expressly state otherwise, in which event such determination shall be without prejudice to any claim for damages for breach of any contract of service between him and the Company.
114. The Board may from time to time entrust to and confer upon a Managing Director, Joint Managing Director, Deputy Managing Director or Executive Director all or any of the powers of the Board that it may think fit provided that the exercises of all powers by such Director shall be subject to such regulations and restrictions as the Board may from time to time make and impose, and the said powers may at any time be withdrawn, revoked or varied, but no person dealing in good faith and without notice of such withdrawal, revocation or variation shall be affected thereby. *Powers may be delegated*

#### **Management**

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

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

### **Managers**

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

### **Chairman and Other Officers**

119. The Board shall from time to time elect or otherwise appoint a director to be a chairman and may also, but shall not be required to, elect any Deputy Chairman (or two or more Deputy Chairman) or a President or Vice President (or two or more Vice Presidents) and determine the period for which each of them is to hold office. The Chairman or, in his absence, the Deputy Chairman shall preside at meetings of the Board, but if no such Chairman or Deputy Chairman be elected or appointed, or if at any meeting the Chairman or Deputy Chairman is not present within five minutes after the time appointed for holding the same, the Directors present shall choose one of their number to be Chairman of such meeting. All the provisions of Bye-laws 111, 112, 113 and 114 shall mutatis mutandis apply to any Directors elected or otherwise appointed to any office in accordance with the provisions of this Bye-law. *Chairman*

### **Proceedings of the Directors**

120. The Board may meet together for the despatch of business, adjourn and otherwise regulate their meetings and proceedings as they think fit and may determine the quorum necessary for the transaction of business. Unless otherwise determined two Directors shall be a quorum. For the purpose of this Bye-Law an alternate Director shall be counted in a quorum but, notwithstanding that an alternate Director is also a Director or is an alternate for more than one Director, he shall for quorum purposes count as only one Director. Any Director may participate in a meeting of the Board or any Committee of the Board by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting are capable of hearing each other. A resolution passed at any meeting held in the above manner, and authenticated by the chairman of the Board or the Secretary, shall be as valid and effectual as if it had been passed at a meeting of the Board (or committee, as the case may be) duly convened and held. *Meeting of the Board, quorum, etc.*

121. A Director may, and on the request of a Director the Secretary shall, at any time summon a meeting of the Board which may be held in any part of the World provided that no such meeting shall be summoned to be held outside the territory in which the Head Office is for the time being situate without the prior approval of the 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 in such other manner as the Board may from time to time determine. A Director absent or intended to be absent from the territory in which the Head Office is for the time being situate may request the Board that notices of Board meetings shall during his absence be sent in writing to him at his last known address or any other address given by him to the Company for this purpose, but such notices need not be given any earlier than notices given to directors not so absent and in the absence of any such request it shall not be necessary to give notice of a Board meeting to any Director who is for the time being absent from such territory. A Director may waive notice of any meeting either prospectively or retrospectively. *Convening of Board meeting*
122. Questions arising at any meeting of the Board shall be decided by a majority of votes, and in case of an equality of votes the Chairman shall have a second or casting vote. *How questions to be decided*
123. A meeting of the Board for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under these Bye-Laws for the time being vested in or exercisable by the Board generally. *Powers of meeting*
124. The Board may delegate any of its powers to committees consisting of such member or members of its body and such other persons as the Board thinks fit, and it may from time to time revoke such delegation or revoke the appointment of and discharge any such committees either wholly or in part, and either as to persons or purposes, but every committee so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed upon it by the Board. *Power to appoint committee and to delegate*
125. All acts done by any such committee in conformity with such regulations and in fulfilment of the purposes for which it is appointed, but not otherwise, shall have the like force and effect as if done by the Board, and the Board shall have power, 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. *Act of committee to be of same effect as acts of Board*
126. The meetings and proceedings of any such committee consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Board so far as the same are applicable thereto and are not replaced by any regulations imposed by the Board pursuant to Bye-Law 124. *Proceedings of committee*
127. All acts bona fide done by any meeting of the Board or by any such committee or by any person acting as a Director shall, notwithstanding that it shall be afterwards discovered that there was some defect in the appointment of such Director or persons acting as aforesaid or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a director or member of such committee. *When acts of Board or committee to be valid notwithstanding defects*
128. The continuing Directors may act notwithstanding any vacancy in their body, but, if and so long as their number is reduced below the number fixed by or pursuant to these Bye-Laws as the necessary quorum of directors, the continuing Director or Directors may act for the purpose of increasing the number of Directors to that number or of summoning a general meeting of the Company but for no other purpose. *Directors' powers when vacancies exist*

129. A resolution signed by not less than two-thirds of the Directors then in office (or, if their number is not multiple of three, the number nearest to and greater than two-thirds) shall be as valid and effective as a resolution passed at a meeting duly convened 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 meetings of the Directors in the same manner as notices of meetings are required to be given by these presents. The signature of any Director may be given by his alternate. Any such resolution may be contained in one document or separate copies prepared and/or circulated for the purpose and signed by one or more of the Directors. A message sent by telex, facsimile or telegram or other form of electronic communication sent by a Director or his alternate shall be deemed to be a document signed by him for the purposes of this Bye-Law.

### **Minutes**

130. (A) The Board shall cause minutes to be made of:-

- (i) all appointments of officers made by the Board;
- (ii) the names of the Directors present at each meeting of the Board and of committees appointed pursuant to Bye-Law 124; and
- (iii) all resolutions and proceedings at all meetings of the Company and of the Board and of such committees.

- (B) Any such minutes shall be conclusive evidence of any such proceedings if they purport to be signed by, the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting.

- (C) The Directors shall duly comply with the provisions of the Companies Act in regard to keeping a Register of members and to the production and furnishing of copies of or extracts from such Register.

- (D) Any register, index, minute book, book of account or other book required by these presents or the Statutes to be kept by or on behalf of the Company may be kept either by making entries in bound books or by recording them in any other manner which shall include, without prejudice to the generality thereof, recording by means of magnetic tape, microfilm, computer or any other non-manual system of recording. In any case in which bound books are not used, the Directors shall take adequate precautions for guarding against falsification and for facilitating its discovery.

### **Secretary**

131. The Secretary shall be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit, and any Secretary so appointed may be removed by the Board. Anything by the Statutes or these Bye-Laws required or authorised to be done by or to the Secretary, if the office is vacant or there is for any other reason no Secretary capable of acting, may be done by or to any assistant or deputy Secretary, or if there is no assistant or deputy Secretary capable of acting, by or to any officer of the Company authorised generally or specially on behalf of the Board. If the Secretary appointed is a corporation or other body, it may act and sign by the hand of any one or more of its directors or officers duly authorised.

132. The duties of the Secretary shall be those prescribed by the Companies Act and these Bye-Laws, together with such other duties as may from time to time be prescribed by the Board.

*Minutes of  
proceedings of  
meetings and  
directors*

*Appointment of  
secretary*

*Duties of the  
secretary*

133. A provision of the Statutes or of these Bye-Laws requiring or authorising a thing to be done by or to a Director and the Secretary shall not be satisfied by its being done by or to the same person acting both as Director and as, or in place of, the Secretary. *Same person not to act in two capacities at once*

### **General Management and Use of the Seal**

134. (A) The Company shall have one or more Seals as the Directors may determine. The Directors shall provide for the safe custody of each Seal, and no Seal shall be used without the authority of the Directors or a committee authorised by the Directors in that behalf. *Custody of seal*
- (B) Every instrument to which a Seal shall be affixed shall be signed autographically by one Director and the Secretary or by two Directors or some other person appointed by the Board for the purpose provided that as regards any certificates for shares or debentures or other securities of the Company the Directors may by resolution determine that such signatures or either of them shall be dispensed with or affixed by some method or system of mechanical signature other than autographic as specified in such resolution or that such certificates need not be signed by any person. *The Seal*
- (C) The Company may have a Securities Seal for use for sealing certificates for shares or other securities issued by the Company and no signature of any Director, officer or other person and no mechanical reproduction thereof shall be required on any such certificates or other document and any such certificates or other document to which such Securities Seal is affixed shall be valid and deemed to have been sealed and executed with the authority of the Board notwithstanding the absence of any such signature or mechanical reproduction as aforesaid. *Securities Seal*
135. All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments, and all receipts for moneys paid to the Company shall be signed, drawn, accepted, indorsed or otherwise executed, as the case may be, in such manner as the Board shall from time to time by resolution determine. The Company's banking accounts shall be kept with such banker or bankers as the Board shall from time to time determine. *Cheques and banking arrangements*
136. (A) The Board may from time to time and at any time, by power of attorney under the Seal, appoint any company, firm or person or any fluctuating body of persons, whether nominated directly or indirectly by the Board, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these Bye-Laws) and for such period and subject to such conditions as it may think fit, and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Board may think fit, and may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions vested in him. *Power to appoint attorney*
- (B) The Company may, by writing under its Seal, empower any person, either generally or in respect of any specified matter, as its attorney to execute deeds and instruments on its behalf and to enter into contracts and sign the same on its behalf and every deed signed by such attorney on behalf of the Company and under his seal shall bind the Company and have the same effect as if it were under the Seal of the Company. *Execution of deeds by attorney*

