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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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

**If you have sold or transferred** all your shares in **China Public Procurement Limited** (the “**Company**”), you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or the bank or stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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**CHINA PUBLIC PROCUREMENT LIMITED**  
**中國公共採購有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock code: 1094)**

**PROPOSED GRANTING OF GENERAL MANDATES  
TO REPURCHASE SHARES AND TO ISSUE NEW SHARES,  
EXTENSION OF THE ISSUANCE MANDATE,  
PROPOSED RE-ELECTION OF THE RETIRING DIRECTORS,  
PROPOSED ADOPTION OF NEW SHARE OPTION SCHEME AND  
TERMINATION OF EXISTING SHARE OPTION SCHEME,  
PROPOSED CHANGE OF COMPANY NAME,  
PROPOSED AMENDMENTS TO THE BYE-LAWS AND  
ADOPTION OF THE NEW BYE-LAWS  
AND  
NOTICE OF THE ANNUAL GENERAL MEETING**

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A notice convening the annual general meeting of the Company to be held at Unit 705, 7/F, Nam Wo Hong Building, 148 Wing Lok Street, Sheung Wan, Hong Kong on Wednesday, 3 August 2022 at 2:00 p.m. is set out on pages 112 to 119 of this circular. Whether or not you are able to attend the meeting in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company’s branch share registrar in Hong Kong, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for holding the meeting (i.e. by 2:00 p.m. on Monday, 1 August 2022) or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjournment thereof should you so wish and in such event, the instrument appointing a proxy shall be deemed to be revoked.

All times and dates specified herein refer to Hong Kong local times and dates.

11 July 2022

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## DEFINITIONS

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

“Amendments”	the proposed amendments to the Bye-laws as set out in Appendix IV to this circular;
“Annual General Meeting”	an annual general meeting of the Company to be held at Unit 705, 7/F, Nam Wo Hong Building, 148 Wing Lok Street, Sheung Wan, Hong Kong on Wednesday, 3 August 2022 at 2:00 p.m., to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting which is set out on pages 112 to 119 of this circular, or any adjournment thereof;
“Board”	the board of Directors;
“Bye-laws”	the bye-laws of the Company currently in force;
“Change of Company Name”	the change of the English name of the Company from “China Public Procurement Limited” to “Cherish Sunshine International Limited” and the change of the secondary name of the Company in Chinese from “中國公共採購有限公司” to “承輝國際有限公司”;
“Company”	China Public Procurement Limited a company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange;
“Director(s)”	the director(s) of the Company;
“Existing Share Option Scheme”	the existing share option scheme adopted by the Company on 13 June 2013;
“Group”	the Company and its subsidiaries from time to time;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Invested Entity(ies)”	any entity in which any member of the Group holds an equity interest of 20% or above;

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## DEFINITIONS

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“Issuance Mandate”	as defined in paragraph 2(b) of the Letter from the Board;
“Latest Practicable Date”	4 July 2022, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“New Bye-laws”	the new bye-laws of the Company incorporating the proposed Amendments proposed to be adopted by the Shareholders at the Annual General Meeting;
“New Share Option Scheme”	the share option scheme proposed to be adopted by the Shareholders at Annual General Meeting;
“Option(s)”	option(s) granted or to be granted under the Existing Share Option Scheme or the New Share Option Scheme or any other share option schemes to be adopted;
“PRC”	the People’s Republic of China, which for the purpose of this circular shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan;
“RMB”	Renminbi, the lawful currency of the PRC;
“Repurchase Mandate”	as defined in paragraph 2(a) of the Letter from the Board;
“SFO”	Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong;
“Share(s)”	ordinary share(s) of HK\$0.10 each in the capital of the Company;
“Shareholder(s)”	holder(s) of Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Takeovers Code”	the Code on Takeovers and Mergers; and
“%”	per cent.

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LETTER FROM THE BOARD

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**CHINA PUBLIC PROCUREMENT LIMITED**

**中國公共採購有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock code: 1094)**

*Executive Directors:*

Ms. Wu Siyuan (*Chairman and Chief Executive*)  
Ms. He Qian

*Non-executive Directors:*

Ms. Liu Qian  
Mr. Li Shun  
Mr. Li Guanghua

*Independent non-executive Directors:*

Mr. Zhong Dengyu  
Mr. Jiang Jun  
Mr. Wang Shuai

*Registered office:*

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

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

Unit 705, 7/F,  
Nam Wo Hong Building,  
148 Wing Lok Street,  
Sheung Wan,  
Hong Kong

11 July 2022

*To the Shareholders*

Dear Sir/Madam,

**PROPOSED GRANTING OF GENERAL MANDATES  
TO REPURCHASE SHARES AND TO ISSUE NEW SHARES,  
EXTENSION OF THE ISSUANCE MANDATE,  
PROPOSED RE-ELECTION OF THE RETIRING DIRECTORS,  
PROPOSED ADOPTION OF NEW SHARE OPTION SCHEME AND  
TERMINATION OF EXISTING SHARE OPTION SCHEME,  
PROPOSED CHANGE OF COMPANY NAME,  
PROPOSED AMENDMENTS TO THE BYE-LAWS AND  
ADOPTION OF THE NEW BYE-LAWS  
AND  
NOTICE OF THE ANNUAL GENERAL MEETING**

**1. INTRODUCTION**

The purpose of this circular is to provide you with information regarding resolutions to be proposed at the Annual General Meeting to be held on Wednesday, 3 August 2022 at 2:00 p.m. relating to, among other things, (i) the proposed granting of general mandates to the Directors for

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## LETTER FROM THE BOARD

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the issuance and repurchase of the Shares and the extension of Issuance Mandate to issue Shares; (ii) the proposed re-election of the retiring Directors; (iii) the proposed adoption of the New Share Option Scheme and termination of the Existing Share Option Scheme; (iv) the proposed Change of Company Name; and (v) the proposed Amendments to the Bye-laws and adoption of the New Bye-laws.

### 2. PROPOSED GRANTING OF THE REPURCHASE AND ISSUANCE MANDATES

At the annual general meeting of the Company held on Tuesday, 29 June 2021, general mandates were granted to the Directors to exercise the powers of the Company to repurchase Shares and to issue new Shares, respectively. Such mandates will lapse at the conclusion of the Annual General Meeting.

Ordinary resolutions will be proposed at the Annual General Meeting to approve the granting of new general mandates to the Directors:

- (a) to repurchase Shares on the Stock Exchange up to 10% of the number of Shares in issue on the date of passing of such resolution (i.e. an aggregate number of 29,308,372 Shares) on the basis that the issued Shares remains unchanged from the Latest Practicable Date up to the date of the Annual General Meeting) (the “**Repurchase Mandate**”);
- (b) to allot, issue or deal with Shares up to 20% of the total number of Shares in issue on the date of passing of such resolution (i.e. an aggregate number of 58,616,745 Shares) on the basis that the issued Shares remains unchanged from the Latest Practicable Date up to the date of the Annual General Meeting) (the “**Issuance Mandate**”); and
- (c) to extend the Issuance Mandate by an amount representing the aggregate amount of Shares repurchased by the Company pursuant to and in accordance with the Repurchase Mandate.

The Repurchase Mandate and the Issuance Mandate shall continue in force until the conclusion of the next annual general meeting of the Company held after the Annual General Meeting or any earlier date as referred to in the proposed ordinary resolutions contained in items 5 and 6 of the notice of the Annual General Meeting as set out on pages 112 to 119 of this circular.

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## LETTER FROM THE BOARD

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With reference to the Repurchase Mandate and the Issuance Mandate, the Directors wish to state that they have no immediate plan to repurchase any Shares or issue any Shares pursuant thereto. As at the Latest Practicable Date, the Company had 293,083,725 Shares in issue.

In accordance with the requirements of the Listing Rules, the Company is required to send to the Shareholders an explanatory statement containing all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the granting of the Repurchase Mandate. The explanatory statement as required by the Listing Rules in connection with the Repurchase Mandate is set out in Appendix I to this circular.

### 3. PROPOSED RE-ELECTION OF THE RETIRING DIRECTORS

Pursuant to Bye-law 87 of the Bye-laws, one-third of the Directors for the time being, or if their number is not three or a multiple of three, then the number nearest to but not less than one-third shall retire from office by rotation at every annual general meeting. A retiring Director shall be eligible for re-election.

Pursuant to Bye-law 86(2) of the Bye-laws, any Director appointed as an additional to the Board 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.

In accordance with Bye-law 87(1) of the Bye-laws, Ms. He Qian (“**Ms. He**”) and Mr. Wang Shuai (“**Mr. Wang**”) shall retire from their offices as Directors at the Annual General Meeting, and will offer themselves for re-election.

In accordance with Bye-law 86(2) of the Bye-laws, Mr. Li Guanghua (“**Mr. Li**”) and Mr. Zhong Dengyu (“**Mr. Zhong**”) shall hold office only until the Annual General Meeting, and will offer themselves for re-election.

Pursuant to Rule 13.74 of the Listing Rules, a listed issuer shall disclose the details required under Rule 13.51(2) of the Listing Rules of any director(s) proposed to be re-elected in the notice or accompanying circular to its shareholders of the relevant general meeting, if such re-election or appointment is subject to shareholders’ approval at that relevant general meeting. The requisite details of Ms. He, Mr. Li, Mr. Zhong and Mr. Wang are set out in Appendix II to this circular.

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## LETTER FROM THE BOARD

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To ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business, the Board has adopted the nomination policy of the Company, setting out the approach to identify and nominate candidates to make recommendations to the Board and for its consideration.

The criteria of nomination have been considered from a number of aspects, including but not limited to, balance of skills, knowledge and experience and, with reference to such evaluation, prepare a description of the role and capabilities required for a particular appointment.

The nomination committee of the Company (the "**Nomination Committee**"), when forming their recommendations on the proposals of re-election of each of Mr. Zhong and Mr. Wang, has followed the Company's nomination policy, which was disclosed in the annual report of the Company. After reviewing their curriculum vitae and conducting assessment on the independence criteria pursuant to Rule 3.13 of the Listing Rules, the Nomination Committee is satisfied with the independence of each of Mr. Zhong and Mr. Wang as a candidate of independent non-executive Director and therefore the Board considers each of Mr. Zhong and Mr. Wang continues to be independent.

The Company believes that, each of Mr. Zhong and Mr. Wang maintains an independent mindset and provides invaluable expertise, experience, continuity and stability to the Board, and the Company has benefited greatly from their contribution and valuable insights derived from their professional knowledge as an accountant and experience in business administration, respectively. The Board is of the view that each of Mr. Zhong and Mr. Wang is able to continue to fulfill his role as required of an independent non-executive Director and contribute to maintain the diversity in the Board's composition. Therefore, with the recommendation of the Nomination Committee, the Board has proposed that each of Mr. Zhong and Mr. Wang stands for re-election as an independent non-executive Director at the Annual General Meeting.

The Nomination Committee also reviewed and considered the experience, skills and other perspectives of each of Ms. He and Mr. Li as set out in Appendix II to this circular having regard to the nomination policy and board diversity policy of the Company. The Nomination Committee has assessed and is satisfied with, and has recommended to the Board their continuous holding of directorships in the Company. In view of the above, the Board considers that each of Ms. He, Mr. Li, Mr. Zhong and Mr. Wang is able to devote sufficient time to perform his/her responsibilities as a Director, and proposes that they stand for re-election at the Annual General Meeting.



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## LETTER FROM THE BOARD

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### **4. PROPOSED ADOPTION OF THE NEW SHARE OPTION SCHEME AND TERMINATION OF EXISTING SHARE OPTION SCHEME**

The Existing Share Option Scheme of the Company that was adopted on 13 June 2013 will expire on 12 June 2023. In order to continue to provide eligible participants with equity incentives, the Board proposes the adoption of the New Share Option Scheme and the termination of the Existing Share Option Scheme for the approval by the Shareholders at the Annual General Meeting.

#### **Existing Share Option Scheme**

The Existing Share Option Scheme was adopted by the Company on 13 June 2013 for a term of 10 years and will expire on 12 June 2023. Since the adoption of the Existing Share Option Scheme and up to the Latest Practicable Date, 1,132,120,000 Options have been granted, 133,380,000 Options have been exercised, 502,034,000 Options have lapsed and 5,000,000 Options have been cancelled under the Existing Share Option Scheme. As at the Latest Practicable Date, the Company had no outstanding Options under the Existing Share Option Scheme.

Under the terms of the Existing Share Option Scheme, the Company may at any time by ordinary resolution in general meeting terminate the operation of the Existing Share Option Scheme. It is proposed that the Existing Share Option Scheme is to be terminated with effect from the day on which the resolution is passed by the Shareholders at the Annual General Meeting. Upon termination of the Existing Share Option Scheme, no further Options may be offered thereunder. However, the outstanding Options, if any, under the Existing Share Option Scheme shall continue to be valid and exercisable during the prescribed exercisable period in accordance with the Existing Share Option Scheme.

#### **New Share Option Scheme**

An ordinary resolution will be proposed at the Annual General Meeting for the approval of the adoption of the New Share Option Scheme with effect from the day on which the resolution is passed by the Shareholders at the Annual General Meeting. A summary of the principal terms of the New Share Option Scheme is set out in Appendix III to this circular.

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## LETTER FROM THE BOARD

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The principal terms of the New Share Option Scheme remain generally the same as the Existing Share Option Scheme, except that (1) the scheme limit has been revised to take into account the share award(s) which may be granted by the Board under any share award plans adopted by the Board, such that the total number of the Shares which may be allotted and issued upon the exercise of all Options to be granted under the New Share Option Scheme and any other share option scheme of the Group or Shares which may be subject to a share award under any share award plan must not in aggregate exceed 10% of the Shares in issue as at the date of approval of the New Share Option Scheme (excluding, for this purpose, Options and share awards which have lapsed in accordance with the relevant schemes or plans of the Group); and (2) the definition of Invested Entity(ies) has been revised to any entities that any member of the Group holds an equity interest of 20% or above.

The full terms of the New Share Option Scheme will be published on the websites of the Company ([www.cpphk1094.com](http://www.cpphk1094.com)) and the Stock Exchange ([www.hkex.com.hk](http://www.hkex.com.hk)) from the date of this circular up to and including the date of the Annual General Meeting and will be available for inspection at the Annual General Meeting.

The purpose of the New Share Option Scheme is to enable the Group to grant Options to selected participants to (A) recognise and reward the contribution of certain eligible participants to the growth and development of the Group and to give incentives thereto in order to encourage and retain them for the continual operation and development of the Group; and (B) to attract suitable personnel for further development of the Group. It will enable the Group to reward the employees, the directors and other selected participants including non-employee participants for their contributions to the Group and to motivate them to contribute to the future development of the Group.

The eligible participants include non-employees of the Group e.g. any employee and director of any of the Company's Invested Entities, advisers, consultants, joint venture partners, major suppliers or major customers who may have contributed or may in the future contribute to the Group (the "**Eligible Participants**"). The Board is of the view that, apart from the invaluable contributions from employees and directors of the Group, the success of the Group might also come from the efforts and contributions from non-employees who may have contributed or may in the future contribute to the Group. Including non-employees as Eligible Participants could allow the Board to have more flexibility in selecting Eligible Participants from a larger pool of potential participants and in turn motivate such participants to maximise their effort in making contributions to the Group. For example, allowing major customers and suppliers of the Group to hold equity

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## LETTER FROM THE BOARD

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incentives may encourage such parties to maintain a stable and long-term relationship with the Group and continue to prioritise the Group as their business counterpart, which in turn could allow the Group to have a better prospect of receiving the desired supplies, orders and/or other support for its business development which is therefore in the interest of the Company and its Shareholders as a whole.

Furthermore, the Board believes that the authority given to the Board under the New Share Option Scheme to specify terms and conditions, including the minimum holding period, vesting conditions, performance targets and subscription price, in any Option to be granted on a case by case basis and to select the appropriate participants, will serve to protect the value of the Company as well as to achieve these purposes of retaining and motivating the participants, whether an employee or a non-employee of the Group, to contribute to the Group. Given that the exercise price of an Option cannot in any event fall below the price stipulated in the Listing Rules or such higher price as may be fixed by the Board, it is expected that grantees of an Option will make an effort to contribute to the development of the Group so as to bring about an increased market price of the Shares in order to capitalise on the benefits of the Options granted. Accordingly, the Board considers that it is in the interest of the Company to adopt the New Share Option Scheme.

The Board adopted a share award plan on 29 April 2022 which runs jointly with the New Share Option Scheme mentioned above. The share award plan and the New Share Option Scheme together form the new equity incentive package the Group designed to offer to its potential Eligible Participants. The selection criteria and categories of eligible participants under the share award plan therefore are the same as those of the New Share Option Scheme. The Board reviewed and discussed on the efficiency and effects of the Existing Share Option Scheme upon the Group and concluded that it was necessary to increase the attractiveness of the new equity incentives to future potential selected participants. Since the share award plan may offer different contents from any share option scheme, for example more flexible share pricing arrangement, the Board expects a higher degree of popularity and acceptance rate by potential selected participants of this new equity incentive package, and the Group should in turn benefit from the enhanced effort of those participants to contribute to the improvement in the overall performance of the Group and the market price of the Shares.

In general, in determining the eligibility of employees or directors for the grant of Options or share awards and when making offers to such participants, the Board will consider on a case by case basis factors such as (i) experience, responsibilities, workload and time devoted to the Group; and (ii) any potential and actual value added or contributions to the development and growth of the

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## LETTER FROM THE BOARD

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Group. In determining the eligibility of non-employee persons for the grant of Options or share awards and when making offers to such participants, the Board will consider on a case by case basis factors such as (i) their potential and actual contributions to the business affairs of and benefits to the Group by way of providing quality goods and/or services as suppliers, being loyal and long-term customers, introducing business opportunities, helping the Group expand into new markets, or providing other means to assist the Group to break through its business development bottleneck, etc.; (ii) the positive impact of their efforts to the Group with regard to the projects they are involved in; and (iii) their business experience and reputation, professional qualifications and credibility, knowledge and resources in the industries concerned, length of years of providing services to the Group or other relevant factors which could be valuable to the Group.

The New Share Option Scheme will be administered by the Board. None of the Directors is a trustee of the New Share Option Scheme or has a direct or indirect interest in such trustee (if any). With respect to the operation of the New Share Option Scheme, the Company will, where applicable, comply with the relevant requirements under Chapter 17 of the Listing Rules.