137. The Board may establish any committees, regional or local boards or agencies for managing any of the affairs of the Company, either in the Relevant Territory or elsewhere, and may appoint any persons to be members of such committees, regional or local boards or agencies and may fix their remuneration, and may delegate to any committee, regional or local board or agent any of the powers, authorities and discretions vested in the Board (other than its powers to make calls and forfeit shares), with power to sub-delegate, and may authorise the members of any regional or local board or any of them to fill any vacancies therein and to act notwithstanding vacancies, and any such appointment or delegation may be upon such terms and subject to such conditions as the Board may think fit, and the Board may remove any person so appointed and may annul or vary any such delegation, but no person dealing in good faith and without notice of any such annulment or variation shall be affected thereby. *Regional or local boards*
138. The Board may establish and maintain or procure the establishment and maintenance of any contributory or non contributory pension or superannuation funds for the benefit of, or give or procure the giving of donations, gratuities, pensions, allowances or emoluments to, any persons who are or were at any time in the employment or service of the Company, or of any company which is a subsidiary of the Company, or is allied or associated with the Company or with any such subsidiary company, or who are or were at any time directors or officers of the Company or of any such other company as aforesaid, and holding or who have held any salaried employment or office in the Company or such other company, and the spouses, widows, widowers, families and dependents of any such persons. The Board may also establish and subsidise or subscribe to any institutions, associations, clubs or funds calculated to be for the benefit of or to advance the interests and well-being of the Company or of any such other company as aforesaid or of any such persons as aforesaid, and may make payments for or towards the insurance of any such persons as aforesaid, and subscribe or guarantee money for charitable or benevolent objects or for any exhibition or for any public, general or useful object. The Board may do any of the matters aforesaid, either alone or in conjunction with any such other company as aforesaid. Any Director holding any such employment or office shall be entitled to participate in and retain for his own benefit any such donation, gratuity, pension, allowance or emolument. *Power to establish pension funds*

#### **Authentication of Documents**

139. Any Director or the Secretary or other authorised officer of the Company shall have power to authenticate any documents affecting the constitution of the Company and any resolutions passed by the Company or the Directors or any committee, and any books, records, documents and accounts relating to the business of the Company, and to certify copies thereof or extracts therefrom as true copies of extracts; and where any books, records, documents or accounts are elsewhere than at the Registered Office or the Head Office, the local manager or such other officer of the Company having the custody thereof shall be deemed to be the authorised officer of the Company as aforesaid. A document purporting to be a copy of a resolution, or an extract from the minutes of a meeting, of the Company or of the Directors or any local Board or committee which is certified as aforesaid shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be, that any minute so extracted is a true and accurate record of proceedings at a duly constituted meeting. *Power to Authenticate*

### Capitalisation of Reserves

140. (A) The Company may, upon the recommendation of the Board by Ordinary Resolution (and, in respect of any share capital other than ordinary share capital, with the sanction of an Ordinary Resolution of the holders of such shares), resolve to capitalize any part of the Company's reserves (including any contributed surplus account and also including any share premium account or other undistributable reserve, but subject to the provisions of the law with regard to unrealised profits) or undivided profits not required for the payment or provision of the dividend on any shares with a preferential right to dividend, and accordingly that such part be sub-divided amongst the members who would have been entitled thereto if distributed by way of dividend and in the same proportions, on condition that the same be not paid in cash but be applied either in or towards paying up any amounts for the time being unpaid on any shares held by such members respectively or paying up in full unissued shares or debentures or other securities of the Company to be allotted and distributed credited as fully paid to and amongst such members in the proportion aforesaid, or partly in one way and partly in the other provided that for the purpose of this Bye-Law, any amount standing to the credit of share premium account may only be applied in the paying up of unissued shares to be issued to members of the Company as fully paid up shares.

*Power to  
Capitalize*

(B) Whenever such a resolution as aforesaid shall have been passed the Board shall make all appropriations and applications of the reserves or profits and undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares, debentures, or other securities and generally shall do all acts and things required to give effect thereto. For the purpose of giving effect to any resolution under this Bye-Law, the Board may settle any difficulty which may arise in regard to a capitalisation issue as- they think fit, and in particular may disregard fractional entitlements or round the same up or down and may determine that cash payments shall be made to any members in lieu of fractional entitlements or that fractions of such value as the Board may determine may be disregarded in order to adjust the rights of all parties or that fractional entitlements shall be aggregated and sold and the benefit shall accrue to the Company rather than to the members concerned. The Board may appoint any person to sign on behalf of the persons entitled to share in a capitalisation issue a contract for allotment and such appointment shall be effective and binding upon all concerned, and the contract may provide for the acceptance by such persons of the shares, debentures or other securities to be allotted and distributed to them respectively in satisfaction of their claims in respect of the sum so capitalised.

*Effect of  
resolution to  
capitalise*

### Dividends and Reserves

141. The Company in general meeting may declare dividends in any currency but no dividends shall exceed the amount recommended by the Board.

*Power to  
declare  
dividends*

142. (A) The Board may subject to Bye-Law 143 from time to time pay to the members such interim dividends as appear to the Board 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 share capital of the Company is divided into different classes, the Board may pay such interim dividends in respect of those shares in the capital of the Company which confer to the holders thereof deferred or non-preferential rights as well as in respect of those shares which confer on the holders thereof preferential rights with regard to dividend and provided that the Board acts bona fide the Board shall not incur any responsibility to the holders of shares conferring any preference for any damage that they may suffer by reason of the payment of an interim dividend on any shares having deferred or non-preferential rights.

*Board's power  
to pay interim  
dividends*

- (B) The Board may also pay half-yearly or at other suitable intervals to be settled by them any dividend which may be payable at a fixed rate if the Board is of the opinion that the profits justify the payment.
143. (A) No dividend shall be paid or distribution made out of contributed surplus if to do so would render the Company unable to pay its liabilities as they become due or the realisable value of its assets would thereby become less than its liabilities. *Dividend not to be paid out of capital*
- (B) Subject to the provisions of the Companies Act (but without prejudice to paragraph (A) of this Bye-Law), where any asset, business or property is bought by the Company as from a past date (whether such date be before or after the incorporation of the Company) the profits and losses thereof as from such date may at the discretion of the directors in whole or in part be carried to revenue account and treated for all purposes as profits or losses of the Company, and be available for dividend accordingly. Subject as aforesaid, if any shares or securities are purchased cum dividend or interest, such dividend or interest may at the discretion of the Board be treated as revenue, and it shall not be obligatory to capitalise the same or any part thereof.
- (C) Subject to Bye-Law 143 (D) all dividends and other distributions in respect of shares in the Company shall be stated and discharged, in the case of shares denominated in Hong Kong dollars, in Hong Kong dollars, and in the case of shares denominated in United States dollars, in United States dollars, provided that, in the case of shares denominated in Hong Kong dollars, the Board may determine in the case of any distribution that shareholders may elect to receive the same in United States dollars or any other currency selected by the Board, conversion to be effected at such rate of exchange as the Board may determine.
- (D) If, in the opinion of the Board, any dividend or other distribution in respect of shares or any other payment to be made by the Company to any shareholder is of such a small amount as to make payment to that shareholder in the relevant currency impracticable or unduly expensive either for the Company or the shareholder then such dividend or other distribution or other payment may, at the discretion of the Board, be paid or made in the currency of the country of the relevant shareholder (as indicated by the address such shareholder on the register).
144. Notice of the declaration of an interim dividend shall be given by advertisement in the Relevant Territory and in such other territory or territories as the Board may determine and in such manner as the Board shall determine.
145. No dividend or other moneys payable on or in respect of a share shall bear interest as against the Company.
146. Whenever the Board or the Company in general meeting have resolved that a dividend be paid or declared, the Board may further resolve that such dividend be satisfied wholly or in part by the distribution of specific assets of any kind and in particular of paid up shares, debentures or warrants to subscribe securities of the Company or any other company, or in any one or more of such ways, with or without offering any rights to shareholders to elect to receive such dividend in cash, and where any difficulty arises in regard to the distribution the Board may settle the same as they think expedient, and in particular may disregard fractional entitlement 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 *Dividend in specie*



upon the footing of the value so fixed in order to adjust the rights of all parties and may determine that fractional entitlements shall be aggregated and sold and the benefits shall accrue to the Company rather than to the members concerned, and may vest any such specific assets in trustees as may seem expedient to the Board and may appoint any person to sign any requisite instruments of transfer and other documents on behalf of the persons entitled to the dividend and such appointment shall be effective. Where requisite, the Board may appoint any person to sign a contract on behalf of the persons entitled to the dividend and such appointment shall be effective. The Board may resolve that no such assets shall be made available or made to shareholders with registered addresses in any particular territory or territories being a territory or territories where, in the absence of a registration statement or other special formalities, this would or might, in the opinion of the Board, be unlawful or impracticable and in such event the only entitlement of the shareholders aforesaid shall be to receive cash payments as aforesaid. Shareholders affected as a result of the foregoing sentence shall not be, or be deemed to be, a separate class of shareholders for any purpose whatsoever.

147. (A) Whenever the Board of the Company in general meeting have resolved that a dividend be paid or declared on the share capital of the Company, the Board may further resolve:-

*Scrip  
dividends*

either

(i) that such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid up on the basis that the shares so allotted shall be of the same class or classes as the class or classes already held by the allottee, provided that the shareholders entitled thereto will be entitled to elect to receive such dividend (or part thereof) in cash in lieu of such allotment. In such case, the following provisions shall apply:-

(a) the basis of any such allotment shall be determined by the Board;

(b) the Board, after determining the basis of allotment, shall give not less than two weeks' notice in writing to the shareholders of the right of election accorded to them and shall send with such notice forms of election and specify the procedure to be followed and the place at which and the latest date and time by which duly completed forms of election must be lodged in order to be effective;

(c) the right of election may be exercised in respect of the whole or part of that portion of the dividend in respect of which the right of election has been accorded; and

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

or

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

(a) the basis of any such allotment shall be determined by the Board;

(b) the Board, after determining the basis of allotment, shall give not less than two weeks notice in writing to the shareholder of the right of election accorded to them and shall send with such notice forms of election and specify the procedure to be followed and the place at which and the latest date and time by which duly completed forms of election must be lodged in order to be effective;

(c) the right of election may be exercised in respect of the whole or part of that portion of the dividend in respect of which the right of election has been accorded; and

- (d) the dividend (or that part of the dividend in respect of which a right of election has been accorded) shall not be payable on shares in respect whereof the share election has been duly exercised ("the elected shares") and in lieu thereof shares shall be allotted credited as fully paid up to the holders of the elected shares on the basis of allotment determined as aforesaid and for such purpose the Board shall capitalise and apply out of any part of the undivided profits of the Company or any part of any of the company's reserve accounts (including any special account, contributed surplus account, share premium account and capital redemption reserve fund (if there be any such reserve)) as the Board may determine, a sum equal to the aggregate nominal amount of the shares to be allotted on such basis and apply the same in paying up in full the appropriate number of shares for allotment and distribution to and amongst the holders of the elected shares on such basis.
- (B) The shares allotted pursuant to the provisions of paragraph (A) of this Bye-Law shall rank pari passu in all respects with the shares then in issue save only as regards participation:-
- (i) in the relevant dividend (or the right to receive or to elect to receive an allotment of shares in lieu thereof as aforesaid); or
  - (ii) in any other distribution, bonuses or rights paid, made, declared or announced prior to or contemporaneously with the payment or declaration of the relevant dividend;
- unless, contemporaneously with the announcement by the Board of their proposal to apply the provisions of sub-paragraph (i) or (ii) of paragraph (A) of this Bye-Law in relation to the relevant dividend or contemporaneously with their announcement of the distribution, bonus or rights in question, the Board shall specify that the shares to be allotted pursuant to the provisions of paragraph (A) of this Bye-Law shall rank for participation in such distribution, bonus or rights.
- (C) The Board may do all acts and things considered necessary or expedient to give effect to any capitalisation pursuant to the provisions of paragraph (A) of this Bye-Law with full power to the Board to make such provisions as they think fit in the case of shares becoming distributable in fractions (including provisions whereby, in whole or in part, fractional entitlements are aggregated and sold and the net proceeds distributed to those entitled, or are disregarded or rounded up or down or whereby the benefit of fractional entitlements accrues to the Company rather than to the members concerned). The Board may authorise any person to enter into on behalf of all members interested, an agreement with the Company providing for such capitalisation and matters incidental thereto and any agreement made pursuant to such authority shall be effective and binding on all concerned.
- (D) The Company may upon the recommendation of the Board by Ordinary Resolution (and, in respect of any share capital other than ordinary share capital, with the sanction of an Ordinary Resolution of holders of such shares) resolve in respect of any one particular dividend of the Company that notwithstanding the provisions of paragraph (A) of this Bye-Law a dividend may be satisfied wholly in the form of an allotment of shares credited as fully paid up without offering any right to shareholders to elect to receive such dividend in cash in lieu of such allotment.
- (E) The Board may on any occasion determine that rights of election and the allotment of shares under paragraph (A) of this Bye-Law shall not be made available or made to any shareholders with registered addresses in any territory where in the absence of a registration statement or other special formalities the circulation of an offer of such rights of election or the allotment of shares would or might be unlawful, and in such event the provisions aforesaid shall be read and construed subject to such determination.

148. The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for meeting claims on or liabilities of the Company or contingencies or for paying off any loan capital or for equalising dividends or for any other purpose to which the profits of the Company may be properly applied, and pending such application may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may from time to time think fit, and so that it shall not be necessary to keep any investments constituting the reserve or reserves separate or distinct from any other investments of the Company. The Board may also without placing the same to reserve carry forward any profits which it may think prudent not to distribute by way of dividend. *Reserves*
149. Unless and to the extent that the rights attached to any shares or the terms of issue thereof otherwise provide, all dividends shall (as regards any shares not fully paid throughout the period in respect of which the dividend is paid) be apportioned and paid pro rata according to the amounts paid or credited as paid up on the shares during any portion or portions of the period in respect of which the dividend is paid. For the purposes of this Bye-Law no amount paid on a share in advance of calls shall be treated as paid on the share. *Dividends to be paid in proportion to paid up capital*
150. (A) The Board may retain any dividends or other moneys payable on or in respect of a share upon which the Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists. *Retention of dividends etc.*
- (B) The Board may deduct from any dividend or bonus payable to any member all sums of money (if any) presently payable by him to the Company on account of calls, instalments or otherwise. *Deduction of debts*
151. Any general meeting sanctioning a dividend may make a call on the members of such amount as the meeting fixes, but so that the call on each member shall not exceed the dividend payable to him, and so that the call shall be made payable at the same time as the dividend, and the dividend may, if so arranged between the Company and the member, be set off against the call. *Dividend and call together*
152. A transfer of shares shall not pass the right to any dividend or bonus declared thereon before the registration of the transfer. *Effect of transfer*
153. If two or more persons are registered as joint holders of any share, any one of such persons may give effectual receipts for any dividends, interim dividends or bonuses and other moneys payable in respect of such shares. *Receipt for dividends by joint holders of share*
154. Unless otherwise directed by the Board, any dividend or bonus may be paid by cheque or warrant sent through the post to the registered address of the member entitled, or, in case of joint holders, to the registered address of that one whose name stands first in the register in respect of the joint holding or to such person and to such address as the holder or joint holders may in writing direct. Every cheque or warrant so sent shall be made payable to the order of the person to whom it is sent, and the payment of any such cheque or warrant shall operate as a good discharge to the Company in respect of the dividend and/or bonus represented thereby, notwithstanding that it may subsequently appear that the same has been stolen or that any endorsement thereon has been forged. *payment by post*
155. All dividends or bonuses unclaimed for one year after having been declared may be invested or otherwise made use of by the Board for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. All dividends or bonuses unclaimed for six years after having been declared may be forfeited by the Board and shall revert to the Company. *Unclaimed dividend*
156. Any resolution declaring a dividend on shares of any class, whether a resolution of the Company in general meeting or a resolution of the Directors, may specify that the same shall be payable or distributable to the persons registered as the holder of such shares at the close of business on a particular date, notwithstanding that it may be a date prior to that on which the resolution is passed, and thereupon the dividend shall be payable or distributable to them in accordance with their respective holdings so registered, but without prejudice to the rights inter se in respect of such dividend of transferors and transferees of any such shares. The provisions of this Bye-Law shall mutatis mutandis apply to bonuses, capitalisation issues, distributions of realised capital profits or offers or grants made by the Company to the members.

### Annual Returns

157. The Board shall make or cause to be made such annual or other returns or filings as may be required to be made in accordance with the Statutes. *Annual Returns*

### Accounts

158. The Board shall cause true accounts to be kept of the sums of money received and expended by the Company, and the matters in respect of which such receipts and expenditure take place; and of the property, assets, credits and liabilities of the Company and of all other matters required by the Statutes or necessary to give a true and fair view of the state of Company's affairs and to show and explain its transactions. *Accounts to be kept*
159. The books of account shall be kept at the Head Office or at such other place or places as the Board thinks fit and shall always be open to the inspection of the Directors provided that such records as are required by the Statutes shall also be kept at the Registered Office. *Where accounts to be kept*
160. No member (not being a Director) or other person shall have any right of inspecting any account or book or document of the Company except as conferred by the Statutes or ordered by a court of competent jurisdiction or authorised by the Board. *Inspection by members*
- 161.(A) Subject to Section 88 of the Companies Act and Bye-law 161(B), a printed copy of the directors' report, accompanied by the balance sheet and profit and loss account, including every document required by law to be annexed thereto, made up to the end of the applicable financial year and containing a summary of the assets and liabilities of the Company under convenient heads and a statement of income and expenditure, together with a copy of the Auditors' report, shall be sent to each person entitled thereto at least twenty-one (21) clear days and twenty (20) clear business days before the date of the general meeting and at the same time as the notice of annual general meeting and laid before the Company in general meeting in accordance with the requirements of the Companies Act provided that this Bye-law shall not require a copy of those documents to be sent to any person whose address the Company is not aware of or to more than one of the joint holders of any shares or debentures.
- (B) To the extent permitted by and subject to due compliance with all applicable Statutes, rules and regulations, including, without limitation, the rules of the Designated Stock Exchange, and to obtaining all necessary consents, if any, required thereunder, the requirements of Bye-law 161(A) shall be deemed satisfied in relation to any person by sending to the person in any manner not prohibited by the Statutes, a summary financial statement derived from the Company's annual accounts and the directors' report which shall be in the form and containing the information required by applicable laws and regulations, provided that any person who is otherwise entitled to the annual financial statements of the Company and the directors' report thereon may, if he so requires by notice in writing served on the Company, demand that the Company sends to him, in addition to a summary financial statement, a complete printed copy of the Company's annual financial statement and the director's report thereon.

- (C) The requirement to send to a person referred to in Bye-law 161(A) the documents referred to in that provision or a summary financial report in accordance with Bye-law 161(B) shall be deemed satisfied where, in accordance with all applicable Statutes, rules and regulations, including, without limitation, the rules of the Designated Stock Exchange, the Company publishes copies of the documents referred to in Bye-law 161(A) and, if applicable, a summary financial report complying with Bye-law 161(B), on the Company's computer network or in any other permitted manner (including by sending any form of electronic communication), and that person has agreed or is deemed to have agreed to treat the publication or receipt of such documents in such manner as discharging the Company's obligation to send to him a copy of such documents.