Subject to the obtaining of Shareholders' approval with respect to the adoption of the New Share Option Scheme at the Annual General Meeting, the total number of Shares which may be issued upon exercise of all Options to be granted under the New Share Option Scheme and any other schemes and Shares which may be subject to a share award under any share award plan (excluding, for this purpose, Options and share awards which have lapsed in accordance with the relevant schemes or plans of the Group) must not in aggregate exceed 10% of the total issued capital of the Company as at the date of adoption of the New Share Option Scheme (the "**Adoption Date**") unless the Company obtains a fresh approval from Shareholders to refresh the 10% limit provided that, inter alia, the maximum number of Shares in respect of which Options may be granted under the New Share Option Scheme together with any Options outstanding and yet to be exercised under the New Share Option Scheme and any other schemes must not exceed 30% of the issued share capital of the Company from time to time. Before any refreshment of the 10% limit, in the case that no share awards would be made pursuant to any share award plan and no other share option scheme would be adopted by the Group, the total number of shares of the Company which may be allotted and issued pursuant to the New Share Option Scheme shall not exceed 10% of the aggregate number of the issued shares of the Company as at the date of passing of the relevant resolution.

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## LETTER FROM THE BOARD

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Assuming that there is no further change in the issued share capital and no Option or share award is granted by the Company between the period from the Latest Practicable Date to the Adoption Date, based on the issued share capital of the Company of 293,083,725 Shares as at the Latest Practicable Date, the number of Shares issuable pursuant to the New Share Option Scheme on the Adoption Date will be 29,308,372 Shares, representing 10% of the issued share capital of the Company on the Adoption Date.

As at the Latest Practicable Date, the Company has not identified any Eligible Participants and has not made any concrete plan to grant Options under the New Share Option Scheme or share awards under the share award plan in the coming 12 months.

### **Value of the Options**

The Directors consider it inappropriate to disclose the value of options which may be granted under the New Share Option Scheme as if they had been granted as at the Latest Practicable Date. Any such valuation will have to be made on the basis of certain option pricing model or other methodology, which depends on various assumptions including, the exercise price, the exercise period, interest rate, expected volatility and other variables. The Directors believe that any calculation of the value of options as at the Latest Practicable Date based on a number of speculative assumptions would not be meaningful and would be misleading to investors.

### **Conditions precedent of the New Share Option Scheme**

The adoption of the New Share Option Scheme is conditional upon:

- (a) the passing of an ordinary resolution to approve and adopt the New Share Option Scheme by the Shareholders in the Annual General Meeting; and
- (b) the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the Shares which may be issued pursuant to the exercise of Options in accordance with the terms of the New Share Option Scheme.

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## LETTER FROM THE BOARD

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### **Application for listing**

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

### **5. PROPOSED CHANGE OF COMPANY NAME**

The Board proposes to change the English name of the Company from “China Public Procurement Limited” to “Cherish Sunshine International Limited” and to change the secondary name of the Company in Chinese from “中國公共採購有限公司” to “承輝國際有限公司”.

### **Reasons for the Proposed Change of Company Name**

The Board considers that the proposed Change of Company Name could better reflect the Company’s strategic business plan and its future development direction, cultivate a distinctive business identity for the Company allowing the Company to better capture potential business opportunities and provide the Company with a new corporate image which will benefit the future business development of the Group. As such, the Board is of the view that the proposed Change of Company Name is in the best interests of the Company and the Shareholders as a whole.

### **Conditions for the Proposed Change of Company Name**

The proposed Change of Company Name is subject to the following conditions:

- (i) the passing of a special resolution by the Shareholders at the Annual General Meeting to approve the proposed Change of Company Name; and
- (ii) the Registrar of Companies in Bermuda granting approval for the Change of Company Name.

Subject to the satisfaction of the conditions set out above, the Change of Company Name will become effective from the date of registration as set out in the certificate of incorporation on change of name and the certificate of secondary name issued by the Registrar of Companies in Bermuda. Thereafter, the Company will carry out all necessary filing procedures with the Companies Registry in Hong Kong.

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## LETTER FROM THE BOARD

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### **Effects of the Proposed Change of Company Name**

The proposed Change of Company Name will not affect any rights of the Shareholders or the Company's daily business operation and its financial position. All existing share certificates of the Company in issue bearing the current English and Chinese names of the Company will continue to be good evidence of legal title to such shares of the Company and will remain valid for trading, settlement, registration and delivery purposes. Upon the Change of Company Name becoming effective, any new share certificates will be issued only in the new English and Chinese names of the Company. There will not be any arrangement for the exchange of the existing share certificates for new share certificates bearing the new English and Chinese names of the Company.

In addition, subject to confirmation by the Stock Exchange, the Company intends to change its English and Chinese stock short names for trading in the securities on the Stock Exchange after the Change of Company Name becoming effective. Subject to the Change of Company Name becoming effective, the Company will also adopt a new logo and a new website address. Further announcement(s) will be made by the Company in relation to the effective date of the Change of Company Name and details of the change of the English and Chinese stock short names, the new logo and the new website address of the Company.

### **6. PROPOSED AMENDMENTS TO THE BYE-LAWS**

Reference is made to the announcement of the Company dated 29 June 2022 in relation to, among others, the proposed Amendments.

The Board proposes the Amendments to be made to the Bye-laws for the purposes of, among others, (i) reflecting the proposed Change of Company Name; (ii) bringing the Bye-laws in line with the latest legal and regulatory requirements, including the applicable laws and procedures of Bermuda and the amendments made to Appendix 3 to the Listing Rules which took effect on 1 January 2022; and (iii) making certain housekeeping amendments to the Bye-laws for the purpose of clarifying existing practice and making consequential amendments in line with the proposed amendments, and adopt the New Bye-laws in substitution for, and to the exclusion of the existing Bye-laws.

Details of the Amendments (with proposed changes marked-up against the consolidated version of the Bye-laws posted on the website of the Stock Exchange) are set out in Appendix IV to this circular.

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## LETTER FROM THE BOARD

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The Company has been advised by its legal advisers as to Hong Kong laws that the proposed Amendments conform to the requirements of the Listing Rules and the Company has been advised by its legal advisers as to Bermuda laws that the proposed Amendments do not contravene the laws of Bermuda, respectively. The Company also confirms that there is nothing unusual about the proposed Amendments to the Bye-laws for a company listed on the Stock Exchange.

The Board proposes to put forward to the Shareholders for approval at the Annual General Meeting a special resolution to approve the proposed Amendments and the adoption of the New Bye-laws in substitution for and to the exclusion of the existing Bye-laws. The proposed Amendments and the adoption of the New Bye-laws are subject to the passing of the relevant special resolution and the passing of the special resolution approving the Change of Company Name. The New Bye-laws will take effect from the date of registration as set out in the certificate of incorporation on change of name and the certificate of secondary name issued by the Registrar of Companies in Bermuda in respect of the Change of Company Name.

### 7. ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT

The notice of the Annual General Meeting is set out on pages 112 to 119 of this circular. At the Annual General Meeting, resolutions will be proposed to approve, inter alia, the granting of the Repurchase Mandate and the Issuance Mandate, the extension of the Issuance Mandate by the addition thereto of the amount of Shares repurchased pursuant to the Repurchase Mandate, the re-election of the retiring Directors, the adoption of the New Share Option Scheme and the termination of the Existing Share Option Scheme, the Change of Company Name and the Amendments to the Bye-laws and the adoption of the New Bye-Laws in substitution for and to the exclusion of the existing Bye-laws.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, no Shareholder is required under the Listing Rules to abstain from voting on any of the resolutions to be proposed at the Annual General Meeting.

A form of proxy for use at the Annual General Meeting is enclosed with this circular and such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.cpphk1094.com](http://www.cpphk1094.com)). To be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority, at the Company's branch share registrar



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## LETTER FROM THE BOARD

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in Hong Kong, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, as soon as possible but in any event not less than 48 hours before the time appointed for holding the Annual General Meeting (i.e. by 2:00 p.m. on Monday, 1 August 2022) or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from attending and voting in person at the Annual General Meeting if you so wish and in such event, the instrument appointing a proxy shall be deemed to be revoked.

In order to qualify for attending and voting at the Annual General Meeting, all transfer of Shares, accompanied by the relevant share certificates and transfer forms, must be lodged with the Company's branch share registrar in Hong Kong, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, for registration not later than 4:00 p.m. on Wednesday, 27 July 2022.

### **Precautionary measures for the Annual General Meeting**

The following measures shall be taken for the prevention and control of the spread of the Coronavirus disease 2019 ("COVID-19") at the Annual General Meeting, including but not limited to:

- compulsory body temperature checks and health declaration;
- compulsory wearing of a surgical face mask for each attendee; and
- no provision of refreshment or corporate gift.

Attendees who do not comply with the precautionary measures or been found to have the symptom(s) of an upper respiratory system disease or be obeying a quarantine order may be denied entry to the meeting venue at the absolute discretion of the Company as permitted by law.

Due to the evolving development of the COVID-19 pandemic and the changing government regulations on social distancing, the Company may be required to change the Annual General Meeting arrangements at short notice, in order to comply with the laws and regulations in Hong Kong. Shareholders are advised to check the website of the Stock Exchange and the Company's website for future announcements and updates on the Annual General Meeting arrangements and monitor closely the development of COVID-19.

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## LETTER FROM THE BOARD

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### 8. VOTING BY POLL

Pursuant to the Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Accordingly, all resolutions set out in the notice of the Annual General Meeting will be taken by way of poll. The chairman would explain the detailed procedures for conducting a poll at the commencement of the Annual General Meeting.

On a poll, every Shareholder present in person (or, in the case of a Shareholder being a corporation by its duly authorised representative) or by proxy shall have one vote for every fully paid Share held. A Shareholder present in person (or, in the case of a Shareholder being a corporation by its duly authorised representative) or by proxy who is entitled to more than one vote needs not use all his votes or cast all his votes in the same way.

After the conclusion of the Annual General Meeting, the poll results will be published on the websites of Hong Kong Exchanges and Clearing Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and of the Company ([www.cpphk1094.com](http://www.cpphk1094.com)) in the manner prescribed under Rule 13.39(5) of the Listing Rules.

### 9. RECOMMENDATION

The Directors consider that the granting of the Repurchase Mandate, the granting/extension of the Issuance Mandate, the re-election of the retiring Directors, the adoption of the New Share Option Scheme and the termination of the Existing Share Option Scheme, the Change of Company Name and the Amendments to the Bye-laws and the adoption of the New Bye-laws are in the interests of the Company, the Group and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the Annual General Meeting.

### 10. RESPONSIBILITY STATEMENT

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

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## LETTER FROM THE BOARD

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### 11. GENERAL INFORMATION

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

Yours faithfully,  
By Order of the Board  
**China Public Procurement Limited**  
**Wu Siyuan**  
*Chairman and Chief Executive*

The following is an explanatory statement required by the Listing Rules to be sent to the Shareholders to enable them to make an informed decision on whether to vote for or against the ordinary resolution to be proposed at the Annual General Meeting in relation to the granting of the Repurchase Mandate.

### **1. REASONS FOR REPURCHASE OF SHARES**

The Directors believe that the granting of the Repurchase Mandate is in the interests of the Company and the Shareholders.

Repurchases of Shares may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share. The Directors are seeking the granting of the Repurchase Mandate to give the Company the flexibility to do so if and when appropriate. The number of Shares to be repurchased on any occasion and the price and other terms upon which the same are repurchased will be decided by the Directors at the relevant time, having regard to the circumstances then pertaining.

### **2. SHARE CAPITAL**

As at the Latest Practicable Date, there were 293,083,725 Shares in issue.

Subject to the passing of the ordinary resolution set out in item 5 of the notice of the Annual General Meeting in respect of the granting of the Repurchase Mandate and on the basis that the issued Shares remains unchanged on the date of the Annual General Meeting from the Latest Practicable Date, i.e. being 293,083,725 Shares, the Directors would be authorised under the Repurchase Mandate to repurchase, during the period in which the Repurchase Mandate remains in force, an aggregate number of 29,308,372 Shares, representing 10% of the aggregate number of the Shares in issue as at the date of the Annual General Meeting.

### **3. FUNDING OF REPURCHASES**

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its memorandum of association and the Bye-laws and the laws of Bermuda and/or any other applicable laws, as the case may be.

The Company is empowered by its memorandum of association and the Bye-laws to repurchase Shares. The laws of Bermuda provide that the amount of capital paid in connection with a share repurchase by a company may only be paid out of either the capital paid up on the repurchased shares, or the funds of the company which would otherwise be available for dividend

or distribution or out of the proceeds of a fresh issue of shares made for such purpose. The amount of premium payable on repurchase may only be paid out of the funds of the company which would otherwise be available for dividend or distribution or out of the share premium account of the company before the shares are repurchased.

#### **4. IMPACT OF REPURCHASES**

Repurchased Shares shall be treated as cancelled and the amount of the Company's issued capital shall be diminished by the nominal value of those Shares accordingly; but the repurchase of shares under this section shall not be taken as reducing the amount of the Company's authorised share capital.

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the annual report of the Company for the year ended 31 March 2022) in the event that the Repurchase Mandate was to be carried out in full at any time during the proposed repurchase period. However, the Directors do not intend to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

#### **5. EFFECT OF THE TAKEOVERS CODE**

If, on the exercise of the power to repurchase Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. Accordingly, a Shareholder, or group of Shareholders acting in concert, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code for all the Shares not already owned by such Shareholder or group of Shareholders.

The shareholding of Eastmount Global Limited as at the Latest Practicable Date is set out below. In the event that the Repurchase Mandate is exercised in full, the interest of Eastmount Global Limited will be increased to approximately the percentage set out in the last column as follows:

Name	Number of issued Shares held	Approximate percentage of the Company's issued Shares	Approximate percentage of the Company's issued Shares if Repurchase Mandate is exercised in full
Eastmount Global Limited	69,658,600	23.77	26.41

To the best of the knowledge, information and belief of the Directors and on the basis of the shareholding of the Company as at the Latest Practicable Date, the Directors are currently not aware of any consequences which will arise under the Takeovers Code as a result of any repurchase of Shares made under the Repurchase Mandate, since none of the substantial Shareholders would hold 30% or more of the shareholding of the Company after the repurchase.

Assuming that there is no issue of Shares between the Latest Practicable Date and the date of Annual General Meeting and no disposal by any of the substantial Shareholders of their interests in the Shares, an exercise of the Repurchase Mandate whether in whole or in part will not result in less than 25% of the Shares being held by the public.

## 6. GENERAL

None of the Directors or, to the best of their knowledge having made all reasonable enquiries, any of their respective close associates (as defined in the Listing Rules) have any present intention to sell any Shares to the Company in the event that the granting of the Repurchase Mandate is approved by the Shareholders.

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

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make repurchases of Shares pursuant to the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of Bermuda.

**7. MARKET PRICES OF SHARES**

The highest and lowest prices per Share at which the Shares have traded on the Stock Exchange during each of the previous 12 months and up to the Latest Practicable Date were as follows:

<b>Month</b>	<b>Highest</b> <i>HK\$</i>	<b>Lowest</b> <i>HK\$</i>
<b>2021</b>		
July	0.265	0.175
August	0.580	0.194
September	3.000	0.340
October	2.110	1.370
November	1.920	1.300
December	1.740	1.450
<b>2022</b>		
January	1.520	1.030
February	1.470	1.100
March	1.400	1.250
April	1.310	1.250
May	1.420	1.240
June	1.400	1.240
July (up to the Latest Practicable Date)	1.300	1.270

*Source: website of the Stock Exchange and website of Yahoo Hong Kong Finance*

**8. REPURCHASES OF SHARES MADE BY THE COMPANY**

No repurchase of Shares has been made by the Company during the previous six months preceding the Latest Practicable Date (whether on the Stock Exchange or otherwise).

Pursuant to the Listing Rules, the details of the Directors, who will retire and offer themselves for re-election at the Annual General Meeting according to the Bye-laws, are provided below:

**(1) Ms. He Qian**

Ms. He Qian, aged 50, joined the Company in January 2015, is an executive Director. She obtained a bachelor's degree in accounting from University of International Business and Economics in 2006 and a degree of executive master of business administration from Cheung Kong Graduate School of Business in 2011, and she is a certified accountant and certified tax agent. She began her career in accounting in 1994. She was a partner of Zhejiang Yuehua Certified Public Accountants\* (浙江嶽華會計師事務所有限公司) from January 2004 to December 2008, she then became a partner and the head of the Zhejiang branch office of RSM China Certified Public Accountants Zhejiang Branch (中瑞嶽華會計師事務所(特殊普通合夥)浙江分所) from January 2009 to May 2013. From June 2013 to March 2015, she was a partner and the head of the Zhejiang branch office of Ruihua Certified Public Accountants Zhejiang Branch (瑞華會計師事務所(特殊普通合夥)浙江分所). Since April 2015, she has become the chairman of Zhejiang Yueyou Investment Management Co. Ltd. (浙江岳佑投資管理有限公司). She has been appointed as an independent director of both Zhejiang Chunhui Intelligent Control Co., Ltd. (浙江春暉智能控制股份有限公司) (stock code: 300943) and Jiangsu Akcome Science and Technology Co., Ltd. (江蘇愛康科技股份有限公司) (stock code: 002610), companies listed on the Shenzhen Stock Exchange, since May 2016 respectively. In March 2022, Ms. He has also been re-appointed as an independent director of Lionco Pharmaceutical Group Co., Ltd (靈康藥業集團股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 603669), where she once served as an independent director from December 2013 to February 2019.

Save as disclosed above, Ms. He did not hold any other position with the Company or other members of the Group, any directorship in other publicly listed companies in the three years preceding the Latest Practicable Date, or any other major appointment or professional qualification.

As the Latest Practicable Date, Ms. He does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company and she does not have any interest in the listed securities of the Company within the meaning of Part XV of the SFO.

Ms. He has entered into a formal service contract with the Company for a term of three years commencing from 7 December 2021, pursuant to the service contract between Ms. He and the Company, Ms. He is entitled to a monthly director's fee of HK\$20,000, which was determined by



the Board with reference to her experience, duties and responsibilities in the Company, the current market conditions and operational results of the Group. Ms. He is subject to retirement by rotation and re-election at the general meeting of the Company in accordance with the Bye-laws.

Save as disclosed, there is no information regarding Ms. He which is discloseable pursuant to any of the requirements under Rule 13.51(2) of the Listing Rules and there is no other matter relating to Ms. He that needs to be brought to the attention of the Shareholders and the Stock Exchange.