*Annual report of Directors and balance sheet to be sent to members*

### **Auditors**

- 162.(A) Auditors shall be appointed and the terms and tenure of such appointment and their duties at all times regulated in accordance with the provisions of the Companies Act.

*Appointment of Auditors*

- (B) The Company shall at each annual general meeting appoint one or more auditors to hold office until the conclusion of the next annual general meeting, but if an appointment is not made, the Auditor or Auditors in office shall continue in office until a successor is appointed. A Director, officer or employee of the Company or of any of its subsidiaries or a partner, officer or employee of any such Directors, officer or employee shall not be capable of being appointed Auditor of the Company. The Board may fill any casual vacancy in the office of Auditor, but while any such vacancy continues the surviving or continuing Auditor or Auditors (if any) may act. Subject as otherwise provided by the Companies Act, the remuneration of the Auditor or Auditors shall be fixed by or on the authority of the Company in the Annual General Meeting except that in any particular year the Company in general meeting may delegate the fixing of such remuneration to the Board and the remuneration of any Auditor appointed to fill any casual vacancy may be fixed by the directors.

- (C) The members may, at any general meeting convened and held in accordance with these Bye-Laws, remove the Auditor by Special Resolution at any time before the expiration of the term of office and shall, by Ordinary Resolution, at that meeting appoint new Auditor in its place for the remainder of the term.

- (D) If the office of Auditor becomes vacant by the resignation or death of the Auditor, or by his becoming incapable of acting by reason of illness or other disability at a time when his services are required, the Directors or the Company in general meeting shall fill his vacancy and fix the remuneration of the Auditor so appointed.

163. The Auditor or Auditors of the Company shall have a right of access at all times to the books and accounts and vouchers of the company and shall be entitled to require from the Directors and officers of the Company such information as may be necessary for the performance of his or their duties, and the Auditor or Auditors shall make a report to the members on the accounts examined by him or them and on every balance sheet, consolidated balance sheet and consolidated profit and loss account intended to be laid before the Company in the annual general meeting during his or their tenure of office as required by the Statutes.

*Auditors to have right of access to books and accounts*

164. A person other than a retiring Auditor shall not be capable of being appointed Auditor at an annual general meeting unless notice of an intention to nominate that person to the office of Auditor has been given to the Company not less than twenty-one (21) clear days and twenty (20) clear business days before the annual general meeting, and the Company shall send a copy of any such notice to the retiring Auditor and shall give notice thereof to the members not less than seven (7) days before the annual general meeting provided that the above requirements may be waived by notice in writing by the retiring Auditor to the Secretary.

*Appointment of an auditor other than a retiring auditor*

165. Subject to the provisions of the Companies Act, all acts done by any person acting as an Auditor shall, as regards all persons dealing in good faith with the Company, be valid, notwithstanding that there was some defect in his appointment or that he was at the time of his appointment not qualified for appointment or subsequently became disqualified.

## Notices

166. Any notice or document (including any "corporate communication" within the meaning ascribed thereto under the rules of the Designated Stock Exchange), whether or not, to be given or issued under these Bye-laws from the Company to a member shall be in writing or by cable, telex or facsimile transmission message or other form of electronic transmission or communication and any such notice and document may be served or delivered by the Company on or to any member either personally or by sending it through the post in a prepaid envelope addressed to such member at his registered address as appearing in the Register or at any other address supplied by him to the Company for the purpose or, as the case may be, by transmitting it to any such address or transmitting it to any telex or facsimile transmission number or electronic number or address or website supplied by him to the Company for the giving of notice to him or which the person transmitting the notice reasonably and bona fide believes at the relevant time will result in the notice being duly received by the member or may also be served by advertisement in appointed newspapers or in Newspapers or, to the extent permitted by the applicable laws, by placing it on the Company's website or the website of the Designated Stock Exchange, and giving to the member a notice stating that the notice or other document is available there (a "notice of availability"). The notice of availability may be given to the member by any of the means set out above. In the case of joint holders of a share all notices shall be given to that one of the joint holders whose name stands first in the Register and notice so given shall be deemed a sufficient service on or delivery to all the joint holders. *Service of notices*
167. Any member whose registered address is outside the Relevant Territory may notify the Company in writing of an address in the Relevant Territory which for the purpose of service of notice shall be deemed to be his registered address. Where the registered address of the member is outside the Relevant Territory, notice, if given through the post, shall be sent by prepaid airmail letter. *Members out of the Relevant Territory*
168. Any notice or other document:- *When notice deemed to be served*
- (i) if served or delivered by post, shall where appropriate be sent by airmail and shall be deemed to have been served or delivered on the day following that on which the envelope containing the same, properly prepaid and addressed, is put into the post; in proving such service or delivery it shall be sufficient to prove that the envelope or wrapper containing the notice or document was properly addressed and put into the post and a certificate in writing signed by the Secretary or other officer of the Company or other person appointed by the Board that the envelope or wrapper containing the notice or other document was so addressed and put into the post shall be conclusive evidence thereof;
  - (ii) if sent by electronic communication, shall be deemed to be given on the day on which it is transmitted from the server of the Company or its agent. A notice placed on the Company's website or the website of the Designated Stock Exchange is deemed given by the Company to a member on the day following that on which a notice of availability is deemed served on the member;
  - (iii) if served or delivered in any other manner contemplated by these Bye-laws, shall be deemed to have been served or delivered at the time of personal service or delivery, or as the case may be, at the time of the relevant dispatch, transmission or publication; and in proving such service or delivery a certificate in writing signed by the Secretary or other officer of the Company or other person appointed by the Board as to the fact and time of such service, delivery, dispatch, transmission or publication shall be conclusive evidence thereof; and

(iv) may be given to a member either in the English language or the Chinese language subject to due compliance with all applicable Statutes, rules and regulations.

169. A notice may be given by the Company to the person entitled to a share in consequence of the death, mental disorder or bankruptcy of a member by sending it through the post in a prepaid letter, envelope or wrapper addressed to him by name, or by the title of representative of the deceased, or trustee of the bankrupt, or by any like description, at the address, if any, supplied for the purpose by the person claiming to be so entitled, or (until such an address has been so supplied) by giving the notice in any manner in which the same might have been given if the death, mental disorder or bankruptcy had not occurred. *Service of notice to persons entitled on death, mental disorder or bankruptcy*
170. Any person who by operation of law, transfer or other means whatsoever shall become entitled to any share shall be bound by every notice in respect of such share which prior to his name and address being entered on the register shall have been duly given to the person from whom he derives his title to such share. *Transferee to be bound by prior notices*
171. Any notice or document delivered or sent by post to, or left at the registered address of any member in pursuance of these presents, shall notwithstanding that such member be then deceased or bankrupt and whether or not the Company has notice of his death or bankruptcy, be deemed to have been duly served in respect of any registered shares whether held solely or jointly with other persons by such member until some other person be registered in his stead as the holder or joint holder thereof, and such service shall for all purposes of these presents be deemed a sufficient service of such notice or document on his personal representatives and all persons (if any) jointly interested with him in any such shares. *Notice valid though member deceased, bankrupt*
172. The signature to any notice to be given by the Company may be written or printed. *How notice to be signed*

#### **Information**

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

#### **Winding Up**

174. (A) The Directors shall have power in the name of the Company to present a petition to the Court for the Company to be wound up. *Modes of winding up*
- (B) A resolution that the Company be wound up by the Court or be wound up voluntarily shall be a Special Resolution.
175. If the Company shall be wound up, the surplus assets remaining after payment to all creditors shall be divided among the members in proportion to the capital paid up on the shares held by them respectively, and if such surplus assets shall be insufficient to repay the whole of the paid up capital, they shall be distributed so that, as nearly as may be, the losses shall be borne by the members in proportion to the capital paid up on the shares held by them respectively, but all subject to the rights of any shares which may be issued on special terms and conditions. *Distribution of assets in winding up*

176. If the Company shall be wound up (whether the liquidation is voluntary or by the Court) the Liquidator may, with the authority of a special Resolution, divide among the Members in specie or kind the whole or any part of the assets of the Company and whether or not the assets shall consist of property of one kind or shall consist of properties of different kinds, and may for such purpose set such value as he deems fair upon any one or more class or classes of property and may determine how such division shall be carried out as between the Members or different classes of Members. The Liquidator may, with the like authority, receive, in compensation or part compensation for the transfer or sale, shares, policies or other like interests in any other company for distribution among the Members, or may enter into any other arrangement whereby the Members may, in lieu of receiving cash, shares, policies or other like interests, or in addition thereto, participate in the profits or receive any other benefits from such other company. The Liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of members as the Liquidator with the like authority shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no contributory shall be compelled to accept any shares or other property in respect of which there is a liability.

#### **Indemnity**

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

#### **Untraceable Members**

- 178.(A) The directors may by notice in writing require any person whom the Directors know or have reasonable cause to believe to be interested in shares in the Company to indicate whether or not it is the case and where that person holds any interest in any such shares to give such further information as may be required in accordance with sub-paragraph (B) below. *Disclosure of interests*
- (B) Any such notice may require the person to whom it is addressed to give particulars of his own present interests in shares in the Company.
- (C) The particulars referred to above include particulars of the identity of persons interested in the shares in question and of whether persons interested in the same shares are parties to any agreement or arrangement relating to the exercise of any of the rights conferred by the holding of the shares.