## (2) Mr. Li Guanghua

Mr. Li Guanghua aged 47, joined the Company in February 2022, is a non-executive Director. Mr. Li graduated from Sichuan United University\* (四川聯合大學) (now known as Sichuan University) in July 1998 with a Bachelor's Degree in Mechanical Design and Manufacturing. He graduated from Fudan University in June 2013 with an Executive Master of Business Administration and from Tsinghua University in June 2021 with an Executive Master of Business Administration. From July 1998 to August 2009, Mr. Li worked in various electronics and electrical appliances companies including LG Electronics Tianjin Appliances Co., Ltd.\* (樂金電子(天津)電器有限公司), Midea Group Co., Ltd.\* (美的集團股份有限公司) and Qingdao Haier International Trade Co., Ltd.\* (青島海爾國際貿易有限公司). From August 2009 to April 2022, Mr. Li successively worked in Suzhou Akcome Metal Technology Co., Ltd.\* (蘇州愛康金屬科技有限公司), Shanghai Fuluona Asset Management Co., Ltd.\* (上海富羅納融資租賃有限公司) and Suzhou Akcome Energy Group Co., Ltd.\* (蘇州愛康能源集團股份有限公司). Mr. Li joined Jiangsu Chengguang New Energy Ltd\* (江蘇承光新能源有限公司) in May 2022, one of the indirect wholly-owned subsidiary of the Company, as the head of new energy development business of the Group.

Save as disclosed above, Mr. Li did not hold any other position with the Company or other members of the Group, any directorship in other publicly listed companies in the three years preceding the Latest Practicable Date, or any other major appointment or professional qualification.

As the Latest Practicable Date, Mr. Li does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company and he does not have any interest in the listed securities of the Company within the meaning of Part XV of the SFO.

Mr. Li has entered into a formal service contract with the Company for a term of three years commencing from 16 February 2022, pursuant to the service contract between Mr. Li and the Company, Mr. Li is entitled to a monthly director's fee of HK\$20,000, which was determined by

the Board with reference to his experience, duties and responsibilities in the Company, the current market conditions and operational results of the Group. Mr. Li is subject to retirement by rotation and re-election at the general meeting of the Company in accordance with the Bye-laws.

Save as disclosed, there is no information regarding Mr. Li which is discloseable pursuant to any of the requirements under Rule 13.51(2) of the Listing Rules and there is no other matter relating to Mr. Li that needs to be brought to the attention of the Shareholders and the Stock Exchange.

### (3) Mr. Zhong Dengyu

Mr. Zhong Dengyu, aged 48, joined the Company in December 2021, is an independent non-executive Director. Mr. Zhong graduated from Heilongjiang Business School\* (黑龍江商學院) (now known as Harbin University of Commerce) in 1997 with a bachelor's degree in accounting. Mr. Zhong has been a certified public accountant in the PRC since 1999 and a certified tax agent in the PRC since 2002. Since July 1997, Mr. Zhong has worked as an accountant in Talent Certified Public Accountants (Special General Partnership) Suzhou Qinye Branch\* (天衡會計師事務所(特殊普通合夥)蘇州勤業分所) (formerly known as Jiangsu Xinggang Accounting Firm\* (江蘇興港會計師事務所), Suzhou Qinye United Accounting Firm\* (蘇州勤業聯合會計師事務所), Suzhou Qinye Certified Public Accountants Co., Ltd.\* (蘇州勤業會計師事務所有限公司), Talent Certified Public Accountants Co., Ltd. Suzhou Qinye Branch\* (天衡會計師事務所有限公司蘇州勤業分所)), where his current position is a partner and a deputy head.

Save as disclosed above, Mr. Zhong did not hold any other position with the Company or other members of the Group, any directorship in other publicly listed companies in the three years preceding the Latest Practicable Date, or any other major appointment or professional qualification.

Mr. Zhong confirmed that he had met the independence criteria set out in Rule 3.13 of the Listing Rules.

As the Latest Practicable Date, Mr. Zhong does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company and he does not have any interest in the listed securities of the Company within the meaning of Part XV of the SFO.

Mr. Zhong has entered into a formal service contract with the Company for a term of three years commencing from 17 December 2021, Pursuant to the service contract between Mr. Zhong and the Company, Mr. Zhong is entitled to a monthly director's fee of HK\$20,000, which was determined by the Board with reference to his experience, duties and responsibilities in the

Company, the current market conditions and operational results of the Group. Mr. Zhong is subject to retirement by rotation and re-election at the general meeting of the Company in accordance with the Bye-laws.

Save as disclosed, there is no information regarding Mr. Zhong which is discloseable pursuant to any of the requirements under Rule 13.51(2) of the Listing Rules and there is no other matter relating to Mr. Zhong that needs to be brought to the attention of the Shareholders and the Stock Exchange.

#### (4) Mr. Wang Shuai

Mr. Wang Shuai, aged 48, joined the Company in December 2018, is an independent non-executive Director. He was graduated with a bachelor degree in economics and management from the Correspondence Institute of the Party School of the Central Committee of the Communist Party of China\* (中共中央黨校函授學院) (by way of distance learning) in December 2005 and is currently pursuing a degree of executive master of business administration in Cheung Kong Graduate School of Business in the PRC. Mr. Wang has accumulated years of business working experience, he served as the general manager of Shanxi Golden Mining Co., Ltd.\* (山西金地礦業有限公司) from October 2010 to May 2016 and the chairman of Jiangtun Financial Services (Shenzhen) Technology Co., Ltd.\* (江豚金聯(深圳)科技有限公司) from June 2017 to mid March 2019. Since late March 2019, Mr. Wang has been serving as a director of Shanxi Yaju Jinming Real Estate Development Co., Ltd\* (山西雅居晉明房地產開發有限公司).

Save as disclosed above, Mr. Wang did not hold any other position with the Company or other members of the Group, any directorship in other publicly listed companies in the three years preceding the Latest Practicable Date, or any other major appointment or professional qualification.

Mr. Wang has confirmed that he meets the independence criteria under Rule 3.13 of the Listing Rules.

As the Latest Practicable Date, Mr. Wang does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company and he does not have any interest in the listed securities of the Company within the meaning of Part XV of the SFO.

Mr. Wang has entered into a formal service contract with the Company for a term of three years commencing from 21 December 2021, Pursuant to the service contract between Mr. Wang and the Company, Mr. Wang is entitled to a monthly director's fee of HK\$20,000, which was determined by the Board with reference to his experience, duties and responsibilities in the

Company, the current market conditions and operational results of the Group. Mr. Wang is subject to retirement by rotation and re-election at the general meeting of the Company in accordance with the Bye-laws.

Save as disclosed, there is no information regarding Mr. Wang which is discloseable pursuant to any of the requirements under Rule 13.51(2) of the Listing Rules and there is no other matter relating to Mr. Wang that needs to be brought to the attention of the Shareholders and the Stock Exchange.

*This Appendix summaries the principal terms of the New Share Option Scheme and does not form, nor is intended to be, part of the New Share Option Scheme nor should it be taken as affecting the interpretation of the rules of the New Share Option Scheme.*

### **NEW SHARE OPTION SCHEME**

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

#### **(i) Purposes of the scheme**

The purpose of the New Share Option Scheme is to enable the Group to grant Options to selected participants to (A) recognise and reward the contribution of certain Eligible Participants to the growth and development of the Group and to give incentives thereto in order to encourage and retain them for the continual operation and development of the Group; and (B) to attract suitable personnel for further development of the Group.

#### **(ii) Who may join**

The Directors may, at its absolute discretion, invite any person belonging to any of the following classes of participants, to take up Options to subscribe for Shares:

- (aa) any employee (full-time employee, including any director who is also an employee) of the Company, any of its subsidiaries or any of its Invested Entities (“**Eligible Employee**”);
- (bb) any director of the Company, any of its subsidiaries or any of its Invested Entities who is not an Eligible Employee;
- (cc) any adviser (professional or otherwise), consultant to or expert in any area of business or business development of any member of the Group or any of its Invested Entities; and
- (dd) any other group or classes of participants who have contributed or may contribute to the development and growth of the Group as joint venture partners of the Group or by way of having business alliance or business arrangement with the Group as major suppliers or major customers,

and, for the purposes of the New Share Option Scheme, the offer for the grant of Option may be made to any company wholly owned by one or more persons belonging to any of the above classes of participants or any trust which the settlor is one or more persons belonging to any of the above classes of participants, which allows the participants more flexibility in accepting and holding of the Option.

For avoidance of doubt, the grant of any Options by the Company for the subscription of Shares or other securities of the Group to any person who falls within any of the above classes of participants shall not, by itself, unless the Directors otherwise determine, be construed as a grant of Option under the New Share Option Scheme.

The eligibility of any of the above class of participants to an offer for the grant of any Option shall be determined by the Directors from time to time on the basis of the Directors' opinion as to his contribution and/or future contribution to the development and growth of the Group.

**(iii) The maximum number of Shares**

- (aa) The maximum number of Shares which may be issued upon the exercise of all outstanding options granted and yet to be exercised under the New Share Option Scheme and any other share option scheme adopted by the Group must not in aggregate exceed 30% of the Shares in issue from time to time.
- (bb) The total number of the Shares which may be allotted and issued upon the exercise of all Options (excluding, for this purpose, Options which have lapsed in accordance with the terms of the New Share Option Scheme and any other share option scheme of the Group) to be granted under the New Share Option Scheme and any other share option scheme of the Group or Shares which may be subject to a share award under any share award plan (excluding, for this purpose, share awards which have lapsed in accordance with the relevant share award plans of the Group) must not in aggregate exceed 10% of the Shares in issue as at the date of approval of the New Share Option Scheme (“**General Scheme Limit**”).
- (cc) Subject to (aa) above but without prejudice to (dd) below, the Company may seek approval of the Shareholders in general meeting to refresh the General Scheme Limit provided that the total number of Shares which may be allotted and issued upon exercise of all Options to be granted under the New Share Option Scheme and any other share option scheme of the Group must not exceed 10% of the Shares in issue as at the date of approval of the limit and, for the purpose of calculating the limit, Options (including those outstanding, cancelled, lapsed or exercised in accordance with the New Share

Option Scheme and any other share option scheme of the Group) previously granted under the New Share Option Scheme and any other share option scheme of the Group will not be counted. The circular sent by the Company to the Shareholders shall contain, among other information, the information required under Rule 17.02(2)(d) of the Listing Rules and the disclaimer required under Rule 17.02(4) of the Listing Rules.

- (dd) Subject to (aa) above and without prejudice to (cc) above, the Company may seek separate Shareholders' approval in general meeting to grant Options beyond the General Scheme Limit or, if applicable, the extended limit referred to in (cc) above to participants specifically identified by the Company before such approval is sought. In such event, the Company must send a circular to the Shareholders containing a generic description of the specified participants, the number and terms of Options to be granted, the purpose of granting Options to the specified participants with an explanation as to how the terms of the Options serve such purpose and such other information required under Rule 17.02(2) (d) of the Listing Rules and the disclaimer required under Rule 17.02(4) of the Listing Rules.
- (ee) if the Company conducts a share consolidation or subdivision after the adoption of the 10% limit described in this sub-paragraph (iii) has been approved in general meeting, the maximum number of Shares that may be issued upon exercise of all Options to be granted under the New Share Option Scheme and any other share option scheme of the Group under such a 10% limit as a percentage of the total number of issued Shares as at the date immediately before and after such consolidation or subdivision shall be the same.

**(iv) Maximum entitlement of each participant**

The total number of Shares issued and which may fall to be issued upon the exercise of the Options granted under the New Share Option Scheme and any other share option scheme of the Group (including both exercised and outstanding Options) to each grantee in any 12-month period shall not exceed 1% of the Shares in issue for the time being ("**Individual Limit**"). Any further grant of Options in excess of the Individual Limit in any 12-month period up to and including the date of such further grant must be separately approved by the Shareholders in general meeting of the Company with such grantee and his close associates (or his associates if the grantee is a connected person) abstaining from voting. The number and terms (including the exercise price) of Options to be granted must be fixed before the approval of the Shareholders and the date of the Board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the exercise price under note (1) to Rule 17.03(9) of the Listing Rules.

**(v) Grant of Options to the Directors, chief executive or substantial shareholders of the Company or their respective associates**

- (aa) Any grant of Options under the New Share Option Scheme to a Director, chief executive or substantial shareholder of the Company or any of their respective associates must be approved by independent non-executive Directors (excluding independent non-executive Director who or whose associates is the proposed grantee of the Options).
- (bb) Where any grant of Options to a substantial shareholder or an independent non-executive Director or any of their respective associates would result in the Shares issued and to be issued upon exercise of all Options already granted and to be granted (including Options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:
- (i) representing in aggregate over 0.1% of the Shares in issue; and
  - (ii) having an aggregate value, based on the closing price of the Shares at the date of each offer for the grant, in excess of HK\$5 million;

such further grant of Options must be approved by Shareholders in general meeting. The Company must send a circular to the Shareholders. The proposed grantee, his associates and all core connected persons of the Company must abstain from voting in favour at such general meeting, except that any connected person may vote against the relevant resolution at the general meeting provided that his intention to do so has been stated in the circular. Any vote taken at the meeting to approve the grant of such Options must be taken on a poll. Any change in the terms of Options granted to a substantial shareholder or an independent non-executive Director or any of their respective associates must be approved by the Shareholders in general meeting.

**(vi) Time of acceptance and exercise of Option**

An Option may be accepted by a participant within 10 business days from the date of the offer of grant of the Option.

An Option may be exercised in accordance with the terms of the New Share Option Scheme at any time during a period to be determined and notified by the Directors to each grantee, which period may commence from the date of the offer for the grant of Options is made, but shall end in any event not more than 10 years after the date of grant of the Option subject to the provisions for



early termination thereof. Unless otherwise determined by the Directors and stated in the offer for the grant of Options to a grantee, there is no minimum period required under the New Share Option Scheme for the holding of an Option before it can be exercised.

**(vii) Vesting conditions and performance targets**

Unless the Directors otherwise determined, an offer to a grantee shall state that a grantee is required to hold an Option for a minimum period and/or achieve certain conditions and/or performance targets before any Options granted under the New Share Option Scheme can be vested and/or exercised.

**(viii) Subscription price for the Shares and consideration for the Option**

The subscription price for the Shares under the New Share Option Scheme shall be a price determined by the Directors, but shall not be less than the highest of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet for trade in one or more board lots of the Shares on the date of the offer for the grant, which must be a business day; (ii) the average closing price of Shares as stated in the Stock Exchange's daily quotations for the five business days immediately preceding the date of the offer for the grant; and (iii) the nominal value of a Share.

A nominal consideration of RMB1 is payable on acceptance of the grant of an Option.

**(ix) Ranking of the Shares**

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

(bb) Unless the context otherwise requires, references to “Shares” in this paragraph include references to shares in the ordinary equity share capital of the Company of such nominal amount as shall result from a subdivision, consolidation, re-classification or reconstruction or reduction or reorganisation of the share capital of the Company from time to time.

**(x) Restrictions on the time of the offer for the grant of Options**

No offer for grant of Options shall be made when inside information has come to the knowledge of the Company until (and including) the trading day after the Company has announced the information in accordance with Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). In particular, during the period commencing one month immediately preceding the earlier of (aa) the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company’s results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules), and (bb) the deadline for the Company to publish an announcement of its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules) and ending on the date of the results announcement, no offer for the grant of Options may be made.

The Directors may not make any offer for the grant of Option to a participant who is a Director during the periods or times in which Directors are prohibited from dealing in shares pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers prescribed by the Listing Rules or any corresponding code or securities dealing restrictions adopted by the Company.

**(xi) Period of the New Share Option Scheme**

The New Share Option Scheme will remain in force for a period of 10 years commencing on the date on which the New Share Option Scheme is adopted.

**(xii) Rights on cessation by reasons other than death, ill-health, disability or retirement**

In the event of the grantee of an Option ceases to be an Eligible Participant for any reason other than death, ill-health, disability or, in the case of an Eligible Employee, retirement in accordance with any contract entered into between the grantee of an Option or his associate on one part and any member of the Group or any Invested Entity on the other part and not on one or more of the grounds or events referred to in sub-paragraph (xiv) below before vesting and/or exercising his Option in full, the Option (to the extent not already vested) shall lapse on the date of cessation

as an Eligible Participant, and the Option (to the extent vested but not already exercised) may be exercised by the Grantee in whole or in part within a period of six months following the date of cessation as an Eligible Participant (or such shorter period as the Directors may determine).

**(xiii) Rights on death, ill-health, disability or retirement**

In the event of the grantee of an Option ceases to be an Eligible Participant by reason of his death, ill-health, disability or retirement in accordance with his contract of employment before exercising the Option in full, his personal representative(s), or, as appropriate, the grantee may exercise the Option (to the extent not already exercised) in whole or in part within a period of six months following the date of cessation as an Eligible Participant (or such shorter period as the Directors may determine).

**(xiv) Rights on breach of contract**

If the Directors shall at their absolute discretion determine that (aa) (1) the grantee of any Option or his associate has committed any breach of laws and regulations, internal guidelines of the Group and any contract entered into between the grantee or his associate on the one part and the Group or any Invested Entity on the other part; or (2) the grantee has been guilty of gross negligence, misconduct, or committed any act of bankruptcy or has become insolvent or is subject to any winding-up, liquidation or analogous proceedings or has made any arrangement or composition with his creditors generally or has been convicted any criminal offence involving his integrity or honesty; or (3) the grantee could no longer make any contribution to the growth and development of the Group by reason of the cessation of its relations with the Group or any Invested Entity or by other reason whatsoever; and (bb) the Option granted to the grantee under the New Share Option Scheme shall lapse as a result of any event specified in sub-paragraph (1), (2) or (3) above, his Option will lapse automatically on the date on which the Directors have so determined.

**(xv) Rights on non-fulfilment of condition(s) and/or performance target(s)**

In the event that the Directors determines in their absolute discretion that any condition(s) and/or performance target(s) to be duly fulfilled by such Eligible Participant as specified in the offer for the grant of an Option has not been duly fulfilled or has not been waived by the Directors, the Directors shall be entitled to determine that all or part of the Options (to the extent not already vested) shall lapse forthwith.

In the event that the Company has not fulfilled any performance target(s) to be duly fulfilled by the Company by a certain time as specified in the offer for the grant of an Option, the Directors shall be entitled to determine that all or part of the Options (to the extent not already vested) which are due to be vested within such period of time following the announcement of the non-fulfilment of performance target(s) as stated in the Offer shall lapse forthwith.

**(xvi) Rights on a general offer, a compromise or arrangement**

If a general or partial offer, whether by way of take-over offer, share re-purchase offer, merger, privatisation, scheme of arrangement or otherwise in like manner is made to all the holders of Shares, or all such holders other than the offeror and/or any person controlled by the offeror and any person acting in association or concert with the offeror, the Company shall use all reasonable endeavours to procure that such offer is extended to all the grantees on the same terms, mutatis mutandis, and assuming that they will become, by the exercise in full of the Options granted to them, Shareholders. If such offer becomes or is declared unconditional or such scheme of arrangement is formally proposed to shareholders in the Company, the Option (to the extent not already vested) shall forthwith vest, and the grantee shall be entitled to exercise his Option (to the extent not already exercised) to its full extent or to the extent specified in the grantee's notice to the Company in exercise of his Option at any time thereafter and up to the close of such offer (or any revised offer) or the record date for entitlements under such scheme of arrangement, as the case may be. Subject to the above, an Option (to the extent not already exercised) will lapse automatically on the date which such offer (or, as the case may be, revised offer) is closed or the relevant date for entitlements under such scheme of arrangement, as the case may be.

**(xvii) Rights on winding up**

In the event of a resolution being proposed for the voluntary winding-up of the Company (otherwise than for the purposes of, and followed by, an amalgamation or reconstruction in such circumstances that substantially the whole of the undertaking, assets and liabilities of the Company pass to a successor company) during the Option period, the grantee may, subject to the provisions of all applicable laws, by notice in writing to the Company at any time not less than two business days before the date on which such resolution is to be considered and/or passed, exercise his Option (to the extent not already exercised) either to its full extent or to the extent specified in such notice in accordance with the provisions of the New Share Option Scheme and the Company shall allot and issue to the grantee the Shares in respect of which such grantee has exercised his Option not less than one business day before the date on which such resolutions to be considered and/or passed whereupon he shall accordingly be entitled, in respect of the Shares allotted and issued to him in the aforesaid manner, to participate in the distribution of the assets of the

Company available in liquidation *pari passu* with the holders of the Shares in issue on the day prior to the date of such resolution. Subject thereto, all Options then outstanding shall lapse and determine on the commencement of the winding-up of the Company.

**(xviii) Grantee being a company wholly owned by eligible participants**

If the grantee is a company wholly owned by one or more eligible participants:

- (aa) sub-paragraphs (xii), (xiii), (xiv) and (xv) shall apply to the grantee and to the Options to such grantee, *mutatis mutandis*, as if such Options had been granted to the relevant eligible participant, and such Options shall accordingly lapse or fall to be exercisable after the event(s) referred to in sub-paragraphs (xii), (xiii), (xiv) and (xv) shall occur with respect to the relevant eligible participant; and
- (bb) the Options granted to the grantee shall lapse and determine on the date the grantee ceases to be wholly owned by the relevant eligible participant provided that the Directors may in their absolute discretion decide that such Options or any part thereof shall not so lapse or determine subject to such conditions or limitations as they may impose.

**(xix) Adjustments to the subscription price**

In the event of a capitalization of profits or reserves, rights issue, subdivision or consolidation of Shares or reduction of the share capital of the Company whilst an Option remains exercisable or the New Share Option Scheme remains in effect, such corresponding alterations (if any) certified by the auditors for the time being or an independent financial adviser to the Company as fair and reasonable will be made to the number of Shares subject to the New Share Option Scheme or any Option(s) granted (insofar as it is/they are unexercised) and/or the subscription price of the Option(s) granted (insofar as it is/they are unexercised), provided that (i) any adjustments shall give a grantee the same proportion of the issued share capital to which he would have been entitled to subscribe had he exercised all the Options held by him immediately prior to such alteration; (ii) the issue of Shares or other securities of the Group as consideration in a transaction may not be regarded as a circumstance requiring adjustment; (iii) no alteration shall be made the effect of which would be to enable a Share to be issued at less than its nominal value; and (iv) any adjustment must be made in compliance with the Listing Rules and such applicable guidance and/or interpretation of the Listing Rules promulgated by the Stock Exchange from time

to time. In addition, in respect of any such adjustments, other than any adjustment made on a capitalization issue, such auditors or independent financial adviser must confirm to the Directors in writing that the adjustments satisfy the requirements of the relevant provisions of the Listing Rules.

**(xx) Cancellation of Options**

Any cancellation of Options granted but not exercised must be subject to the prior written consent of the relevant grantee and the approval of the Directors.

When the Company cancels any Option granted to a grantee but not exercised and issues new Option(s) to the same grantee, the issue of such new Option(s) may only be made with available unissued Options (excluding the Options so cancelled) within the General Scheme Limit or the new limits approved by the Shareholders pursuant to sub-paragraphs (iii) (cc) and (dd) above.

**(xxi) Termination of the New Share Option Scheme**

The Company may by resolution in general meeting at any time terminate the New Share Option Scheme and in such event no further Options shall be offered but in all other respects the provisions of the New Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any Options (to the extent not already exercised) granted prior to the termination or otherwise as may be required in accordance with the provisions of the New Share Option Scheme. Options (to the extent not already exercised) granted prior to such termination shall continue to be valid and exercisable in accordance with the New Share Option Scheme.

**(xxii) Rights are personal to the grantee**

An Option is personal to the grantee and shall not be transferable or assignable.

**(xxiii) Lapse of Option**

An Option shall lapse automatically (to the extent not already vested and/or exercised) on the earliest of:

- (aa) the expiry of the Option period in respect of such Option;
- (bb) the expiry of the periods or dates referred to in paragraph (xii), (xiii), (xiv), (xv), (xvi), (xvii) and (xviii);

- (cc) the date on which the grantee ceases to be an Eligible Participant as a result of any subsidiary or Invested Entity of the Company ceasing to be a subsidiary or Invested Entity of the Company; and
- (dd) the date on which the Directors exercise the Company's right to cancel the Option by reason of a breach of paragraph (xxii) above by the grantee.

**(xxiv) Miscellaneous**

- (aa) The New Share Option Scheme is conditional on the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, such number of Shares to be allotted and issued pursuant to the exercise of any Options which may be granted under the New Share Option Scheme, such number being not less than that of the General Scheme Limit.
- (bb) The provisions of the New Share Option Scheme may be altered in any respect by a resolution of the Board except that provisions as to definitions of Eligible Participants, grantee, Option period and termination date and provisions relating to the matters set out in Rule 17.03 of the Listing Rules shall not be altered to the advantage of grantees of the Options except with the approval of the Shareholders in general meeting.
- (cc) Any alterations to the terms and conditions of the New Share Option Scheme which are of a material nature or any change to the terms of Options granted must be approved by the Shareholders, except where the alterations take effect automatically under the existing terms of the New Share Option Scheme.
- (dd) The amended terms of the New Share Option Scheme or the Options shall comply with the relevant requirements of Chapter 17 of the Listing Rules.
- (ee) Any change to the authority of the Directors or the scheme administrators in relation to any alteration to the terms of the New Share Option Scheme shall be approved by the shareholders of the Company in general meeting.

The following are the proposed amendments to the Bye-laws. Unless otherwise specified, clauses, paragraphs and bye-law numbers referred to herein are clauses, paragraphs and bye-law numbers of the New Bye-laws. If the serial numbering of the clauses of the Bye-laws is changed due to the addition, deletion or re-arrangement of certain clauses made in these amendments, the serial numbering of the clauses of the Bye-laws as so amended shall be changed accordingly, including cross-references.

Note: The New Bye-laws is prepared in English with no official Chinese version. Chinese translation is for reference only. In the event of any inconsistency, the English version shall prevail.

### **INTERPRETATION**

1. In these Bye-laws, unless the context otherwise requires, the words standing in the first column of the following table shall bear the meaning set opposite them respectively in the second column.

#### **WORD**

#### **MEANING**

“Act”

the Companies Act 1981 of Bermuda.

“associate(s)”

~~in relation to any Director, shall have the same meaning ascribed to it under the Listing Rules.~~

“Auditor”

the auditor of the Company for the time being and may include any individual or partnership.

“Bye-laws”

these Bye-laws in their present form or as supplemented or amended or substituted from time to time.

“Board” or “Directors”

the board of directors of the Company or the directors present at a meeting of directors of the Company at which a quorum is present.



<u>“business day”</u>	<u>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.</u>
“capital”	the share capital <u>of the Company</u> from time to time <del>of the Company.</del>
“clear days”	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”	<del>a recognised clearing house as referred to in the Securities and</del> <u>recognised by the laws of the jurisdiction in which the shares of the Company are listed or quoted on a stock exchange in such jurisdiction.</u> <del>Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and any amendments thereto for the time being in force or a clearing house or authorised shares depository recognised by the laws of the jurisdiction in which the shares of the Company are listed or quoted on a stock exchange in such jurisdiction</del>
<u>“close associate”</u>	<u>in relation to any Director, shall have the same meaning as defined in the rules of the Designated Stock Exchange (“Listing Rules”) as modified from time to time, except that for purposes of Bye-law 100 where the transaction or arrangement to be approved by the Board is a connected transaction referred to in the Listing Rules, it shall have the same meaning as that ascribed to “associate” in the Listing Rules.</u>

“Company”	<del>Sunny Global Holdings</del> Cherish Sunshine International Limited <u>承輝國際有限公司</u> .
“competent regulatory authority”	a competent regulatory authority in the territory where the shares of the Company are listed or quoted on a stock exchange in such territory.
“debenture” and “debenture holder”	include debenture stock and debenture stockholder respectively.
“Designated Stock Exchange”	a stock exchange which is an appointed stock exchange for the purposes of the Act in respect of which the shares of the Company are listed or quoted and where such appointed stock exchange deems such listing or quotation to be the primary listing or quotation of the shares of the Company.
“dollars” and “\$”	dollars, the legal currency of Hong Kong.
“head office”	such office of the Company as the Directors may from time to time determine to be the principal office of the Company.
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China.
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time).
“Member”	a duly registered holder from time to time of the shares in the capital of the Company.
“month”	a calendar month.
“Notice”	written notice unless otherwise specifically stated and as further defined in these Bye-laws.

“Office”	the registered office of the Company for the time being.
“Ordinary Shares”	Shares or ordinary shares of such par value constituting the ordinary share capital of the Company from time to time.
“paid up”	paid up or credited as paid up.
“Preferred Shares”	preferred shares with a par value of HK\$0.1 each in the share capital of the Company, entitling the holder to convert into Ordinary Shares, the terms of which are set out in Bye-law 15A.
“Register”	the principal register and where applicable, any branch register of Members to be kept pursuant to the provisions of the Act.
“Registration Office”	in respect of any class of share capital such place as the Board may from time to time determine to keep a branch register of Members in respect of that class of share capital and where (except in cases where the Board otherwise directs) the transfers or other documents of title for such class of share capital are to be lodged for registration and are to be registered.
“Seal”	common seal or any one or more duplicate seals of the Company (including a securities seal) for use in Bermuda or in any place outside Bermuda.
“Secretary”	any person firm or corporation appointed by the Board to perform any of the duties of secretary of the Company and includes any assistant, deputy, temporary or acting secretary.
“Shares”	ordinary shares of HK\$0.1 each in the share capital of the Company.

“Statutes” the Act and every other act of the Legislature of Bermuda for the time being in force applying to or affecting the Company, its memorandum of association and/or these Bye-laws.

“substantial shareholder” a person who is entitled to exercise, or to control the exercise of, 10% or more (or such other percentage as may be prescribed by the rules of the Designated Stock Exchange from time to time) of the voting power at any general meeting of the Company.

“year” a calendar year.

2. In these Bye-laws, unless there be something within the subject or context inconsistent with such construction:
- (a) words importing the singular include the plural and vice versa;
  - (b) words importing a gender include both gender and the neuter;
  - (c) words importing persons include companies, associations and bodies of persons whether corporate or not;
  - (d) the words:
    - (i) “may” shall be construed as permissive;
    - (ii) “shall” or “will” shall be construed as imperative;
  - (e) 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 ~~the same is available for download onto a user’s computer or for printing through conventional small office equipment and, in each case, the Member concerned (where the relevant provision of these Bye-laws require the delivery or service of any document or notice on him in his capacity as Member) has elected for the receipt of the relevant download or notice through electronic means and~~ both the mode of service of the relevant document or notice and the Member’s election comply with all applicable Statutes, rules and regulations;

- (f) references to any act, ordinance, statute or statutory provision shall be interpreted as relating to any statutory modification or re-enactment thereof for the time being in force;
- (g) save as aforesaid words and expressions defined in the Statutes shall bear the same meanings in these Bye-laws if not inconsistent with the subject in the context;
- (h) a resolution shall be a special resolution when it has been passed by a majority of not less than three-fourths of votes cast by such Members as, being entitled so to do, vote in person or, in the case of such Members as are corporations, by their respective duly authorised representative or, where proxies are allowed, by proxy at a general meeting of which ~~not less than twenty-one (21) clear days' Notice, specifying (without prejudice to the power contained in these Bye-laws to amend the same) the intention to propose the resolution as a special resolution, has been duly given. Provided that, except in the case of an annual general meeting, if it is so agreed by a majority in number of the Members having the right to attend and vote at any such meeting, being a majority together holding not less than ninety-five (95) per cent. in nominal value of the shares giving that right and in the case of an annual general meeting, if it is so agreed by all Members entitled to attend and vote thereat, a resolution may be proposed and passed as a special resolution at a meeting of which less than twenty-one (21) clear days' Notice has been given.~~ Notice has been duly given in accordance with Bye-law 59;
- (i) a resolution shall be an ordinary resolution when it has been passed by a simple majority of votes cast by such Members as, being entitled so to do, vote in person or, in the case of any Member being a corporation, by its duly authorised representative or, where proxies are allowed, by proxy at a general meeting of which ~~not less than fourteen (14) clear days' Notice~~ has been duly given in accordance with Bye-law 59;
- (j) a special resolution or an extraordinary 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;
- (k) a resolution shall be an extraordinary resolution when it has been passed by a majority of not less than two-thirds of votes cast by such Members as, being entitled so to do, vote in person or, in the case of such Members as are corporations, by their respective duly authorised representative or, where proxies are allowed, by proxy at a general meeting of which Notice has been duly given in accordance with Bye-law 59;

- (1) 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.

### SHARE CAPITAL

3. (1) The share capital of the Company at the date on which these Bye-laws come into effect shall be divided into shares of \$0.10 each.
- (2) Subject to the Act, the Company's memorandum of association and, where applicable, the rules of any Designated Stock Exchange and/or any competent regulatory authority, any power of the Company to purchase or otherwise acquire its own shares shall be exercisable by the Board upon such terms and subject to such conditions as it thinks fit.
- (3) ~~Neither~~ Subject to compliance with the rules and regulations of the Designated Stock Exchange and any other competent regulatory authority, the Company ~~nor any of its subsidiaries shall directly or indirectly~~ may give financial assistance to ~~a person who is acquiring or proposing to acquire shares in the Company for the purpose of that acquisition whether before or at the same time as the acquisition takes place or afterwards~~ PROVIDED that nothing in this Bye-law shall prohibit transactions permitted by the Act for the purpose of or in connection with a purchase made or to be made by any person of any shares in the Company.
- (4) ~~No share shall be issued to bearer.~~

### ALTERATION OF CAPITAL

4. The Company may from time to time by ordinary resolution in accordance with Section 45 of the Act:
- (a) increase its capital by such sum, to be divided into shares of such amounts, as the resolution shall prescribe;
- (b) consolidate and divide all or any of its capital into shares of larger amount than its existing shares;

- (c) divide its shares into several classes and without prejudice to any special rights previously conferred on the holders of existing shares attach thereto respectively any preferential, deferred, qualified or special rights, privileges, conditions or such restrictions which in the absence of any such determination by the Company in general meeting, as the Directors may determine provided always that where the Company issues shares which do not carry voting rights, the words “non-voting” shall appear in the designation of such shares and where the equity capital includes shares with different voting rights, the designation of each class of shares, other than those with the most favourable voting rights, must include the words “restricted voting” or “limited voting”;
  - (d) 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 Act), and may by such resolution determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may have any such preferred rights or be subject to any such restrictions as compared with the other or others as the Company has power to attach to unissued or new shares;
  - (e) change the currency denomination of its share capital;
  - (f) make provision for the issue and allotment of shares which do not carry any voting rights; and
  - (g) cancel any shares which, at the date of the passing of the resolution, have not been taken, or agreed to be taken, by any person, and diminish the amount of its capital by the amount of the shares so cancelled.
5. The Board may settle as it considers expedient any difficulty which arises in relation to any consolidation and division under the last preceding Bye-law and in particular but without prejudice to the generality of the foregoing may issue certificates in respect of fractions of shares or arrange for the sale of the shares representing fractions and the distribution of the net proceeds of sale (after deduction of the expenses of such sale) in due proportion amongst the Members who would have been entitled to the fractions, and for this purpose the Board may authorise some person to transfer the shares representing fractions to their purchaser or resolve that such net proceeds be paid to the Company for the Company’s benefit. Such purchaser will not be bound to see to the application of the purchase money nor will his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale.

6. The Company may from time to time by special resolution, subject to any confirmation or consent required by law, reduce its ~~authorised or~~ issued share capital or, save for the use of share premium as expressly permitted by the Act, any share premium account or other undistributable reserve ~~in any manner permitted by law~~.
7. 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.

### **SHARE RIGHTS**

8. Subject to any special rights conferred on the holders of any shares or class of shares, any share in the Company (whether forming part of the present capital or not) may be issued with or have attached thereto such rights or restrictions whether in regard to dividend, voting, return of capital or otherwise as the Company may by ordinary resolution determine or, if there has not been any such determination or so far as the same shall not make specific provision, as the Board may determine.
9. Subject to Sections 42 and 43 of the Act, these Bye-laws, and to any special rights conferred on the holders of any shares or attaching to any class of shares, any preference shares may be issued or converted into shares that, at a determinable date or at the option of the Company or the holder if so authorised by its memorandum of association, are liable to be redeemed on such terms and in such manner as the Company before the issue or conversion may by ordinary resolution of the Members determine. ~~Where the Company purchases for redemption a redeemable share, purchases not made through the market or by tender shall be limited to a maximum price as may from time to time be determined by the Company in general meeting, either generally or with regard to specific purchases. If purchases are by tender, tenders shall be available to all Members alike.~~

### **VARIATION OF RIGHTS**

10. Subject to the Act and without prejudice to Bye-law 8, all or any of the special rights for the time being attached to the shares or any class of shares may, unless otherwise provided by the terms of issue of the shares of that class, from time to time (whether or not the Company is being wound up) be varied, modified 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 all the provisions of these Bye-laws relating to general meetings of the Company shall, mutatis mutandis, apply, but so that:

- (a) the necessary quorum (other than at an adjourned meeting) shall be two persons (or in the case of a Member being a corporation, its duly authorised representative) holding or representing by proxy not less than one-third in nominal value of the issued shares of that class and at any adjourned meeting of such holders, two holders present in person (or (in the case of a Member being a corporation,) by its duly authorised representative) or by proxy (whatever the number of shares held by them) shall be a quorum; and
  - (b) every holder of shares of the class shall be entitled ~~on a poll~~ to one vote for every such share held by him; ~~and~~
  - (c) ~~any holder of shares of the class present in person or by proxy may demand a poll.~~
11. 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 varied, modified or abrogated by the creation or issue of further shares ranking pari passu therewith.