(D) A notice under this Bye-Law shall require any information given in response to the notice to be given in writing within such reasonable time (not being less than fourteen days) as may be specified in the notice.

(E) For the purpose of this Bye-Law a person who is interested in a right to subscribe for or convert into shares in the Company shall be deemed to be interested in shares in the Company.

179. Without prejudice to the rights of the Company under Bye-Law 155 and the provisions of Bye-Law 180, the Company may cease sending such cheques for dividend entitlements or dividend warrants by post if such cheques or warrants have been left uncashed on two consecutive occasions. However, the Company may exercise the power to cease sending cheques for dividend entitlements or dividend warrants after the first occasion on which such a cheque or warrant is returned undelivered. *Company ceases sending dividend warrants*

180. The Company shall have the power to sell, in such manner as the Board thinks fit any shares of a member or the shares to which a person is entitled by virtue of transmission on death or bankruptcy, but no such sale shall be made unless: *Company may sell shares of untraceable*

(A) all cheques or warrants, being not less than three in total number, for any sum payable in cash to the holder of such shares in respect of them sent during the relevant period in the manner authorised by the Bye-Laws of the Company have remained uncashed;

(B) so far as it is aware at the end of the relevant period, the Company has not at any time during the relevant period received any indication of the existence of the member who is the holder of such shares or of a person entitled to such shares by death, bankruptcy or operation of law;

(C) the Company has caused an advertisement to be inserted in the Newspapers of its intention to sell such shares and a period of three months has elapsed since the date of such advertisement; and

(D) the Company has notified the Designated Stock Exchange of its intention of such sale.

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

To give effect to any such sale the Board 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 and such instrument of transfer shall be as effective as if it had been executed by the registered holder or the person entitled by transmission to such shares, and the purchaser shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale. The net proceeds of the sale will belong to the Company which shall, subject as set out below, be obliged to account to the former member or other person previously entitled as aforesaid for an amount equal to such proceeds and shall enter the name of such former member or other person in the books of the Company as a creditor of such amount. Any such debt unclaimed after a period of twelve years from the date sale of the relevant shares shall become irrecoverable and the Company may then or at any time thereafter cease to include in its books of account any provision in respect of any such debt. No trusts shall be created in respect of such debt and no interest shall be payable in respect of it and the Company shall not be required to account for any money earned from the net proceeds which may be employed in the business of the Company or as it thinks fit. Any sale under this Bye-Law shall be valid and effective notwithstanding that the member holding the shares sold is dead, bankrupt or otherwise under any legal disability or incapacity.

### **Destruction of Documents**

181. Subject to the Companies Act, the Company may destroy:-

*Destruction  
of Documents*

- (a) any share certificate which has been cancelled at any time after the expiry of one year from the date of such cancellation;
- (b) any dividend mandate or any variation or cancellation thereof or any notification of change of name or address at any time after the expiry of two years from the date on which such mandate, variation, cancellation or notification was recorded by the Company;
- (c) any instrument of transfer of shares which has been registered at any time after the expiry of six years from the date of registration; and
- (d) any other document, on the basis of which any entry in the register is made, at any time after the expiry of six years from the date on which 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:-

- (i) 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;
- (ii) 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 (i) above are not fulfilled; and
- (iii) references in this Bye-Law to the destruction of any document include reference to its disposal in any manner.

182. [Intentionally deleted]

### **Resident Representative**

183. Pursuant to the provisions of the Statutes, the Board shall, for so long as the Company does not have a quorum of directors ordinarily resident in Bermuda, appoint a Resident Representative as defined in the Statutes, to act on its behalf in Bermuda and to maintain all such records as may be required by the Statutes to be maintained in Bermuda and to make all necessary filings with the Ministry of Finance and Register of Companies in Bermuda as may be required by the Statutes and to fix his or their or its remuneration either by way of salary or fee for the period of the Resident Representative's service to the Company. *Resident Representatives*

### **Maintenance of Records**

184. The Company shall keep at the office of its Resident Representative, in accordance with the provisions of the Statutes, the following:- *Maintenance of Records*
- (i) minutes of all proceedings of general meetings of the Company;
  - (ii) all financial statements required to be prepared by the Company under the Companies Act together with the auditor's report thereon;
  - (iii) all records of account required by Section 83 of the Companies Act to be kept in Bermuda;
  - (iv) all such documents as may be required in order to provide evidence of the continued listing of the Company on an appointed stock exchange within the meaning of the Companies Act; and
  - (v) a register containing the names and addresses and occupations of the directors of the Company.

### **Subscription Right Reserve**

185. (A) Subject to the Companies Act 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 applicable under the terms and conditions of the warrants, would reduce the subscription price to below the par value of a share, then the following provisions shall apply:- *Subscription Right Reserve*
- (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) below on the exercise in full of all the subscription right outstanding and shall apply the Subscription Right Reserve in paying up in full such difference in respect of such additional shares as and when the same are allotted;
  - (ii) the Subscription Right Reserve shall not be used for any purpose other than that specified above unless all other reserves of the Company (other than share premium account and capital redemption reserve fund) have been used and will 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 right 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:-

(aa) 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

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

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

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

(B) Shares allotted pursuant to the provisions of this Bye-Law shall rank *pari passu* in all respects with the other shares allotted on the relevant exercise of the subscription rights represented by the warrant concerned.

Notwithstanding anything contained in paragraph (A) of this Bye-Law, no fraction of any share shall be allotted on exercise of the subscription rights.

- (C) 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.
- (D) 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 exercising warrant holders credited as fully paid, and as to any other matter concerning the Subscription Right Reserve shall (in the absence of manifest error) be conclusive and binding upon the Company and all warrant holders and shareholders.

#### **Record Dates**

186. Notwithstanding any other provision of these Bye-laws the Company or the Board 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.

#### **Stock**

187. The following provisions shall have effect at any time and from time to time that they are not prohibited or inconsistent with the Statutes:
- (1) The Company may 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.
  - (2) The holders of stock may transfer the same or any part thereof in the same manner, and subject to the same regulations as and subject to which the shares from which the stock arose might prior to conversion have been transferred or as near thereto as circumstances admit, but the 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.
  - (3) 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.
  - (4) Such of the provisions of these Bye-laws as are applicable to paid up shares shall apply to stock, and the words "share" and "shareholder" therein shall include "stock" and "stockholder".

## SCHEDULE

The terms and conditions of the Convertible Preference Shares were adopted at the special general meeting held on 27 November 2014 and are set out as follows:–

### 1. INTERPRETATION

In these Terms, unless the context otherwise requires, the following expressions which apply exclusively to these Terms shall have the following meanings:

(A) “Auditors” means the auditors of the Company for the time being;

“Authorised Denominations” means such number of Convertible Preference Shares as is represented by a Certificate (and not part thereof);

“Business Day” means a day (other than a Saturday, Sunday or public holiday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours;

“Bye-laws” means the bye-laws for the time being adopted by the Company and as amended from time to time;

“Certificate” means a certificate issued by the Company in the name of the Convertible Preference Shareholder in respect of his holding of one or more Convertible Preference Shares;

“Closing Price” means the closing price per Ordinary Share on the Relevant Stock Exchange, as published by the Relevant Stock Exchange for one or more board lots of Ordinary Shares or, in the absence of any such published closing price, the last published closing price;

“Company” means Hsin Chong Construction Group Ltd., a company incorporated in Bermuda, the issued shares of which are listed on the Stock Exchange;

“Companies Act” means the Companies Act 1981 of Bermuda as may from time to time be amended;

“Conversion Date” means, subject to paragraph 5(J), 12 noon on the Business Day immediately following the date of the surrender of the relevant Certificate and delivery of the Conversion Notice therefor accompanied by the documents referred to in paragraph 5(B);

“Conversion Notice” means a written notice, in such form as the Directors may from time to time specify, stating that a Convertible Preference Shareholder wishes to exercise the Conversion Right in respect of one or more Convertible Preference Shares;

“Conversion Number” means, in relation to any Convertible Preference Share, such number of Ordinary Shares as determined in accordance with paragraph 5(C);

“Conversion Period” means, in respect of any Convertible Preference Share, any time commencing from 3:00 p.m. (Hong Kong time) on the Business Day immediately after the date of issue of such Convertible Preference Share and up to 4:00 p.m. (Hong Kong time) on the date all Convertible Preference Shares are converted, redeemed or purchased in full in accordance with paragraph 9 (or such earlier date as may be required under the Statutes);

“Conversion Price” means the price at which each Ordinary Share may be allotted and issued upon an exercise of the Conversion Right, initially being HK\$1.2, subject to any adjustment in accordance with these Terms;

“Conversion Right” means the right, subject to the provisions of the Terms, the Statutes and to any other applicable fiscal or other laws or regulations to convert at any time any Convertible Preference Share into Ordinary Shares at the Conversion Price;

“Conversion Share(s)” means Ordinary Share(s) to be issued upon an exercise of the Conversion Rights;

“Convertible Preference Shares” means the convertible preference shares of HK\$0.10 each (or of such other nominal value in which such convertible preference shares are for the time being denominated following any consolidation or sub-division) in the Company, and which are subject to these Terms (as amended from time to time);

“Convertible Preference Shareholder(s)” means a person or persons who is or are registered in the Register as a holder or joint holders of Convertible Preference Shares;

“Converting Shareholder” means a Convertible Preference Shareholder all or some of whose Convertible Preference Shares are being or have been converted;

“Dealing Day” means a day on which the Relevant Stock Exchange is open for business and on which trading in the Ordinary Shares or other relevant securities is not suspended;