### SHARES

12. (1) Subject to the Act, these Bye-laws, any direction that may be given by the Company in general meeting and, where applicable, the rules of any Designated Stock Exchange and without prejudice to any special rights or restrictions for the time being attached to any shares or any class of shares, the unissued shares of the Company (whether forming part of the original or any increased capital) shall be at the disposal of the Board, which may offer, allot, grant options over or otherwise dispose of them to such persons, at such times and for such consideration and upon such terms and conditions as the Board may in its absolute discretion determine but so that no shares shall be issued at a discount to their nominal value. 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 allotment, offer, option or shares to Members 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. Members affected as a result of the foregoing sentence shall not be, or be deemed to be, a separate class of members for any purpose whatsoever.

- (2) The Board may issue warrants or convertible securities or securities of similar nature conferring the right upon the holders thereof to subscribe for any class of shares or securities in the capital of the Company on such terms as it may from time to time determine.
13. The Company may in connection with the issue of any shares exercise all powers of paying commission and brokerage conferred or permitted by the Act. Subject to the Act, the commission may be satisfied by the payment of cash or by the allotment of fully or partly paid shares or partly in one and partly in the other.
14. Except as required by law, no person shall be recognised by the Company as holding any share upon any trust and the Company shall not be bound by or required in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any fractional part of a share or (except only as otherwise provided by these Bye-laws or by law) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.
15. Subject to the Act and these Bye-laws, the Board may at any time after the allotment of shares but before any person has been entered in the Register as the holder, recognise a renunciation thereof by the allottee in favour of some other person and may accord to any allottee of a share a right to effect such renunciation upon and subject to such terms and conditions as the Board considers fit to impose.
- 15A. Notwithstanding other provisions of these Bye-laws, the Preferred Shares shall confer on the registered holders thereof the following rights and privileges and be subject to the following rights, restrictions and provisions.

**(A) As regards terms of the Preferred Shares and conversion**

- (i) The term of the Preferred Shares commences from the date of issue of the relevant Preferred Shares.
- (ii) During the period of the existence of the Preferred Shares, each holder of the Preferred Shares shall have the right at any time and from time to time to convert all or part (any conversion in part being in amounts or integral multiples of 4,000 Ordinary Shares or such other number as may for the time being be a board lot of Ordinary Shares on the Designated Stock Exchange) of his holding of such Preferred Shares into fully paid Ordinary Shares (subject as provided below) in accordance with the conversion price set out below.

- (iii) The right to convert shall be exercisable on any date by completing the notice of conversion endorsed on the certificate relating to the Preferred Shares to be converted (“Conversion Notice”) and delivering it (together with such other evidence (if any) as the Directors may reasonably require to prove the title of the person exercising such right) to the registrars for the time being of the Company, such Conversion Notice to specify the date when the conversion is to become effective (“Conversion Date”) provided that if any Conversion Date would otherwise fall on a Saturday, Sunday or other day which is a public holiday in Hong Kong, such Conversion Date shall be the next day which is not such a public holiday. A Conversion Notice once given may not be withdrawn without the consent in writing of the Company.
- (iv) One Preferred Share can be converted into one Ordinary Share.
- (v) Conversion of the Preferred Shares may be effected in such manner as the Board shall from time to time reasonably determine (subject to the provisions of the applicable laws and regulations). Notwithstanding any provisions herein to the contrary, the Company shall have the right to defer the issue and allotment of the Ordinary Shares to a date falling ninety (90) days after conversion or such longer period as the Board shall reasonably consider appropriate and necessary in the event a conversion will (i) trigger a mandatory offer obligation under Rule 26 of The Codes on Takeovers and Mergers and Share Repurchases issued by the Securities and Futures Commission of Hong Kong on the part of the Preferred Shares holder who exercised the conversion rights; or (ii) result in the failure by the Company to comply with the level of public float prescribed in the Listing Rules from time to time (“Public Float Requirement”). Notwithstanding any provision to the contrary contained herein, the Company shall be entitled to defer the issue and allotment of the Ordinary Shares to until the proposal by the holder of the Preferred Shares to restore the public float is implemented to its satisfaction.
- (vi) The Company shall not later than the expiration of twenty-eight (28) days after conversion despatch certificates for the Ordinary Shares resulting from conversion and, if appropriate, certificates for any balance of the Preferred Shares remaining unconverted.
- (vii) The Preferred Shares and Ordinary Shares resulting from conversion shall carry the right to receive all dividends and other distributions declared made or paid on the ordinary share capital of the Company. Ordinary Shares resulting from conversion shall rank pari passu in all other respects and form one class with the ordinary share capital of the Company then in issue and fully paid.

- (viii) The Company shall use its best endeavours to ensure that the Listing Committee of the Designated Stock Exchange grants permission to deal in and listing of all the Ordinary Shares arising on conversion.
- (ix) If whilst any of the Preferred Share remains capable of conversion, the Company shall make any issue by way of capitalisation of profits or reserves including any share premium account to members of the Company, such issue shall be made only to the holders of the Ordinary Shares and shall be in the form of fully paid Ordinary Shares and the number of Ordinary Shares arising on any subsequent conversion of Preferred Shares shall be increased pro rata. Provided that (A) no such adjustment shall be made if the said issue of fully paid Ordinary Shares shall have been made in lieu of the payment of any dividend (or part thereof) pursuant to arrangements whereby a holder of Ordinary Shares shall be given the right in respect of the same to make an election to receive cash or to receive new Ordinary Shares issued by way of capitalisation and (B) the Company shall not make any such capitalisation issue (other than such a capitalisation issue as is referred to in proviso (A) above) unless the Company has sufficient profits or reserves.
- (x) If the Company shall sub-divide or consolidate the Ordinary Shares while there remain outstanding any Preferred Shares capable of being converted into Ordinary Shares the number of Ordinary Shares into which the Preferred Shares may be converted on any subsequent conversion shall in the case of a sub-division be increased or in the case of a consolidation be reduced in due proportion as if the Preferred Shares were also so sub-divided or consolidated.
- (xi) If whilst any of the Preferred Share remains capable of conversion, any offer or invitation by way of rights or otherwise (not being an offer or invitation to which the provisions of sub-paragraph (xii) below apply) is made to the holders of the Ordinary Shares, the Company shall make or, so far as it is able, procure that there is made a like offer or invitation at the same time to each holder of Preferred Shares as if his conversion rights had been exercisable and exercised in full on the record date for such offer or invitation.
- (xii) If whilst any of the Preferred Shares remain capable of conversion, an offer is made to the holders of Ordinary Shares (or such holders 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 of the issued Ordinary Shares and the Company becomes aware that the right to cast more than fifty (50) per cent of the votes which may ordinarily be cast on a poll at a general meeting of the Company has or will become

vested in the offeror and/or such companies or persons aforesaid, the Company shall give written notice to all holders of the Preferred Shares of such vesting as soon as practicable but in no event later than fourteen (14) days of its becoming so aware.

(xiii) If whilst any of the Preferred Shares remain capable of conversion a notice is given by the Company to the 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 shall on the same day as or soon after it despatches such notice to each Member give notice thereof to all holders of Preferred Shares (together with a notice of the existence of this provision) and thereupon, each holder of Preferred Shares shall be entitled to exercise all or any of his conversion rights at any time no later than five (5) business days prior to the proposed general meeting of the Company by giving the Conversion Notice to the Company whereupon the Company shall as soon as possible and, in any event, no later than two clear business days immediately prior to the date of the proposed general meeting referred to above, issue and allot the relevant number of Ordinary Shares to such holder of Preferred Shares credited as fully paid.

**(B) As regards income and capital**

- (i) The Preferred Shares shall rank pari passu with the Ordinary Shares as to the right to receive dividends and other distributions declared made or paid on the ordinary share capital of the Company.
- (ii) The Preferred Shares shall rank pari passu with the Ordinary Shares for return of capital on liquidation and participation in the distribution of surplus assets of the Company with all other shares in the capital of the Company for the time being in issue.

**(C) As regards further participation**

The Preferred Shares shall not carry any right to participate in profits or assets of the Company beyond such rights as are expressly set out in the terms of the Preferred Shares.

**(D) As regards voting**

The Preferred Shares shall not entitle the holders to any voting rights save and except as provided in paragraph (G) below.

**(E) As regards restrictions on the Company**

For so long as any Preferred Shares remain outstanding, the Company shall at all times maintain sufficient unissued Ordinary Shares available in order to implement conversion in full of all the Preferred Shares then outstanding.

**(F) As regards documents**

While any of the Preferred Shares remain outstanding, the Company shall send to the holders of Preferred Shares, for information, a copy of every document sent to the holders of other shares of the Company at the same time as it is sent to such holders.

**(G) As regards variation of rights**

Subject to the applicable laws, the Company shall not vary, alter or abrogate, or permit or cause the variation, alteration or abrogation of, all or any of the rights or privileges attached to the Preferred Shares without both the prior consent of a majority of the holders of the Ordinary Shares and a separate consent of the Preferred Shares holders of not less than seventy-five (75) per cent of the outstanding Preferred Shares for the time being.

**(H) As regards dealings by connected person**

Subject to the requirements of the Listing Rules from time to time (in particular those in relation to connected transactions) and the restriction on transfer as provided in paragraph (K) below and any other applicable regulations, the Preferred Shares may be issued to any connected person of the Company (as defined in the Listing Rules).

**(I) As regards pre-emptive rights**

In the event that the Company shall at any time issue to holders of new Ordinary Shares securities convertible into Ordinary Shares, the Company shall not be obliged to offer such shares/securities to the holders of Preferred Shares.

**(J) As regards listing**

The Preferred Shares will not be listed on any stock exchange.

**(K) As regards transferability**

The Preferred Shares are freely transferable by the holders thereof. Once a Conversion Notice is served by the holder of the Preferred Shares, the Preferred Shares subject to the Conversion Notice shall not be transferable except where such conversion will result in the Company failing to comply with the Public Float Requirement, in which case, the holder of the Preferred Shares may transfer the Preferred Shares subject to the Conversion Notice.

**SHARE CERTIFICATES**

16. Every share certificate shall be issued under the Seal or a facsimile thereof or with the Seal printed thereon and shall specify the number and class and distinguishing numbers (if any) of the shares to which it relates, and the amount paid up thereon and may otherwise be in such form as the Directors may from time to time determine. The seal of the Company may only be affixed or imprinted to a share certificate with the authority of the Directors, or be executed under the signature of appropriate officials with statutory authority, unless otherwise determined by the Directors. No certificate shall be issued and representing shares of more than one class. The Board may by resolution determine, either generally or in any particular case or cases, that any signatures on any such certificates (or certificates in respect of other securities) need not be autographic but may be affixed to such certificates by some mechanical means or may be printed thereon or that such certificates need not be signed by any person.
17. (1) In the case of a share held jointly by several persons, the Company shall not be bound to issue more than one certificate therefor and delivery of a certificate to one of several joint holders shall be sufficient delivery to all such holders.  
  
(2) Where a share stands in the names of two or more persons, the person first named in the Register shall as regards service of notices and, subject to the provisions of these Bye-laws, all or any other matters connected with the Company, except the transfer of the shares, be deemed the sole holder thereof.
18. 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.

19. Share certificates shall be issued within the relevant time limit as prescribed in the 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.
20. (1) 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 to the transferee in respect of the shares transferred to him at such fee as is provided in paragraph (2) of this Bye-law. If any of the shares included in the certificate so given up shall be retained by the transferor a new certificate for the balance shall be issued to him at the aforesaid fee payable by the transferor to the Company in respect thereof.
- (2) The fee referred to in paragraph (1) above shall be an amount not exceeding the relevant maximum amount as the Designated Stock Exchange may from time to time determine provided that the Board may at any time determine a lower amount for such fee.
21. If a share certificate shall be damaged or defaced or alleged to have been lost, stolen or destroyed a new certificate representing the same shares may ~~he~~be issued to the relevant Member upon request and on payment of such fee as the Designated Stock Exchange may determine to be the maximum fee payable or such lesser sum as the Board may determine and, subject to compliance with such terms (if any) as to evidence and indemnity and to payment of the costs and reasonable out-of-pocket expenses of the Company in investigating such evidence and preparing such indemnity as the Board may think fit and, in case of damage or defacement, on delivery of the old certificate to the Company provided always that where share warrants have been issued, no new share warrant shall be issued to replace one that has been lost unless the Directors are satisfied beyond reasonable doubt that the original has been destroyed.

#### **LIEN**

22. The Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys (whether presently payable or not) called or payable at a fixed time in respect of that share. The Company shall also have a first and paramount lien on every share (not being a fully paid share) registered in the name of a Member (whether or not jointly with other Members) for all amounts of money presently payable by such Member or his estate to the Company 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 or not. The Company's lien on a share shall extend to all dividends or other moneys payable thereon or in respect thereof. The Board may at any time, generally or in any particular case, waive any lien that has arisen or declare any share exempt in whole or in part, from the provisions of this Bye-law.

23. Subject to these Bye-laws, the Company may sell in such manner as the Board determines any share 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 (14) clear 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 the intention to sell in default, has been served on the registered holder for the time being of the share or the person entitled thereto by reason of his death or bankruptcy.
24. The net proceeds of the sale shall be received by the Company and applied in or towards payment or discharge of the debt or liability in respect of which the lien exists, so far as the same is presently payable, and any residue shall (subject to a like lien for debts or liabilities not presently payable as existed upon the share prior to the sale) be paid to the person entitled to the share at the time of the sale. To give effect to any such sale the Board may authorise some person to transfer the shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the shares so transferred and he shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale.

#### **CALLS ON SHARES**

25. Subject to these Bye-laws and to the terms of allotment, the Board may from time to time make calls upon the Members in respect of any moneys unpaid on their shares (whether on account of the nominal value of the shares or by way of premium), and each Member shall (subject to being given at least fourteen (14) clear days' Notice specifying the time and place of payment) pay to the Company as required by such notice the amount called on his shares. A call may be extended, postponed or revoked in whole or in part as the Board determines but no member shall be entitled to any such extension, postponement or revocation except as a matter of grace and favour.
26. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be made payable either in one lump sum or by instalments.

27. A person upon whom a call is made shall remain liable for calls made upon him notwithstanding the subsequent transfer of the shares in respect of which the call was made. The joint holders of a share shall be jointly and severally liable to pay all calls and instalments due in respect thereof or other moneys due in respect thereof.
28. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the amount unpaid from the day appointed for payment thereof to the time of actual payment at such rate (not exceeding twenty per cent. (20%) per annum) as the Board may determine, but the Board may in its absolute discretion waive payment of such interest wholly or in part.
29. No Member shall be entitled to receive any dividend or bonus or to be present and vote (save as proxy for another Member) at any general meeting either personally or by proxy, or be reckoned in a quorum, or exercise any other privilege as a Member until all calls or instalments due by him to the Company, whether alone or jointly with any other person, together with interest and expenses (if any) shall have been paid.
30. On the trial or hearing of any action or other proceedings for the recovery of any money due for any call, it shall be sufficient to prove that the name of the Member sued is entered in the Register as the holder, or one of the holders, of the shares in respect of which such debt accrued, that the resolution making the call is duly recorded in the minute book, and that notice of such call was duly given to the Member sued, in pursuance of these Bye-laws; and it shall not be necessary to prove the appointment of the Directors who made such call, nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.
31. Any amount payable in respect of a share upon allotment or at any fixed date, whether in respect of nominal value or premium or as an instalment of a call, shall be deemed to be a call duly made and payable on the date fixed for payment and if it is not paid the provisions of these Bye-laws shall apply as if that amount had become due and payable by virtue of a call duly made and notified.
32. On the issue of shares the Board may differentiate between the allottees or holders as to the amount of calls to be paid and the times of payment.
33. 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 moneys uncalled and unpaid or instalments payable upon any shares held by him and upon all or any of the moneys so advanced (until the same would, but for such advance, become presently payable) pay interest at such rate (if any) as the Board may decide. The Board may at any time repay the amount

so advanced upon giving to such Member not less than one month's Notice of its intention in that behalf, unless before the expiration of such notice the amount so advanced shall have been called up on the shares in respect of which it was advanced. Such payment in advance shall not entitle the holder of such share or shares to participate in respect thereof in a dividend subsequently declared.

#### **FORFEITURE OF SHARES**

34. (1) If a call remains unpaid after it has become due and payable the Board may give to the person from whom it is due not less than fourteen (14) clear days' Notice:
- (a) requiring payment of the amount unpaid together with any interest which may have accrued and which may still accrue up to the date of actual payment; and
  - (b) stating that if the Notice is not complied with the shares on which the call was made will be liable to be forfeited.
- (2) If the requirements of any such Notice are not complied with, any share in respect of which such Notice has been given may at any time thereafter, before payment of all calls and interest due in respect thereof has been made, be forfeited by a resolution of the Board to that effect, and such forfeiture shall include all dividends and bonuses declared in respect of the forfeited share but not actually paid before the forfeiture.
35. When any share has been forfeited, notice of the forfeiture shall be served upon the person who was before forfeiture the holder of the share. No forfeiture shall be invalidated by any omission or neglect to give such Notice.
36. The Board may accept the surrender of any share liable to be forfeited hereunder and, in such case, references in these Bye-laws to forfeiture will include surrender.
37. Until cancelled in accordance with the requirements of the Act, a forfeited share shall be the property of the Company and may be sold, re-allotted or otherwise disposed of to such person, upon such terms and in such manner as the Board determines, and at any time before a sale, re-allotment or disposition the forfeiture may be annulled by the Board on such terms as the Board determines.
38. A person whose shares have been forfeited shall cease to be a Member in respect of the forfeited shares but nevertheless shall remain liable to pay the Company all moneys which at the date of forfeiture were presently payable by him to the Company in respect of the shares, with (if the Directors shall in their discretion so require) interest thereon from the date of

forfeiture until payment at such rate (not exceeding twenty per cent. (20%) per annum) as the Board determines. The Board may enforce payment thereof if it thinks fit, and without any deduction or allowance for the value of the forfeited shares, at the date of forfeiture, but his liability shall cease if and when the Company shall have received payment in full of all such moneys in respect of the shares. For the purposes of this Bye-law any sum which, by the terms of issue of a share, is payable thereon at a fixed time which is subsequent to the date of forfeiture, whether on account of the nominal value of the share or by way of premium, shall notwithstanding that 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.