“Directors” means the board of directors of the Company or the directors of the Company present at a meeting of directors of the Company at which a quorum is present;

“Dividend” means any dividend (including scrip dividend) payable or distribution made pursuant to paragraph 2;

“Hong Kong” means the Hong Kong Special Administrative Region of the People’s Republic of China;

“Issue Date” means, in respect of any Convertible Preference Share, the date on which the Convertible Preference Share was allotted and issued;

“Listing Rules” means the Rules Governing the Listing of Securities on the Stock Exchange;

“Notional Value” means the price at which each Convertible Preference Share was initially issued, being HK\$1.2, subject to any adjustment in accordance with these Terms;

“Ordinary Shares” means fully paid ordinary shares of HK\$0.10 each (or of such other nominal value in which such ordinary shares are for the time being denominated following any consolidation or sub-division) in the Company of the class listed on the Stock Exchange or, where the context so requires, shares resulting from the re-designation or re-classification of some or all of the outstanding shares of the Company, provided that if all of the Ordinary Shares are re-designated or re-classified as other securities (all of which are identical), the expression “Ordinary Shares” shall thereafter refer to those other securities;

“outstanding” means in relation to the Convertible Preference Shares, all the Convertible Preference Shares issued other than:

- (A) those in respect of which Conversion Rights have been exercised and which have been cancelled; or

(B) those which have been purchased and cancelled as provided in paragraph 9;

“Record Date” means the date and time by which a subscriber or transferee of securities of the class in question would have to be registered in order to participate in the relevant distribution or rights;

“Register” means the register of Convertible Preference Shareholders required to be maintained by the Company pursuant to paragraph 16(C);

“Registrar’s Office” means the office of Computershare Hong Kong Investor Services Limited, 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong, the Hong Kong branch share registrars of the Company, or such office of such person or such other person as the Company may from time to time designate;

“Relevant Convertible Preference Shares” means those Convertible Preference Shares which are to be converted pursuant to a Conversion Notice;

“Relevant Jurisdiction” means a jurisdiction in which the Company or any of its subsidiaries is incorporated, carries on business or holds any assets;

“Relevant Stock Exchange” means (A) the stock exchange on which the Ordinary Shares are at the relevant time principally traded, as determined by the Company, or (B) if, for the purposes of paragraph 7, the consideration at which any shares or securities are or are to be issued or transferred, or the relevant exercise, exchange or subscription price, if any, for such shares or securities, is to be fixed by reference to the price of such shares or securities on a particular stock exchange, that stock exchange;

“Statutes” means the Companies Act and every other act of the legislature of Hong Kong or Bermuda for the time being in force applying to or affecting the Company, its memorandum of association and/or the Bye-laws;

“Stock Exchange” means The Stock Exchange of Hong Kong Limited;

“Takeovers Code” means the Hong Kong Code on Takeovers and Mergers;

“Terms” means the terms of issue, rights and privileges of the Convertible Preference Shares and the restrictions to which they are subject as set out herein and as may be amended from time to time; and

“Hong Kong dollars” or “HK\$” means the lawful currency of Hong Kong.

(B) In these Terms, references to:

“companies” include references to any bodies corporate however and wherever incorporated;

“distribution” include references to any dividend or other distribution (including a distribution in specie) or capitalisation issue;

“paragraphs” are references to the paragraphs of these Terms;

“property” include references to shares, securities, cash and other assets or rights of any nature;

“dates” and “times” are to dates and times in Hong Kong; and

a “gender” include any other gender.



## **2. INCOME**

A Convertible Preference Shareholder shall at all times be entitled to, and shall be paid dividends or other distributions (whether in cash or otherwise other than Ordinary Shares issued by way of bonus or in lieu of any cash dividend) of the same amount and at the same time as are paid with respect to Ordinary Shares, and each Convertible Preference Share shall, for such purpose, be deemed to be equal to the number of Ordinary Shares into which it is convertible on the Record Date for such dividend or other distribution. For the avoidance of doubt, a converted Convertible Preference Shareholder shall not rank for any dividend the Record Date for which falls on the Conversion Date.

## **3. CAPITAL**

On a return of capital on winding up, each Convertible Preference Share shall be entitled to, in priority to any return of assets in respect of any other class of shares in the capital of the Company including the Ordinary Shares, *pari passu* as between themselves, an amount equal to the Notional Value of each Convertible Preference Share. The Convertible Preference Shares shall not be entitled to any further or other right to participate in the remaining assets of the Company.

## **4. RANKING**

The Company shall not (unless such sanction has been given by the Convertible Preference Shareholders as would be required for a variation of the special rights attaching thereto or unless otherwise provided in the Bye-laws) create or issue any shares ranking as regards order in the participation in the assets of the Company on a winding up in priority to the Convertible Preference Shares.

## **5. CONVERSION**

- (A) Subject to paragraph 17, each Convertible Preference Share shall confer on the holder thereof the Conversion Right.
- (B) Subject to paragraph 5(D), any Convertible Preference Shareholder may exercise the Conversion Right in respect of all or some (in Authorised Denominations) of the Convertible Preference Shares held by him subject to the provisions of the Statutes and any other applicable fiscal and other laws and regulations by delivering a duly signed and completed Conversion Notice to the Registrar's Office accompanied by:
  - (1) the Certificates in respect of the Relevant Convertible Preference Shares and such other evidence (if any) as the Directors may reasonably require to prove the title of the person exercising such right (or, if such Certificates have been lost or destroyed, such evidence of title and such indemnity as the Directors may reasonably require); and
  - (2) banker's cashier orders or similar instruments payable to the Company in respect of all taxes and stamp, issue and registration duties (if any) arising on conversion.

A Conversion Notice shall not be effective if:

- (i) for so long as the Ordinary Shares remain listed on The Stock Exchange of Hong Kong Limited, it does not contain a confirmation in writing from the converting Convertible Preference Shareholder that the issue of Conversion Shares pursuant to such conversion when aggregated with the Ordinary Shares held by it and parties acting or presumed to be acting in concert with it under the Takeovers Code will not result in the aggregate voting rights so held reaching 30% or such other percentage as may then be the maximum percentage (rounded to one decimal place) of voting rights of the Company it could then acquire without

being required to make a mandatory general offer for the Ordinary Shares of the Company under the Takeovers Code;

- (ii) it is not accompanied by the Certificates in respect of the Relevant Convertible Preference Shares and such other evidence (if any) as the Directors may reasonably require to prove the title of the person exercising such right (or, if such Certificates have been lost or destroyed, such evidence of title and such indemnity as the Directors may reasonably require);
  - (iii) it is not accompanied by banker's cashier orders or similar instruments payable to the Company in respect of all taxes and stamp, issue and registration duties (if any) arising on conversion; and
  - (iv) it does not include a declaration and confirmation that the registered and beneficial owner of the Relevant Convertible Preference Shares, and of the Conversion Shares, is not a resident or national of any foreign jurisdiction where the exercise of the Conversion Rights attached to the Relevant Convertible Preference Shares is prohibited by any law or regulation of that jurisdiction or where compliance with such laws or regulations would require filing or other action by the Company; or that delivery of the Relevant Convertible Preference Shares or Conversion Shares will not result in a breach of any exchange control, fiscal or other laws or regulations for the time being applicable.
- (C) The number of Conversion Shares to be issued on each conversion shall be determined by dividing the aggregate Notional Value of the Relevant Convertible Preference Shares by the Conversion Price applicable on the Conversion Date provided that no fraction of an Ordinary Share arising on conversion shall be allotted and all fractional entitlements shall be dealt with in accordance with paragraph 12.
- (D) Conversion of the Convertible Preference Shares shall be effected in such manner as the Directors shall subject to these Terms, the Bye-laws, the Statutes and to any other applicable law and regulations, from time to time determine provided that if the conversion in full of the Relevant Convertible Preference Shares (1) would result in the Conversion Shares being issued at a price below their nominal value as at the applicable Conversion Date; or (2) if immediately after such conversion, the public float of the Ordinary Shares falls below the minimum public float requirements stipulated under the Listing Rules or as required by the Stock Exchange; or (3) would result in the triggering of a mandatory offer under the Takeovers Code, the Directors may at their sole discretion and without any liability on their part or that of the Company elect to treat the Conversion Notice as invalid (i) in its entirety or (ii) in part and to issue to the maximum number of Conversion Shares possible without resulting in any of the circumstances described in (2) or (3) above.
- (E) Without prejudice to the generality of the foregoing, any Convertible Preference Share may be converted in such manner as determined by the Directors to be appropriate including without limitation, by re-designation (where the conversion is to be effected on a one for one basis) or repurchase on the relevant Conversion Date out of:
- (a) the capital paid up on the Relevant Convertible Preference Shares; or
  - (b) the funds available for dividend or distribution of the Company; or
  - (c) the proceeds of a fresh issue of shares in the Company made for the purpose; or
  - (d) any combination of (a), (b) and (c).

- (F) If a conversion of a Relevant Convertible Preference Share is effected by way of repurchase, any premium payable on such a repurchase shall be paid out of the Company's funds available for dividend or distribution or the Company's share premium account or a combination of the methods set out in paragraph 5(E) above.
- (G) Each Conversion Notice shall be deemed:
  - (i) to appoint any person selected by the Directors as such Converting Shareholder's agent with authority to apply an amount equal to the repurchase moneys in respect of the Relevant Convertible Preference Shares in subscribing on such Converting Shareholder's behalf for the Conversion Shares (subject to the treatment of fractions described in paragraph 12);
  - (ii) to authorise and instruct the Directors following the allotment and issue of such Conversion Shares to pay repurchase agency fees to such agent who shall be entitled to retain the same for his own benefit without being accountable therefor to such Converting Shareholder; and
  - (iii) to authorise the Directors to appoint any person to execute transfers, renunciations or other documents on behalf of the Converting Shareholder and generally may make all arrangements which appear to it to be necessary or appropriate in connection therewith.
- (H) If the Converting Shareholder has a registered address in any territory where in the absence of a registration statement or any other special formalities the allotment or delivery of any Conversion Shares would or might in the opinion of the Directors be unlawful or impracticable under the laws of such territory or any Relevant Jurisdiction, the Company shall as soon as reasonably practicable after the receipt of the relevant Conversion Notice allot and issue the Conversion Number of the Ordinary Shares to the Converting Shareholder or to one or more third parties selected by the Company and on behalf of the Converting Shareholder sell the same to one or more third parties selected by the Company for the best consideration then reasonably obtainable by the Company. As soon as reasonably practicable following any such allotment and sale, the Company shall pay the Converting Shareholder an amount equal to the consideration received by it.
- (I) The Company shall allot and issue the Conversion Shares or, as the case may be, send the amount to which he is entitled pursuant to paragraph 5(H) to the Converting Shareholder and shall procure that certificates in respect of the Conversion Shares are issued as soon as practicable and in any event not later than 14 days after the relevant Conversion Date.
- (J) If and whenever any conversion takes place after the occurrence of any event falling within paragraph 7(A) but before the amount of the relevant adjustment to the Conversion Price and the Notional Value (if any) shall have been calculated in accordance with the provisions of paragraph 7(A), the Conversion Date shall be deemed to fall on the Business Day after the date the adjustment made to the Conversion Price and the Notional Value in respect of the relevant event has become effective.
- (K) If a notice is given by the Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, the Company at the same time it despatches such notice to each member of the Company shall give notice thereof to all Convertible Preference Shareholders (together with a notice of the existence of the provisions of this paragraph 5(K)) and thereupon, each Convertible Preference Shareholder shall be entitled to exercise all or any of his Conversion Rights at any time not later than two Business Days prior to the date of the general meeting of the Company by providing the Company a Conversion Notice duly completed and executed

together with the Certificates, cashier orders and, where appropriate, other items listed in paragraphs 5(B)(1) and (2) whereupon the Company shall, subject to the Statutes, as soon as possible and, in any event, no later than the Business Day immediately prior to the date of the general meeting, allot and issue the Conversion Shares to the Relevant Convertible Preference Shareholders credited as fully paid. There shall not be any issuance of Conversion Shares and/or alteration in the status of the members of the Company after the commencement of winding up unless permitted under the Statutes.

## **6. CONVERSION SHARES**

The Conversion Shares shall, save as provided for in these provisions, rank *pari passu* in all respects with the Ordinary Shares in issue at the time the Conversion Shares are initially issued or registered on the Conversion Date, and shall entitle the holders thereof to all distributions paid or made on the Ordinary Shares by reference to a Record Date falling after the Conversion Date.

## **7. ADJUSTMENTS TO THE CONVERSION PRICE AND NOTIONAL VALUE**

- (A) (1) If and whenever the Ordinary Shares by reason of any consolidation or sub-division become of a different nominal amount, the Conversion Price in force immediately prior thereto shall be adjusted by multiplying it by the revised nominal amount and dividing the result by the former nominal amount.
- (2) If and whenever the Convertible Preference Shares by reason of any consolidation or sub-division become of a different nominal amount, the Notional Value in force immediately prior thereto shall be adjusted by multiplying it by the revised nominal amount and dividing the result by the former nominal amount.
- (B) The provisions of paragraph 7(A) shall not apply if the Convertible Preference Shares are consolidated or sub-divided in the same manner and at the same time as the consolidation or sub-division of Ordinary Shares referred to in paragraph 7(A).
- (C) Any adjustment to the Conversion Price and/or the Notional Value shall be made to the nearest one cent (Hong Kong currency) so that any amount under half a cent (Hong Kong currency) shall be rounded down and any amount of half a cent (Hong Kong currency) or more shall be rounded up and in no event shall any adjustment (otherwise than upon the consolidation of Ordinary Shares or (as the case may be) Convertible Preference Shares into shares of a larger nominal amount) involve an increase in the Conversion Price and/or the Notional Value. In addition to any determination which may be made by the Directors of the Company every adjustment to the Conversion Price and/or the Notional Value shall be certified either (at the option of the Company) by the Auditors or by an approved investment bank.
- (D) Notwithstanding anything contained in these Terms, no adjustment shall be made to the Conversion Price and/or the Notional Value in any case in which the amount by which the same would be reduced in accordance with the foregoing provisions of paragraph 7 would be less than one cent and any adjustment that would otherwise then be required to be made shall not be carried forward.
- (E) Notwithstanding the provisions of paragraph 7(A), in any circumstances where the Directors shall consider that an adjustment to the Conversion Price and/or the Notional Value provided for under the said provisions should not be made or should be calculated on a different basis or that an adjustment to the Conversion Price and/or the Notional Value should be made notwithstanding that no such adjustment is required under the said provisions, the Directors may appoint an approved investment bank to consider whether for any reason whatever the adjustment to be made (or the absence of adjustment) would or might not fairly and

appropriately reflect the relative interests of the persons affected thereby and, if such approved investment bank shall consider this to be the case, the adjustment shall be modified or nullified or an adjustment made instead of no adjustment in such manner (including without limitation making an adjustment calculated on a different basis) as shall be certified by such approved investment bank to be in its opinion appropriate.

- (F) Whenever the Conversion Price and/or the Notional Value is adjusted as herein provided, the Company shall give notice to the Convertible Preference Shareholders that the Conversion Price and/or the Notional Value has been adjusted (setting forth the event giving rise to the adjustment, the Conversion Price and/or the Notional Value in effect prior to such adjustment, the adjusted Conversion Price and/or the Notional Value and the effective date thereof) and shall at all times thereafter so long as any of the Conversion Rights remains exercisable make available for inspection at the principal place of business for the time being of the Company and the Registrar's Office prior to all the Convertible Preference Shares being converted or purchased in full a signed copy of the said certificate of the Auditors or (as the case may be) of the relevant approved investment bank and a certificate signed by a Director of the Company setting out the brief particulars of the event giving rise to the adjustment, the Conversion Price and/or the Notional Value in effect prior to such adjustment, the adjusted Conversion Price and/or the Notional Value and the effective date thereof.

## **8. UNDERTAKINGS**

So long as any Convertible Preference Share remains capable of being converted into Ordinary Shares:

- (1) the Company shall procure that there shall be sufficient authorised but unissued share capital available for the purposes of satisfying the requirements of any Conversion Notice as may be given and the terms of any other securities for the time being in issue which are convertible into or have the right to subscribe for shares in the Company;
- (2) the Company shall not, without the consent of the Convertible Preference Shareholders as a class (obtained in the manner provided in the Bye-laws and these Terms) or unless otherwise permitted pursuant to these provisions, modify, vary, alter or abrogate the rights attaching to the Ordinary Shares as a class, which (for the avoidance of doubt) shall not be deemed to be so modified, varied, altered or abrogated by the creation or issue of any shares or securities by the Company;
- (3) if during such time when there are any Convertible Preference Shares outstanding 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 Ordinary Shares, the Company shall procure that a comparable offer be made to the Convertible Preference Shareholders in accordance with the Takeovers Code.

## **9. PURCHASE/REDEMPTION**

- (A) Subject to the Statutes and paragraph 9(C), the Company or any of its subsidiaries may at any time by serving at least ten (10) days' prior written notice (a "Redemption Notice") on the holder of a Convertible Preference Share with details of the total amount to be redeemed or purchased from the holder specified therein, redeem or purchase any Convertible Preference Shares at the Notional Value. If and to the extent that there shall be more than one holder of Convertible Preference Shares, any redemption or purchase pursuant to paragraph 9(A) shall be made proportionate to the holding of Convertible Preference Shares of each holder thereof as at the date the Redemption Notice is given, subject to rounding to the nearest integral number of Convertible Preference Shares as the Company may determine in its sole discretion.

- (B) Any Convertible Preference Shares so redeemed or purchased by the Company or any of its subsidiaries may not be resold and, in case such Convertible Preference Shares are redeemed by the Company, such Convertible Preference Shares shall be cancelled.
- (C) A valid Conversion Notice shall be deemed to relate to any Convertible Preference Share in respect of which no Redemption Notice has been given. Subject to paragraph 9(C), if a valid Conversion Notice is delivered in accordance with paragraph 5(B) in respect of any Convertible Preference Share on the same date or within five (5) days of a Redemption Notice being served on the holder in respect of that same Convertible Preference Share, the Conversion Notice shall prevail.
- (D) The Company may at any time redeem any Convertible Preference Share at the Notional Value (to be paid in cash or satisfied by way of set-off against amounts payable by the holder thereof), subject to the Statutes.
- (E) The Company may at any time and from time to time repurchase any Convertible Preference Share on such terms it may agree with the holder thereof.