39. A declaration by a Director or the Secretary that a share has been forfeited on a specified date shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share, and such declaration shall (subject to the execution of an instrument of transfer by the Company if necessary) constitute a good title to the share, and the person to whom the share is disposed of shall be registered as the holder of the share and shall not be bound to see to the application of the consideration (if any), nor shall his title to the share be affected by any irregularity in or invalidity of the proceedings in reference to the forfeiture, sale or disposal of the share. When any share shall have been forfeited, notice of the declaration 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.
40. Notwithstanding any such forfeiture as aforesaid the Board may at any time, before any shares so forfeited shall have been sold, re-allotted or otherwise disposed of, permit the shares forfeited to be bought back upon the terms of payment of all calls and interest due upon and expenses incurred in respect of the share, and upon such further terms (if any) as it thinks fit.
41. The forfeiture of a share shall not prejudice the right of the Company to any call already made or instalment payable thereon.
42. The provisions of these Bye-laws as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

## REGISTER OF MEMBERS

43. (1) The Company shall keep in one or more books a Register and shall enter therein the following particulars, that is to say:
- (a) the name and address of each Member, the number and class of shares held by him and, in respect of any shares that are not fully paid, the amount paid or agreed to be considered as paid on such shares;
  - (b) the date on which each person was entered in the Register; and
  - (c) the date on which any person ceased to be a Member.
- (2) Subject to the Act, the Company may keep an overseas or local or other branch register of Members resident in any place, and the Board may make and vary such regulations as it determines in respect of the keeping of any such register and maintaining a Registration Office in connection therewith.
44. The Register and branch register of Members, as the case may be, shall ~~be~~ be open to inspection ~~for at least two hours on every~~ between 10 a.m. and 12 noon during business day ~~hours~~ by Members ~~members of the public~~ without charge ~~or by any other person, upon a maximum payment of five Bermuda dollars or such other sum specified by the Board, at the Office or such other place in Bermuda at which the Register is kept in accordance with the Act, if appropriate, upon a maximum payment of ten dollars or such other sum specified by the Board at the Registration Office.~~ The Register including any overseas or local or other branch register of Members may, after notice has been given by advertisement in an appointed newspaper and where applicable, any other newspapers in accordance with the requirements of any Designated Stock Exchange or by any means (electronic or otherwise) in such manner as may be accepted by the Designated Stock Exchange to that effect, be closed at such times or for such periods not exceeding in the whole thirty (30) days in each year as the Board may determine and either generally or in respect of any class of shares.

## RECORD DATES

45. ~~Notwithstanding~~ Subject to the rules of any Designated Stock Exchange, notwithstanding any other provision of these Bye-laws the Company or the Directors may fix any date as the record date for:

- (a) determining the Members entitled to receive any dividend, distribution, allotment or issue ~~and such record date may be on, or at any time not more than thirty (30) days before or after, any date on which such dividend, distribution, allotment or issue is declared, paid or made;~~
- (b) determining the Members entitled to receive notice of and to vote at any general meeting of the Company.

#### TRANSFER OF SHARES

46. Subject to these Bye-laws, any Member may transfer all or any of his shares in any manner permitted by and in accordance with the rules of the Designated Stock Exchange or by an instrument of transfer in the usual or common form or in a form prescribed by the Designated Stock Exchange or in any other form approved by the Board and may be under hand or, if the transferor or transferee is a clearing house or its nominee(s), by hand or by machine imprinted signature or by such other manner of execution as the Board may approve from time to time.
47. The instrument of transfer 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 which it thinks fit in its discretion to do so. Without prejudice to Bye-law 46, the Board may also resolve, either generally or in any particular case, upon request by either the transferor or transferee, to accept mechanically executed transfers. 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.
48. (1) The Board may, in its absolute discretion, and without giving any reason therefor, 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, without prejudice to the foregoing generality, refuse to register a transfer of any share to more than four (4) joint holders or a transfer of any share (not being a fully paid up share) on which the Company has a lien.
- (2) No transfer shall be made to an infant or to a person of unsound mind or under other legal disability.

- (3) The Board in so far as permitted by any applicable law may, in its absolute discretion, at any time and from time to time transfer any share upon the Register to any branch register or any share on any branch register to the Register or any other branch register. In the event of any such transfer, the shareholder requesting such transfer shall bear the cost of effecting the transfer unless the Board otherwise determines.
  - (4) 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 determine, and which agreement the Board shall, without giving any reason therefor, be entitled in its absolute discretion to give or withhold), no shares upon the Register shall be transferred to any branch register nor shall shares on any branch register be transferred to the 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 Register, at the Office or such other place in Bermuda at which the Register is kept in accordance with the Act.
49. Without limiting the generality of the last preceding Bye-law, the Board may decline to recognise any instrument of transfer unless:-
- (a) 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;
  - (b) the instrument of transfer is in respect of only one class of share;
  - (c) the instrument of transfer is lodged at the Office or such other place in Bermuda at which the Register is kept in accordance with the Act or the Registration Office (as the case may be) accompanied by the relevant share certificate(s) 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); and
  - (d) if applicable, the instrument of transfer is duly and properly stamped.
50. If the Board refuses to register a transfer of any share, it shall, within two (2) months after the date on which the transfer was lodged with the Company, send to each of the transferor and transferee notice of the refusal.

51. The registration of transfers of shares or of any class of shares may, after notice has been given by advertisement in ~~an appointed newspaper and, where applicable, any other~~ newspapers in accordance with the requirements of any Designated Stock Exchange or by any means (electronic or otherwise) in such manner as may be accepted by the Designated Stock Exchange to that effect be suspended at such times and for such periods (not exceeding in the whole thirty (30) days in any year) as the Board may determine.

#### **TRANSMISSION OF SHARES**

52. If a Member dies, the survivor or survivors where the deceased was a joint holder, and his legal personal representatives where he was a sole or only surviving holder, will be the only persons recognised by the Company as having any title to his interest in the shares; but nothing in this Bye-law will release the estate of a deceased Member (whether sole or joint) from any liability in respect of any share which had been solely or jointly held by him.
53. Subject to Section 52 of the Act, 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 be required by the Board, elect either to become the holder of the share or to have some person nominated by him registered as the transferee thereof. If he elects to become the holder he shall notify the Company in writing either at the Registration Office or Office, as the case may be, to that effect. If he elects to have another person registered he shall execute a transfer of the share in favour of that person. The provisions of these Bye-laws relating to the transfer and registration of transfers of shares shall apply to such notice or transfer as aforesaid as if the death or bankruptcy of the Member had not occurred and the notice or transfer were a transfer signed by such Member.
54. A person becoming entitled to a share by reason of the death or bankruptcy or winding-up of a Member shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share. However, the Board may, if it thinks fit, withhold the payment of any dividend payable or other advantages in respect of such share until such person shall become the registered holder of the share or shall have effectually transferred such share, but, subject to the requirements of Bye-law 752(2) being met, such a person may vote at meetings.

#### **UNTRACEABLE MEMBERS**

55. (1) Without prejudice to the rights of the Company under paragraph (2) of this Bye-law, the Company may cease sending 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.

- (2) The Company shall have the power to sell, in such manner as the Board thinks fit, any shares of a Member who is untraceable, but no such sale shall be made unless:
  - (a) all cheques or warrants in respect of dividends of the shares in question, 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; and
  - (c) the Company, if so required by the rules governing the listing of shares on the Designated Stock Exchange, has given notice to, and caused advertisement in newspapers in accordance with the requirements of, the Designated Stock Exchange to be made of its intention to sell such shares in the manner required by the Designated Stock Exchange, and a period of three (3) months or such shorter period as may be allowed by the Designated Stock Exchange has elapsed since the date of such advertisement.

For the purpose of the foregoing, the “relevant period” means the period commencing twelve (12) 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.

- (3) To give effect to any such sale the Board may authorise some person to transfer the said shares and an instrument of transfer signed or otherwise executed by or on behalf of such person shall be as effective as if it had been executed by the registered holder or the person entitled by transmission to such shares, and the purchaser shall not be bound to see to the application of the purchase 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 and upon receipt by the Company of such net proceeds it shall become indebted to the former Member for an amount equal to such net proceeds. No trust shall be created in respect of such debt and no interest shall be payable in respect of it and the Company shall not be required to account for

any 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.

#### GENERAL MEETINGS

56. ~~An~~Subject to the Act, an annual general meeting of the Company shall be held in each financial year other than the financial year in which its statutory meeting is convened at and such time (within a period of not more than fifteen annual general meeting must be held within six (156) months after the holding end of the last preceding annual general meeting Company's financial year (unless a longer period would not infringe the rules of the Designated Stock Exchange, if any) at such time and place as may be determined by the Board. A meeting of Members or any class thereof may be held by means of such telephone, electronic or other communication facilities as to permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence at such meeting.
57. Each general meeting, other than an annual general meeting, shall be called a special general meeting. General meetings may be held in any part of the world as may be determined by the Board.
58. The Board may whenever it thinks fit call special general meetings, and Members holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Secretary of the Company, to require a special general meeting to be called by the Board for the transaction of any business or resolution specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting the requisitionists themselves may do so in accordance with the provisions of Section 74(3) of the Act.

#### NOTICE OF GENERAL MEETINGS

59. (1) ~~An annual general meeting and any special general meeting at which the passing of a special resolution is to be considered shall be called by Notice of not less than twenty-one (21) clear days' Notice. All other special general meetings may (including a special general meeting) must be called by Notice of not less than fourteen (14) clear days' Notice but if permitted by the rules of the Designated Stock Exchange, a general meeting may be called by shorter notice if it is so agreed:~~

- (a) in the case of a meeting called as an annual general meeting, by all the Members entitled to attend and vote thereat; and
- (b) in the case of any other meeting, by a majority in number of the Members having the right to attend and vote at the meeting, being a majority together ~~holding~~representing not less than ninety-five per cent. (95%) ~~in nominal value of the total voting rights at the meeting of all the issued shares giving that right~~Members.
- (2) The Notice shall specify the time and place of the meeting and particulars of resolutions to be considered at the meeting and, in case of special business, the general nature of the business. The Notice convening an annual general meeting shall specify the meeting as such. Notice of every general meeting shall be given to all Members other than to such Members as, under the provisions of these Bye-laws or the terms of issue of the shares they hold, are not entitled to receive such notices from the Company, to all persons entitled to a share in consequence of the death or bankruptcy or winding-up of a Member and to each of the Directors and the Auditors.
60. The accidental omission to give Notice of a meeting or (in cases where instruments of proxy are sent out with the Notice) to send such instrument of proxy to, or the non-receipt of such Notice or such instrument of proxy by, any person entitled to receive such Notice shall not invalidate any resolution passed or the proceedings at that meeting.

#### PROCEEDINGS AT GENERAL MEETINGS

61. (1) 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, and the voting of remuneration or extra remuneration to the Directors.
- (2) No business other than the appointment of a chairman of a meeting shall be transacted at any general meeting unless a quorum is present at the commencement of the business. Two (2) Members entitled to vote and present in person (or (in the case of a Member being a corporation) by its duly authorised representative) or by proxy or by, for quorum purposes only, two persons appointed by the clearing house as authorised representative or proxy shall form a quorum for all purposes.

62. If within thirty (30) minutes (or such longer time not exceeding one hour as the chairman of the meeting may determine to wait) after the time appointed for the meeting a quorum is not present, the meeting, if convened on the requisition of Members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week at the same time and place or to such time and place as the Board may determine. If at such adjourned meeting a quorum is not present within half an hour from the time appointed for holding the meeting, the meeting shall be dissolved.
63. The ~~president~~chairman of the Company or ~~the~~if there is more than one chairman, any one of them as may be agreed amongst themselves or failing such agreement, any one of them elected by all the Directors present shall preside as chairman at every general meeting. If at any general meeting ~~the president or theno~~ chairman, ~~as the case may be,~~ is not present within fifteen (15) minutes after the time appointed for holding the meeting, or ~~if neither of them~~ is willing to act as chairman, the deputy chairman of the Company or if there is more than one deputy chairman, any one of them as may be agreed amongst themselves or failing such agreement, any one of them elected by all the Directors present shall preside as chairman. If no chairman or deputy chairman is present or is willing to act as chairman of the meeting, the Directors present shall choose one of their number to act, or if one Director only is present he shall preside as chairman if willing to act. If no Director is present, or if each of the Directors present declines to take the chair, or if the chairman chosen shall retire from the chair, the 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 shall elect one of their number to be chairman of the meeting.
64. The chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place as the meeting shall determine, but no business shall be transacted at any adjourned meeting other than the business which might lawfully have been transacted at the meeting had the adjournment not taken place. When a meeting is adjourned for fourteen (14) days or more, at least seven (7) clear days' Notice of the adjourned meeting shall be given specifying the time and place of the adjourned meeting but it shall not be necessary to specify in such notice the nature of the business to be transacted at the adjourned meeting and the general nature of the business to be transacted. Save as aforesaid, it shall be unnecessary to give notice of an adjournment.
65. If an amendment is proposed to any resolution under consideration but is in good faith ruled out of order by the chairman of the meeting, the proceedings on the substantive resolution shall not be invalidated by any error in such ruling. In the case of a resolution duly proposed as a special resolution, no amendment thereto (other than a mere clerical amendment to correct a patent error) may in any event be considered or voted upon.

## VOTING

66. (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 show of hands every Member present in person (or being a corporation, is present by a representative duly authorised under Section 78 of the Act), or by proxy shall have one vote and~~ 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. ~~Notwithstanding anything contained in these Bye-laws, 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. A resolution put to the vote of a meeting shall be decided on~~ 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.
- (2) ~~Where a show of hands unless a poll is required by the Listing Rules or (allowed, before or on the declaration of the result of the show of hands or on the withdrawal or any other demand for, a poll) a poll is~~ may be demanded by:
- (i) ~~the chairman of such meeting; or~~
  - (iia) 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
  - (iib) by a Member or Members present in person (or in the case of a ~~m~~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

~~(ivc)~~ by a Member or Members present in person (or in the case of a ~~m~~Member being a corporation by its duly authorised representative) or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right; ~~or (v) if required by the Listing Rules, any Director holding proxies if such aggregate proxies held individually or collectively by the Directors account for five (5) per cent or more of the total voting rights at that meeting, and if on a show of hands in respect of any resolution, the meeting votes in the opposition manner to that instructed in those proxies.~~

A demand by a person as proxy for a Member or in the case of a Member being a corporation by its duly authorised ~~corporate~~ representative shall be deemed to be the same as a demand by athe Member.<sup>2</sup>.

67. ~~Unless~~ Where a poll resolution is required ~~voted on by the Listing Rules or duly demanded and, in the later case, the demand is not withdrawn~~ a show of hands, a declaration by the chairman that a resolution has ~~on a show of hands~~ been carried, or carried unanimously, or by a particular majority, or 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 in favour ~~for~~ or against the resolution.
68. ~~If a poll is required by the Listing Rules or duly demanded~~ The result of the poll shall be deemed to be the resolution of the meeting ~~at which the poll was demanded~~. 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.
69. ~~A poll demanded on the election of a chairman, or on a question of adjournment, shall be taken forthwith. A poll demanded on any other question shall be taken in such manner (including the use of ballot or voting papers or tickets) and either forthwith or at such time (being not later than thirty (30) days after the date of the demand) and place as the chairman directs. It shall not be necessary (unless the chairman otherwise directs) for notice to be given of a poll not taken immediately.~~
70. ~~The demand for a poll shall not prevent the continuance of a meeting or the transaction of any business other than the question on which the poll has been demanded, and, with the consent of the chairman, it may be withdrawn at any time before the close of the meeting or the taking of the poll, whichever is the earlier.~~

71-68. On a poll votes may be given either personally or by proxy.

7269. 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.

7370. All questions submitted to a meeting shall be decided by a simple majority of votes except where a greater majority is required by these Bye-laws or by the Act. In the case of an equality of votes, ~~whether on a show of hands or on a poll~~, the chairman of such meeting shall be entitled to a second or casting vote in addition to any other vote he may have.

741. Where there are joint holders of any share any one of such joint holder may vote, either in person or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders be present at any meeting the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the Register in respect of the joint holding. Several executors or administrators of a deceased Member in whose name any share stands shall for the purposes of this Bye-law be deemed joint holders thereof.

752. (1) A Member who is a patient for any purpose relating to mental health or in respect of whom an order has been made by any court having jurisdiction for the protection or management of the affairs of persons incapable of managing their own affairs may vote, ~~whether on a show of hands or on a poll~~, by his receiver, committee, curator bonis or other person in the nature of a receiver, committee or curator bonis appointed by such court, and such receiver, committee, curator bonis or other person may vote ~~on a poll~~ by proxy, and may otherwise act and be treated as if he were the registered holder of such shares for the purposes of general meetings, provided that such evidence as the Board may require of the authority of the person claiming to vote shall have been deposited at the Office, head office or Registration Office, as appropriate, not less than forty-eight (48) hours before the time appointed for holding the meeting, or adjourned meeting ~~or poll~~, as the case may be.

(2) Any person entitled under Bye-law 53 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 forty-eight (48) hours at least 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 entitlement to such shares, or the Board shall have previously admitted his right to vote at such meeting in respect thereof.

763. (1) No Member shall, unless the Board otherwise determines, be entitled to attend and vote and to be reckoned in a quorum at any general meeting unless he is duly registered and all calls or other sums presently payable by him in respect of shares in the Company have been paid.

~~(2)~~(2) All Members shall have the right to (a) speak at a general meeting; and (b) vote at a general meeting except where a Member is required, by the Listing Rules, to abstain from voting to approve the matter under consideration.

(3) 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.

774. If:

- (a) any objection shall be raised to the qualification of any voter; or
- (b) any votes have been counted which ought not to have been counted or which might have been rejected; or
- (c) any votes are not counted which ought to have been counted;

the objection or error shall not vitiate the decision of the meeting or adjourned meeting on any resolution unless the same is raised or pointed out at the meeting or, as the case may be, the adjourned meeting at which the vote objected to is given or tendered or at which the error occurs. Any objection or error shall be referred to the chairman of the meeting and shall only vitiate the decision of the meeting on any resolution if the chairman decides that the same may have affected the decision of the meeting. The decision of the chairman on such matters shall be final and conclusive.



~~77(A). Where any Member is, under the Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such Member in contravention of such requirement or restriction shall not be counted.~~

### PROXIES

785. Any Member entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person as his proxy to attend and vote instead of him. 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 shall be entitled to exercise the same powers on behalf of the Member which he or they represent as such Member could exercise.

796. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same. In the case of an instrument of proxy purporting to be signed on behalf of a corporation by an officer thereof it shall be assumed, unless the contrary appears, that such officer was duly authorised to sign such instrument of proxy on behalf of the corporation without further evidence of the fact.

~~8077.~~The instrument appointing a proxy and (if required by the Board) the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, shall be delivered to such place or one of such places (if any) as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the meeting (or, if no place is so specified at the Registration Office or the Office, as may be appropriate) not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote ~~or, in the case of a poll taken subsequently to the date of a meeting or adjourned meeting, not less than twenty-four (24) hours before the time appointed for the taking of the poll and in default the instrument of proxy shall not be treated as valid.~~ No instrument appointing a proxy shall be valid after the expiration of twelve (12) months from the date named in it as the date of its execution, except at an adjourned meeting ~~or on a poll demanded at a meeting or an adjourned meeting~~ in cases where the meeting was originally held within twelve (12) months from such date. Delivery of an instrument appointing a proxy shall not preclude a Member from attending and voting in person at the meeting convened and in such event, the instrument appointing a proxy shall be deemed to be revoked.

784. 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. The instrument of proxy shall be deemed to confer authority to ~~demand or join in demanding a poll and to~~ vote on any amendment of a resolution put to the meeting for which it is given as the proxy thinks fit. The instrument of proxy shall, unless the contrary is stated therein, be valid as well for any adjournment of the meeting as for the meeting to which it relates.

8279. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the instrument of proxy or of the authority under which it was executed, provided that no intimation in writing of such death, insanity or revocation shall have been received by the Company at the Office or the Registration Office (or such other place as may be specified for the delivery of instruments of proxy in the notice convening the meeting or other document sent therewith) two (2) hours at least before the commencement of the meeting or adjourned meeting, ~~or the taking of the poll,~~ at which the instrument of proxy is used.

830. Anything which under these Bye-laws a Member may do by proxy he may likewise do by his duly appointed attorney and the provisions of these Bye-laws relating to proxies and instruments appointing proxies shall apply mutatis mutandis in relation to any such attorney and the instrument under which such attorney is appointed.

#### **CORPORATIONS ACTING BY REPRESENTATIVES**

841. (1) Any corporation which is a Member may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company or at any meeting of any class of Members. The person so authorised shall be entitled to exercise the same powers on behalf of such corporation as the corporation could exercise if it were an individual Member and such corporation shall for the purposes of these Bye-laws be deemed to be present in person at any such meeting if a person so authorised is present thereat.

(2) Where a Member is a clearing house (or its nominee(s) and, in each case, being a corporation), it may authorise such persons as it thinks fit to act as its representatives at any meeting of the Company or at any meeting of any class of Members provided that the authorisation shall specify the number and class of shares in respect of which each such representative is so authorised. Each person so authorised under the provisions of this Bye-law shall be deemed to have been duly authorised without further evidence of the facts and be entitled to exercise the same rights and powers on behalf of the clearing

house (or its nominee(s)) as if such person was the registered holder of the shares of the Company held by the clearing house (or its nominee(s)) in respect of the number and class of shares specified in the relevant authorisation including the right to speak and to vote and, where a show of hands is allowed, the right to vote individually on a show of hands.

- (3) Any reference in these Bye-laws to a duly authorised representative of a Member being a corporation shall mean a representative authorised under the provisions of this Bye-law.

#### WRITTEN RESOLUTIONS OF MEMBERS

852. (1) Subject to the Act, a resolution in writing signed (in such manner as to indicate, expressly or impliedly, unconditional approval) by or on behalf of all persons for the time being entitled to receive notice of and to attend and vote at general meetings of the Company shall, for the purposes of these Bye-laws, be treated as a resolution duly passed at a general meeting of the Company and, where relevant, as a special resolution so passed. Any such resolution shall be deemed to have been passed at a meeting held on the date on which it was signed by the last Member to sign, and where the resolution states a date as being the date of his signature thereof by any Member the statement shall be prima facie evidence that it was signed by him on that date. Such a resolution may consist of several documents in the like form, each signed by one or more relevant Members.
- (2) Notwithstanding any provisions contained in these Bye-laws, a resolution in writing shall not be passed for the purpose of removing a Director before the expiration of his term of office under Bye-law 863(4) or for the purposes set out in Bye-law 1542(3) relating to the removal and appointment of the Auditor.

#### BOARD OF DIRECTORS

863. (1) Unless otherwise determined by the Company in general meeting, the number of Directors shall not be less than two (2). There shall be no maximum number of Directors unless otherwise determined from time to time by the Members in general meeting. The Directors shall be elected or appointed in the first place at the statutory meeting of Members and thereafter at the annual general meeting in accordance with Bye-law 874 or at any special general meeting called for such purpose and who shall hold office until for such term as the next appointment of Directors Members may determine or, in the absence of such determination, in accordance with Bye-law 84 or

until their successors are elected or appointed or their office is otherwise vacated. Any general meeting may authorise the Board to fill any vacancy in their number left unfilled at a general meeting.

- (2) The Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or, subject to authorisation by the Members in general meeting, as an additional to the existing Board but so that the number of Directors so appointed shall not exceed any maximum number determined from time to time by the Members in general meeting. Any Director so appointed ~~by the Board shall hold office only until the next following general meeting of the Company (in the case of filling a casual vacancy) or until the next following annual general meeting of the Company (in the case of an addition to their number) and shall then be eligible for re-election at that meeting.~~
- (3) Neither a Director nor an alternate Director shall be required to hold any shares of the Company by way of qualification and a Director or alternate Director (as the case may be) who is not a Member shall be entitled to receive notice of and to attend and speak at any general meeting of the Company and of all classes of shares of the Company.
- (4) ~~Subject to any provision to the contrary in these Bye-laws the~~ The Members may, at any general meeting convened and held in accordance with these Bye-laws, by ordinary resolution remove a Director at any time before the expiration of his period of office notwithstanding anything to the contrary in these Bye-laws or in any agreement between the Company and such Director (but without prejudice to any claim for damages under any such agreement) provided that the Notice of any such meeting convened for the purpose of removing a Director shall contain a statement of the intention so to do and be served on such Director fourteen (14) days before the meeting and at such meeting such Director shall be entitled to be heard on the motion for his removal.
- (5) A vacancy on the Board created by the removal of a Director under the provisions of subparagraph (4) above may be filled by the election or appointment by the Members at the meeting at which such Director is removed to hold office until the next appointment of Directors or until their successors are elected or appointed or, in the absence of such election or appointment such general meeting may authorise the Board to fill any vacancy in the number left unfilled. ~~Any Director so appointed by the Board to fill a casual vacancy shall hold office only until the next following general meeting of the Company and shall then be eligible for re-election at that meeting.~~

- (6) The Company may from time to time in general meeting by ordinary resolution increase or reduce the number of Directors but so that the number of Directors shall never be less than two (2).

#### RETIREMENT OF DIRECTORS

874. (1) 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 ~~three or 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 ~~by rotation~~ at least once every three years.
- (2) A retiring Director shall be eligible for re-election and shall continue to act as a Director throughout the meeting at which he retires. The Directors to retire by rotation shall include (so far as necessary to ascertain the number of directors to retire by rotation) any Director who wishes to retire and not to offer himself for re-election. Any further Directors so to retire shall be those of the other Directors subject to retirement by rotation who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. Any Director appointed pursuant to Bye-law 863(2) shall not be taken into account in determining which particular Directors or the number of Directors who are to retire by rotation.
885. 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 signed by a Member (other than the person to be proposed) individually holding not less than 3% of the total voting rights of all Members duly qualified to attend and vote at the meeting for which such notice in writing is given of the his intention to propose that such person for election as a Director and notice in writing also a Notice signed by that person to be proposed of his willingness to be elected shall have been lodged at the head office or at the Registration Office. The period for lodgement of the notice required under this Bye-Law provided that the minimum length of the period, during which such Notice(s) are given, shall be at least seven (7) days and that (if the Notices are submitted after the despatch of the notice of the general meeting appointed for such election) the period for lodgment of such Notice(s) shall commence no earlier than on the day after the despatch of the notice of the general meeting appointed for such election and end no later than (7) seven (7) days prior to the date of such general meeting.

**DISQUALIFICATION OF DIRECTORS**

896. The office of a Director shall be vacated if the Director:

- (1) resigns his office by notice in writing delivered to the Company at the Office or tendered at a meeting of the Board—whereupon the Board resolves to accept such resignation;
- (2) becomes of unsound mind or dies;
- (3) without special leave of absence from the Board, is absent from meetings of the Board for six consecutive months, and his alternate Director, if any, shall not during such period have attended in his stead and the Board resolves that his office be vacated;—or
- (4) becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors;
- (5) is prohibited by law from being a Director; or
- (6) ceases to be a Director by virtue of any provision of the Statutes or is removed from office pursuant to these Bye-laws.

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 Directors, by reason only of his having attained any particular age.

**EXECUTIVE DIRECTORS**

9087. The Board may from time to time appoint any one or more of its body to be a managing director, joint managing director or deputy managing director or to hold any other employment or executive office with the Company for such period (subject to their continuance as Directors) and upon such terms as the Board may determine and the Board may revoke or terminate any of such appointments. Any such revocation or termination as aforesaid shall be without prejudice to any claim for damages that such Director may have against the Company or the Company may have against such Director. A Director appointed to an office under this Bye-law shall be subject to the same provisions as to removal as the other Directors of the Company, and he shall (subject to the provisions of any contract between him and the Company) ipso facto and immediately cease to hold such office if he shall cease to hold the office of Director for any cause.

9188. Notwithstanding Bye-laws 963, 974, 985 and 996, an executive director appointed to an office under Bye-law 9087 hereof shall receive such remuneration (whether by way of salary, commission, participation in profits or otherwise or by all or any of those modes) and such other benefits (including pension and/or gratuity and/or other benefits on retirement) and allowances as the Board may from time to time determine, and either in addition to or in lieu of his remuneration as a Director.

#### ALTERNATE DIRECTORS

892. Any Director may at any time by Notice delivered to the 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 next annual election of Directors or, if earlier, the date on which the relevant~~ 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 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. An alternate Director shall, if his appointor so requests, be entitled to receive notices of meetings of the Board or of committees of the Board to the same extent as, but in lieu of, the Director appointing him and shall be entitled to such extent 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 exercise and discharge all the functions, powers and duties of his appointor as a Director and for the purposes of the proceedings at such meeting the provisions of these Bye-laws shall apply as if he were a Director save that as an alternate for more than one Director his voting rights shall be cumulative.

930. An alternate Director shall only be a Director for the purposes of the Act and shall only be subject to the provisions of the Act insofar as they relate to the duties and obligations of a Director when performing the functions of the Director for whom he is appointed in the alternative and shall alone be responsible to the Company for his acts and defaults and shall not be deemed to be the agent of or for the Director appointing him. 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 by the Company to the same extent mutatis mutandis as if he were a Director but he shall not be entitled to receive from

the Company any fee in his capacity as an alternate Director except only such part, if any, of the remuneration otherwise payable to his appointor as such appointor may by Notice to the Company from time to time direct.

941. Every person acting as an alternate Director shall have one vote for each Director for whom he acts as alternate (in addition to his own vote if he is also a Director). If his appointor is for the time being absent from Hong Kong or otherwise not available or unable to act, the signature of an alternate Director to any resolution in writing of the Board or a committee of the Board of which his appointor is a member shall, unless the notice of his appointment provides to the contrary, be as effective as the signature of his appointor.
952. An alternate Director shall ipso facto cease to be an alternate Director if his appointor ceases for any reason to ~~be~~ a Director, however, such alternate Director or any other person may ~~be~~ re-appointed by the Directors to serve as an alternate Director PROVIDED always that, if at any meeting any Director retires but is re-elected at the same meeting, any appointment of such alternate Director pursuant to these Bye-laws which was in force immediately before his retirement shall remain in force as though he had not retired.

#### DIRECTORS' FEES AND EXPENSES

963. The ordinary remuneration of the Directors shall from time to time be determined by the Company in general meeting and shall (unless otherwise directed by the resolution by which it is voted) be divided amongst the Board in such proportions and in such manner as the Board may agree or, failing agreement, equally, except that any Director who shall hold office for part only of the period in respect of which such remuneration is payable shall be entitled only to rank in such division for a proportion of remuneration related to the period during which he has held office. Such remuneration shall be deemed to accrue from day to day.
974. Each Director shall be entitled to be repaid or prepaid all travelling, hotel and incidental expenses reasonably incurred or expected to be incurred by him in attending meetings of the Board or committees of the Board or general meetings or separate meetings of any class of shares or of debentures of the Company or otherwise in connection with the discharge of his duties as a Director.
985. Any Director who, by request, goes or resides abroad for any purpose of the Company or who performs services which in the opinion of the Board go beyond the ordinary duties of a Director may be paid such extra remuneration (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 or in substitution for any ordinary remuneration provided for by or pursuant to any other Bye-law.

996. The Board shall obtain the approval of the Company in general meeting before making any payment to any Director or past Director of the Company by way of compensation for loss of office, or as consideration for or in connection with his retirement from office (not being payment to which the Director is contractually entitled).

#### **DIRECTORS' INTERESTS**

~~100~~97. A Director may:

- (a) 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, subject to the relevant provisions of the Act, upon such terms as the Board may determine. Any remuneration (whether by way of salary, commission, participation in profits or otherwise) paid to any Director in respect of any such other office or place of profit shall be in addition to any remuneration provided for by or pursuant to any other Bye-law;
- (b) act by himself or his firm in a professional capacity for the Company (otherwise than as Auditor) and he or his firm may be remunerated for professional services as if he were not a Director;
- (c) continue to be or become a director, managing director, joint managing director, deputy managing director, executive director, manager or other officer or member of any other company promoted by the Company or in which the Company may be interested as a vendor, shareholder or otherwise and (unless otherwise agreed) no such Director shall be accountable for any remuneration, profits or other benefits received by him as a director, managing director, joint managing director, deputy managing director, executive director, manager or other officer or member of or from his interests in any such other company. Subject as otherwise provided by these Bye-laws the Directors may exercise or cause to be exercised the voting powers conferred by the shares in any other company held or owned by the Company, or exercisable by them as directors of such other company in such manner in all respects as they think fit (including the exercise thereof in favour of any resolution appointing themselves or any of them directors, managing directors, joint managing directors, deputy managing directors, executive directors, managers or other officers of such company) or voting or providing for the payment of remuneration to the director,

managing director, joint managing director, deputy managing director, executive director, manager or other officers of such other company and any Director may vote in favour of the exercise of such voting rights in manner aforesaid notwithstanding that he may be, or about to be, appointed a director, managing director, joint managing director, deputy managing director, executive director, manager or other officer of such a company, and that as such he is or may become interested in the exercise of such voting rights in manner aforesaid.

~~40198.~~ Subject to the Act and to these Bye-laws, no Director or proposed or intending Director shall be disqualified by his office from 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 whatsoever, 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 of the fiduciary relationship thereby established provided that such Director shall disclose the nature of his interest in any contract or arrangement in which he is interested in accordance with Bye-law ~~40299~~ herein.

~~40299.~~ A Director who to his knowledge is in any way, whether directly or indirectly, interested in a contract or arrangement or proposed contract or arrangement with the Company shall declare the nature of his interest at the meeting of the Board at which the question of entering into the contract or arrangement is first considered, if he knows his interest then exists, or in any other case at the first meeting of the Board after he knows that he is or has become so interested, For the purposes of this Bye-law, a general Notice to the Board by a Director to the effect that:

- (a) he is a member or officer 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 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;

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.

1030. (1) A Director shall not vote (nor shall he 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 associate(s) ~~is to the knowledge of such Director~~ close associates is materially interested, ~~and if he shall do so his vote shall not be counted (nor shall he be counted in the quorum for that resolution)~~, but this prohibition shall not apply to any of the following matters namely:
- (i) ~~any contract or arrangement for the giving by the Company of any security or indemnity either:-~~
    - (a) ~~to the Director or his~~ close associate(s) in respect of money lent or obligations incurred or undertaken by him or any of them at the request of or for the benefit of the Company or any of its subsidiaries; or
    - (ii) ~~any contract or arrangement for the giving by the Company of any security to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his~~ close associate(s) ~~has/have~~ himself/themselves assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;
  - (iii) ~~any contract or arrangement~~ proposal concerning an offer of ~~the~~ shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase where the Director or his close associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;
  - (iv) ~~any contract or arrangement in which the Director or his associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company;~~
  - (v) ~~any contract or arrangement concerning any other company in which the Director or his associate(s) is/are interested only, whether directly or indirectly, as an officer or an executive or a shareholder or in which the Director and any of his associate(s) are not in aggregate beneficially interested in five (5) per cent. or more of the issued shares of any class of the equity share capital of such company (or of any third company through which his interest or that of his associate(s) is derived) or of the voting rights;~~

- ~~(vi)(iii)~~ any proposal or arrangement for any proposal or arrangement concerning the benefit of employees of the Company or its subsidiaries including:
- (a) the adoption, modification or operation of any employees' share scheme or any share incentive or share option scheme under which the Director or his close associate(s) may benefit; or
  - (b) the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates both to Directors or their the Director, his close associate(s) and employees employee(s) of the Company or of any of its subsidiaries and does not give the provide in respect of any Director, or his close associate(s), as such any privilege or advantage not generally accorded to the class of persons to whom which such scheme or fund relates; and
- ~~(vii) any proposal or arrangement concerning the adoption, modification or operation of any employees' share scheme involving the issue or grant of options over shares or other securities by the Company to, or for the benefit of, the employees of the Company or its subsidiaries under~~
- (iv) any contract or arrangement in which the Director or his close associate(s) may benefitis/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company.

For the purpose of this Bye-Law 103(1), "subsidiary" or "subsidiaries" shall have the same meaning ascribed to it under the Listing Rules.

- ~~(2) A company shall be deemed to be a company in which a Director and/or any of his associate(s) own(s) five (5) per cent. or more of the issued shares of any class of the equity share capital of such company or of the voting rights of any class of shares of such company if and so long as (but only if and so long as) he and/or his associate(s) is/are (either directly or indirectly) the holder(s) of or beneficially interested in five (5) per cent. or more of any class of the equity share capital of such company (or of any third company through which his/their interest is/are derived) or of the voting rights of any class of shares available to the shareholders of the company. 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/have no beneficial interest, any shares 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 shares comprised in an authorised unit trust scheme in which the Director or his associate(s) is/are interested only as a unit holder any shares which carry no voting right at general meetings and very restrictive dividend and return of capital right.~~

(3) ~~Where a company in which a Director and/or his associate(s) holds five (5) per cent. or more of any class of the equity share capital of such company or of the voting rights of any class of shares available to the shareholders of the company is materially interested in a transaction, then that Director and/or his associate(s) shall also be deemed materially interested in such transaction.~~

~~(4)~~(2) 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~~) or his associate(s) chairman of the meeting) or as to the entitlement of any Director (other than such ~~Chairman~~) to vote or be counted in the quorum and such question is not resolved by his voluntarily agreeing to abstain from voting or not to be counted in the quorum, such question shall be referred to the ~~Chairman~~ chairman of the meeting and his ruling in relation to such other Director or his associate(s) shall be final and conclusive except in a case where the nature or extent of the interest of the Director 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 or his associate(s)~~ chairman of the meeting such question shall be decided by a resolution of the Board (for which purpose such ~~Chairman~~ shall not be counted in the quorum and 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 or his associate(s)~~ chairman as known to such ~~Chairman~~ has not been fairly disclosed to the Board.