#### **10. MEETINGS and restricted voting rights**

- (A) The Convertible Preference Shares do not carry any voting right and shall not confer on the holders thereof the right to receive notice of, or to attend and vote at, a general meeting of the Company, unless a resolution is to be proposed which if passed would (subject to any consents required for such purpose being obtained) vary or abrogate the rights or privileges of the Convertible Preference Shareholders, in which event the Convertible Preference Shares shall confer on the holder thereof the right to receive notice of, and to attend and vote at, that general meeting, save that such holders may not vote upon any business dealt with at such general meeting except the election of a chairman, any motion for adjournment or relating to the proceedings of the general meeting and the resolution which if passed would (subject to any consents required for such purpose being obtained) so vary or abrogate the rights and privileges of the Convertible Preference Shareholders.
- (B) If the Convertible Preference Shareholders are entitled to vote on any resolution, then at the relevant general meeting or separate general meeting of the Convertible Preference Shareholders, all resolutions put to the vote at the general meeting must be decided by way of poll and every Convertible Preference Shareholder who is present in person or by proxy or attorney or (being a corporation) by a duly authorised representative shall have one vote for each Conversion Share which would have been issued to him/it had he/it exercised the Conversion Right 48 hours preceding the date of such general meeting or separate general meeting of the Convertible Preference Shareholders.

#### **11. PAYMENTS**

- (A) Unless any other manner of payment is agreed between the Company and any Convertible Preference Shareholder, payment of dividends, other cash distributions and moneys due on conversion or any repurchase permitted by these Terms to such Convertible Preference Shareholder shall be made by the Company posting a cheque in Hong Kong dollars (or in the case of payments which are to be made in another currency, such other currency) addressed to that Convertible Preference Shareholder at his registered address appearing on the Register as at the relevant Record Date and at his own risk.
- (B) Subject to paragraph 11(A), where any property (including Conversion Shares and Certificates in respect of them) is to be allotted, transferred or delivered to any Convertible Preference Shareholder the Company may make such arrangements with regard to such allotment, transfer

or delivery as it may deem appropriate and in particular, without limitation, may appoint any person on behalf of that Convertible Preference Shareholder to execute any transfers, renunciations or other document and may make arrangements for the delivery of any document or property to that Convertible Preference Shareholder at his/its risk. All share certificates and other documents of title to which any person is entitled shall be posted to him/it by the Company addressed to him/it at his/its registered address appearing on the Register as at the relevant Record Date or, if none, the date of posting and at his/its risk.

- (C) All payments or distributions with respect to Convertible Preference Shares held jointly by two or more persons shall be paid or made to whichever of such persons is named first in the Register and the making of any payment or distribution in accordance with this sub-provision shall discharge the liability of the Company in respect thereof.

## **12. FRACTIONS**

No fraction of an Ordinary Share arising on conversion shall be allotted to the holder of the Relevant Convertible Preference Share(s) otherwise entitled thereto but such fractions will, when practicable, be aggregated and sold and the net proceeds of sale will then be distributed pro rata among such holders unless in respect of any holding of Relevant Convertible Preference Shares the amount to be so distributed would be less than HK\$100, in which case such amount will not be so distributed but will be retained for the benefit of the Company. Unless otherwise agreed between the Company and a Converting Shareholder, if more than one Convertible Preference Share shall fall to be converted pursuant to any one Conversion Notice, the number of Ordinary Shares to be issued upon conversion shall be calculated on the basis of the aggregate Notional Values of the Relevant Convertible Preference Shares. For the purpose of implementing the provisions of this paragraph 12, the Company may appoint some person to execute transfers, renunciations or other documents on behalf of persons entitled to any such fraction and generally may make all arrangements which appear to it to be necessary or appropriate for the settlement and disposal of fractional entitlements.

## **13. TAXATION**

- (A) All payments of amounts equal to the Notional Value, nominal amounts, premium (if any) and Dividends in respect of Convertible Preference Shares shall be made without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of Bermuda or Hong Kong or any authority therein or thereof (other than any withholding or deduction on account of any income tax, capital gains tax or other tax or duties of a similar nature) unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event, subject to the Company having sufficient profits available for distribution, the Company shall pay such additional amounts as may be necessary in order that the net amounts received by the Convertible Preference Shareholders after such withholding or deduction shall equal the respective amounts of the Notional Value, premium (if any) and Dividend which would have been receivable in respect of the Convertible Preference Shares in the absence of such withholding or deduction, except that no such additional amounts shall be payable with respect to any Convertible Preference Shareholder:
- (1) who is liable to such taxes, duties, assessments or governmental charges in respect of any Convertible Preference Share by reason of such holder having some connection with Bermuda or Hong Kong, as the case may be, other than by virtue of being a Convertible Preference Shareholder; or
  - (2) receiving such payment in Bermuda or Hong Kong, as the case may be, and who would be able to avoid such withholding or deduction by satisfying any statutory requirements or by making a declaration or non-residence or other similar claim for exemption to the Bermuda or Hong Kong tax authority, as the case may be, but fails to do so.

- (B) To the extent that the Company shall have insufficient profits available for distribution in order to permit it to pay all or any of such additional amounts as aforesaid the amount of any shortfall shall be treated for all purposes as arrears of Dividend only in circumstances when the Company has sufficient profits or distributable reserves available for distribution.

#### **14. RESTRICTED HOLDERS**

No Convertible Preference Shares may be allotted and issued to any individual or entity who shall as a result become, and no Conversion Rights may be exercised by any Convertible Preference Shareholder who is, a Restricted Holder (as hereinafter defined). The exercise of any Conversion Rights by a Convertible Preference Shareholder shall constitute a confirmation, representation and warranty by the Converting Shareholder to the Company that such Converting Shareholder is not a Restricted Holder and that all necessary governmental, regulatory or other consents or approvals and all formalities have been obtained and observed by such Converting Shareholder to enable him to exercise legally and validly the relevant Conversion Rights, to hold the Conversion Shares allotted and issued upon exercise of the Conversion Rights and the Company to legally and validly allot the Conversion Shares. For the purposes of this paragraph 14, a "Restricted Holder" means a Convertible Preference Shareholder who is a resident or national of any jurisdiction other than Hong Kong under the laws and regulations of which an exercise of Conversion Rights by such Convertible Preference Shareholder or the performance by the Company of the obligations expressed to be assumed by it under these Terms or the allotment and issue and holding of the Convertible Preference Shares and/or the Conversion Shares cannot be carried out lawfully or cannot be carried out lawfully without the Company first having to take certain actions in such jurisdiction.

#### **15. NOTICES**

Subject to the Statutes, except in the case of a Conversion Notice, a notice given pursuant to these provisions may be revoked with the consent in writing of the Company. Notices to Convertible Preference Shareholders shall be given in accordance with the Bye-laws.

#### **16. TRANSFERS AND CERTIFICATES**

- (A) The provisions of the Bye-laws relating to the transfer of shares and the issue and replacement of share certificates shall apply in relation to the Convertible Preference Shares, subject to these provisions. Notwithstanding Bye-law 15(A), one Certificate shall be issued in respect of each 100,000,000 Convertible Preference Shares (such number being subject to proportionate increase or decrease, as determined by the Directors to be appropriate upon sub-division or (as the case may be) consolidation of the Convertible Preference Shares) held by a Convertible Preference Shareholder and a balancing Certificate issued for any lesser number of Convertible Preference Shares that remains.
- (B) Subject to paragraph 16(D) and paragraph 17, a Convertible Preference Shareholder may transfer all or some (in the Authorised Denominations) of its Convertible Preference Shares by such instrument of transfer in such common form or as may from time to time be approved by the Company.
- (C) The Company shall maintain and keep a full and complete register in Bermuda as it shall from time to time determine of the Convertible Preference Shares and the Convertible Preference Shareholders from time to time, such register shall contain details of conversion and/or cancellation of any Convertible Preference Shares and the issue of any replacement Certificates issued in substitution for any mutilated, defaced, lost, stolen or destroyed Certificates and of sufficient identification details of all Convertible Preference Shareholders from time to time.



- (D) Where any Convertible Preference Share is intended to be transferred to a connected person (as defined in the Listing Rules) of the Company (other than the associates (as defined in the Listing Rules) of the transferring Convertible Preference Shareholder), such transfer shall not be registered unless the applicable requirements under the Listing Rules and/or requirements imposed by the Stock Exchange (if any) have been fully complied with.

#### **17. SPECIAL RESTRICTIONS**

- (A) Such number of Convertible Preference Shares registered in the name of the first holder thereof the aggregate Notional Value of which is equal to or just exceeds HK\$3,125 million shall not be capable of transfer or conversion before the 10th anniversary of the first issue date thereof, other than such number of Convertible Preference Shares calculated as follows:–

$$X/\text{Notional Value}$$

Where

- X: at any time, equals to the aggregate of (i) the total amount demanded and paid pursuant to Clause 2.1(i) of the deed of indemnity for property sales tax (“Property Tax Indemnity”) to be executed and delivered pursuant to the sale and purchase agreement in respect of the entire issued share capital of Goleman International dated 15 May 2014 between Rich Century Development Limited, Lin Zhuo Yan and Hsin Chong Property Holdings Limited and (ii) the cash amount deposited with the Company as collateral for payment obligations under the Property Tax Indemnity, on such terms which are acceptable to the Company at its sole discretion (less any amount applied for the purposes of (i) above).
- (B) The Company may without liability treat any form of transfer or Conversion Notice in respect of any such Convertible Preference Shares which are subject to the restriction set out in paragraph 17(A) as invalid.

#### **18. SEVERABILITY**

If at any time one or more provisions hereof is or becomes invalid, illegal, unenforceable or incapable of performance in any respect under the laws of any Relevant Jurisdiction, the validity, legality, enforceability or performance in that jurisdiction of the remaining provisions hereof or the validity, legality, enforceability or performance under the laws of any other Relevant Jurisdiction of these or any other provisions hereof shall not thereby in any way be affected or impaired.