#### GENERAL POWERS OF THE DIRECTORS

1041. (1) The business of the Company shall be managed and conducted by the Board, which may pay all expenses incurred in forming and registering the Company and may exercise all powers of the Company (whether relating to the management of the business of the Company or otherwise) which are not by the Statutes or by these Bye-laws required to be exercised by the Company in general meeting, subject nevertheless to the provisions of the Statutes and of these Bye-laws and to such regulations being not inconsistent with such provisions, as may be prescribed by the Company in general meeting, but no regulations made by the Company in general meeting shall invalidate any prior act of the Board which would have been valid if

such regulations had not been made. The general powers given by this Bye-law shall not ~~he~~be limited or restricted by any special authority or power given to the Board by any other Bye-law.

- (2) Any person contracting or dealing with the Company in the ordinary course of business shall be entitled to rely on any written or oral contract or agreement or deed, document or instrument entered into or executed as the case may be by any two of the Directors acting jointly on behalf of the Company and the same shall be deemed to be validly entered into or executed by the Company as the case may be and shall, subject to any rule of law, be binding on the Company.
- (3) Without prejudice to the general powers conferred by these Bye-laws it is hereby expressly declared that the Board shall have the following powers:
  - (a) 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;;
  - (b) to give to any Directors, officers or servants of the Company an interest in any particular business or transaction or participation in the profits thereof or in the general profits of the Company either in addition to or in substitution for a salary or other remuneration;; and
  - (c) to resolve that the Company be discontinued in Bermuda and continued in a named country or jurisdiction outside Bermuda subject to the provisions of the Act.

1052. The Board may establish any regional or local boards or agencies for managing any of the affairs of the Company in any place, and may appoint any persons to be members of such local boards, or any managers or agents, and may fix their remuneration (either by way of salary or by 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 staff employed by them upon the business of the Company. The Board may delegate to any regional or local board, manager ~~or~~ for agent any of the powers, authorities and discretions vested in or exercisable by the Board (other than its powers to make calls and forfeit shares), with power to sub-delegate, and may authorise the members of any of them to fill any vacancies therein and to act notwithstanding vacancies. Any such appointment or delegation may be made upon such terms and subject to such conditions as

the Board may think fit, and the Board may remove any person appointed as aforesaid, and may revoke or vary such delegation, but no person dealing in good faith and without notice of any such revocation or variation shall be affected thereby.

1063. The Board may by power of attorney appoint under the Seal 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. Such attorney or attorneys may, if so authorised under the Seal of the Company, execute any deed or instrument under their personal seal with the same effect as the affixation of the Seal.
1074. The Board may entrust to and confer upon a managing director, joint managing director, deputy managing director, an executive director or any Director any of the powers exercisable by it upon such terms and conditions and with such restrictions as it thinks fit, and either collaterally with, or to the exclusion of, its own powers, and may from time to time revoke or vary all or any of such powers but no person dealing in good faith and without notice of such revocation or variation shall be affected thereby.
1085. All cheques, promissory notes, drafts, bills of exchange and other instruments, whether negotiable or transferable or not, and all receipts for moneys paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as the Board shall from time to time by resolution determine. The Company's banking accounts shall be kept with such banker or bankers as the Board shall from time to time determine.
1096. (1) The Board 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 the Company's moneys to any schemes or funds for providing pensions, sickness or compassionate allowances, 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 person.

- (2) The Board may pay, enter into agreements to ~~pay~~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 Board considers desirable, be granted to an employee either before and in anticipation of or upon or at any time after his actual retirement.

### BORROWING POWERS

- ~~1107.~~ The Board may exercise all the powers of the Company to raise or borrow money and to mortgage or charge all or any part of the undertaking, property and assets (present and future) and uncalled capital of the Company and, subject to the Act, to issue debentures, bonds and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.
- ~~1108.~~ Debentures, 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.
- ~~1109.~~ Any debentures, 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.
- ~~1130.~~ (1) 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.
- (2) The Board shall cause a proper register to be kept, in accordance with the provisions of the Act, of all charges specifically affecting the property of the Company and of any series of debentures issued by the Company and shall duly comply with the requirements of the Act in regard to the registration of charges and debentures therein specified and otherwise.



## PROCEEDINGS OF THE DIRECTORS

1141. The Board may meet for the despatch of business, adjourn and otherwise regulate its meetings as it considers appropriate. Questions arising at any meeting shall be determined by a majority of votes. In the case of any equality of votes the chairman of the meeting shall have an additional or casting vote.
1152. A meeting of the Board may be convened by the Secretary on request of a Director or by any Director. The Secretary shall convene a meeting of the Board ~~of which notice may~~ whenever he shall be required so to do by any Director. Notice of a meeting of the Board shall be deemed to be duly given to a Director if it is given to such Director in writing or verbally (including in person or by telephone) or via electronic mail or in such other manner as the Board may from time to time determine whenever he shall be required so to do by the president or chairman, as the case may be, or any Director.
1163. (1) The quorum necessary for the transaction of the business of the Board may be fixed by the Board and, unless so fixed at any other number, shall be two (2). An alternate Director shall be counted in a quorum in the case of the absence of a Director for whom he is the alternate provided that he shall not be counted more than once for the purpose of determining whether or not a quorum is present.
- (2) Directors may participate in any meeting of the Board by means of a conference telephone, electronic or other communications equipment through which all persons participating in the meeting can communicate with each other simultaneously and instantaneously and, for the purpose of counting a quorum, such participation shall constitute presence at a meeting as if those participating were present in person.
- (3) Any Director who ceases to be a Director at a Board meeting may continue to be present and to act as a Director and be counted in the quorum until the termination of such Board meeting if no other Director objects and if otherwise a quorum of Directors would not be present.
1174. The continuing Directors or a sole continuing Director may act notwithstanding any vacancy in the Board but, if and so long as the number of Directors is reduced below the minimum number fixed by or in accordance with these Bye-laws, the continuing Directors or Director, notwithstanding that the number of Directors is below the number fixed by or in accordance with these Bye-laws as the quorum or that there is only one continuing Director, may act for the purpose of filling vacancies in the Board or of summoning general meetings of the Company but not for any other purpose.

1185. The Board may elect ~~one or more~~ chairman and one or more deputy chairman of its meetings and determine the period for which they are respectively to hold such office. If no chairman or deputy chairman is elected, or if at any meeting ~~neither the~~ no chairman ~~nor~~ any or deputy chairman is present within five (5) minutes after the time appointed for holding the same, the Directors present may choose one of their number to be chairman of the meeting.
1196. A meeting of the Board at which a quorum is present shall be competent to exercise all the powers, authorities and discretions for the time being vested in or exercisable by the Board.
12017. (1) The Board may delegate any of its powers, authorities and discretions to committees, consisting of such Director or Directors and other persons as it thinks fit, and they may, from time to time, revoke such delegation or revoke the appointment of and discharge any such committees either wholly or in part, and either as to persons or purposes. Any committee so formed shall, in the exercise of the powers, authorities and discretions so delegated, conform to any regulations which may be imposed on it by the Board.
- (2) All acts done by any such committee in conformity with such regulations, and in fulfilment of the purposes for which it was appointed, but not otherwise, shall have 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 such committee, and charge such remuneration to the current expenses of the Company.
1218. The meetings and proceedings of any committee consisting of two or more members shall be governed by the provisions contained in these Bye-laws for regulating the meetings and proceedings of the Board so far as the same are applicable and are not superseded by any regulations imposed by the Board under the last preceding Bye-law.
12219. A resolution in writing signed by all the Directors except such as are temporarily unable to act through ill-health or disability, and all the alternate Directors, if appropriate, whose appointors are temporarily unable to act as aforesaid shall be as valid and effectual as if a resolution had been passed at a meeting of the Board duly convened and held provided that such number is sufficient to constitute a quorum and that a copy of such resolution has been given or the contents thereof communicated to all the Directors for the time being entitled to receive notices of Board meetings in the same manner as notices of meetings are required to be given by these Bye-laws and further provided that no Director is aware of or has received any objection to the resolution from any Director. Such resolution may

be contained in one document or in several documents in like form each signed by one or more of the Directors or alternate Directors and for this purpose a facsimile signature of a Director or an alternate Director shall be treated as valid. Notwithstanding the foregoing, a resolution in writing shall not be passed in lieu of a meeting of the Board for the purposes of considering any matter or business in which a substantial shareholder of the Company or a Director has a conflict of interest and the Board has determined that such conflict of interest to be material.

1230. All acts bona fide done by the Board or by any committee or by any person acting as a Director or members of a committee, shall, notwithstanding that it is afterwards discovered that there was some defect in the appointment of any member of the Board or such committee or person acting as aforesaid or that they or any of them were disqualified or had vacated office, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director or member of such committee.

#### MANAGERS

1241. The Board may from time to time appoint a general manager, a manager or managers 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.
1252. 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 as it may think fit.
1263. 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.

## OFFICERS

1274. (1) The officers of the Company shall consist of a ~~president and vice-president or chairman and deputy chairman~~, the Directors and Secretary and such additional officers (who may or may not be Directors) as the Board may from time to time determine, all of whom shall be deemed to be officers for the purposes of the Act and, subject to Bye-law 128(4), these Bye-laws.
- (2) ~~The Directors shall, as soon as may be after each appointment or election of Directors, elect amongst the Directors a president and a vice-president or a chairman and a deputy chairman; and if more than one (1) Director is proposed for either of these offices, the election to such office shall take place in such manner as the Directors may determine.~~
- (2)(3) The officers shall receive such remuneration as the Directors may from time to time determine.
- (4) ~~Where the Company appoints and maintains a resident representative ordinarily resident in Bermuda in accordance with the Act, the resident representative shall comply with the provisions of the Act.~~
- (4) The Company shall provide the resident representative with such documents and information as the resident representative may require in order to be able to comply with the provisions of the Act.
- (5) The resident representative shall be entitled to have notice of, attend and be heard at all meetings of the Directors or of any committee of such Directors or general meetings of the Company.
1285. (1) The Secretary and additional officers, if any, shall be appointed by the Board and shall hold office on such terms and for such period as the Board may determine. If thought fit, two (2) or more persons may be appointed as joint Secretaries. The Board may also appoint from time to time on such terms as it thinks fit one or more assistant or deputy Secretaries.
- (2) The Secretary shall attend all meetings of the Members and shall keep correct minutes of such meetings and enter the same in the proper books provided for the purpose. He shall perform such other duties as are prescribed by the Act or these Bye-laws or as may be prescribed by the Board.

~~129.~~ The president or the chairman, as the case may be, shall act as chairman at all meetings of the Members and of the Directors at which he is present. In his absence a chairman shall be appointed or elected by those present at the meeting.

~~130-126.~~ The officers of the Company shall have such powers and perform such duties in the management, business and affairs of the Company as may be delegated to them by the Directors from time to time.

~~131-27.~~ A provision of the Act 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.

### REGISTER OF DIRECTORS AND OFFICERS

~~1328.~~ (1) The Board shall cause to be kept in one or more books at the Office a Register of Directors and Officers and shall enter therein the following particulars with respect to each Director and Officer, that is to say:

(a) in the case of an individual, his or her present first name, surname and address; and

(b) in the case of a company, its name and registered office.

(2) The Board shall within a period of fourteen (14) days from the occurrence of:

(a) any change among the Directors and Officers; or

(b) any change in the particulars contained in the Register of Directors and Officers,

cause to be entered on the Register of Directors and Officers the particulars of such change ~~and of the date on which it occurred.~~

(3) The Register of Directors and Officers shall be open to inspection by members of the public without charge at the Office between 10:00 a.m. and 12:00 noon ~~on~~ everyduring business dayhours.

(4) In this Bye-law "Officer" has the meaning ascribed to it in Section 92A(7) of the Act.

**MINUTES**

13329. (1) The Board shall cause Minutes to be duly entered in books provided for the purpose:
- (a) of all elections and appointments of officers;
  - (b) of the names of the Directors present at each meeting of the Directors and of any committee of the Directors;
  - (c) of all resolutions and proceedings of each general meeting of the Members and meetings of the Board.
- (2) Minutes prepared in accordance with the Act and these Bye-laws shall be kept by the Secretary at the Office.

**SEAL**

1340. (1) The Company shall have one or more Seals, as the Board may determine. For the purpose of sealing documents creating or evidencing securities issued by the Company, the Company may have a securities seal which is a facsimile of the Seal with the addition of the words "Securities Seal" on its face or in such other form as the Board may approve. The Board shall provide for the custody of each Seal and no Seal shall be used without the authority of the Board or of a committee of the Board authorised by the Board in that behalf. Subject as otherwise provided in these Bye-laws, any instrument to which a Seal is affixed shall be signed autographically by one Director and the Secretary or by two Directors or by such other person (including a Director) or persons as the Board may appoint, either generally or in any particular case, save that as regards any certificates for shares or debentures or other securities of the Company the Board 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. Every instrument executed in the manner provided by this Bye-law shall be deemed to be sealed and executed with the authority of the Board previously given.
- (2) Where the Company has a Seal for use abroad, the Board may by writing under the Seal appoint any agent or committee abroad to be the duly authorised agent of the Company for the purpose of affixing and using such Seal and the Board may impose restrictions on the use thereof as may be thought fit. Wherever in these Bye-laws reference is made to the Seal, the reference shall, when and so far as may be applicable, be deemed to include any such other Seal as aforesaid.

**AUTHENTICATION OF DOCUMENTS**

1351. Any Director or the Secretary or any person appointed by the Board for the purpose may authenticate any documents affecting the constitution of the Company and any resolution passed by the Company or the Board 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 or extracts, and if any books, records, documents or accounts are elsewhere than at the Office or the head office the local manager or other officer of the Company having the custody thereof shall be deemed to be a person so appointed by the Board. 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 Board or any committee which is so certified 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 such minutes or extract is a true and accurate record of proceedings at a duly constituted meeting.

**DESTRUCTION OF DOCUMENTS**

1362. (1) The Company shall be entitled to destroy the following documents at the following times:
- (a) any share certificate which has been cancelled at any time after the expiry of one (1) 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 (2) years from the date 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 seven (7) years from the date of registration;
  - (d) any allotment letters after the expiry of seven (7) years from the date of issue thereof; and
  - (e) copies of powers of attorney, grants of probate and letters of administration at any time after the expiry of seven (7) years after the account to which the relevant power of attorney, grant of probate or letters of administration related has been closed;

and it shall conclusively be presumed in favour of the Company that every entry in the Register purporting to be made on the basis of any such documents so destroyed was duly and properly made and 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: (1) 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; (2) 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 (1) above are not fulfilled; and (3) references in this Bye-law to the destruction of any document include references to its disposal in any manner.

- (2) Notwithstanding any provision contained in these Bye-laws, the Directors may, if permitted by applicable law, authorise the destruction of documents set out in sub-paragraphs (a) to (e) of paragraph (1) of this Bye-law and any other documents in relation to share registration which have been microfilmed or electronically stored by the Company or by the share registrar on its behalf provided always that this Bye-law shall apply only to the destruction of a document in good faith and without express notice to the Company and its share registrar that the preservation of such document was relevant to a claim.

#### DIVIDENDS AND OTHER PAYMENTS

1373. Subject to the Act, the Company in general meeting may from time to time declare dividends in any currency to be paid to the Members but no dividend shall be declared in excess of the amount recommended by the Board. The Company in general meeting may also make a distribution to the Members out of any contributed surplus (as ascertained in accordance with the Act).

1384. 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 ~~the aggregate of its liabilities and its issued share capital and share premium accounts.~~

1395. Except in so far as the rights attaching to, or the terms of issue of, any share otherwise provide:



- (a) all dividends shall be declared and paid according to the amounts paid up on the shares in respect of which the dividend is paid, but no amount paid up on a share in advance of calls shall be treated for the purposes of this Bye-law as paid up on the share; and
- (b) all dividends shall be apportioned and paid pro rata according to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid.
14036. The Board may from time to time pay to the Members such interim dividends as appear to the Board to be justified by the profits 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 on the holders thereof deferred or non-preferential rights as well as in respect of those shares which confer on the holders thereof preferential rights with regard to dividend and provided that the Board acts bona fide the Board shall not incur any responsibility to the holders of shares conferring any preference for any damage that they may suffer by reason of the payment of an interim dividend on any shares having deferred or non-preferential rights and may also pay any fixed dividend which is payable on any shares of the Company half-yearly or on any other dates, whenever such profits, in the opinion of the Board, justifies such payment.
14137. The Board may deduct from any dividend or other moneys payable to a Member by the Company on or in respect of any shares all sums of money (if any) presently payable by him to the Company on account of calls or otherwise.
14238. No dividend or other moneys payable by the Company on or in respect of any share shall bear interest against the Company.
1439. Any dividend, interest or other sum payable in cash to the holder of shares may be paid by cheque or warrant sent through the post addressed to the holder at his registered address or, in the case of joint holders, addressed to the holder whose name stands first in the Register in respect of the shares at his address as appearing in the Register or addressed to such person and at such address as the holder or joint holders may in writing direct. Every such cheque or warrant shall, unless the holder or joint holders otherwise direct, be made payable to the order of the holder or, in the case of joint holders, to the order of the holder whose name stands first on the Register in respect of such shares, and shall be sent at his or their risk and payment of the cheque or warrant by the bank on which it is drawn shall constitute a good discharge to the Company notwithstanding that it may subsequently

appear that the same has been stolen or that any endorsement thereon has been forged. Any one of two or more joint holders may give effectual receipts for any dividends or other moneys payable or property distributable in respect of the shares held by such joint holders.

1440. All dividends or bonuses unclaimed for one (1) year after having been declared may be invested or otherwise made use of by the Board for the benefit of the Company until claimed. Any dividend or bonuses unclaimed after a period of six (6) years from the date of declaration shall be forfeited and shall revert to the Company. The payment by the Board of any unclaimed dividend or other sums payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof.
1451. Whenever the Board or the Company in general meeting has 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, and where any difficulty arises in regard to the distribution the Board may settle the same as it thinks expedient, and in particular may issue certificates in respect of fractions of shares, disregard fractional entitlements or round the same up or down, and may fix the value for distribution of such specific assets, or any part thereof, and may determine that cash payments shall be made to any Members upon the footing of the value so fixed in order to adjust the rights of all parties, and may vest any such specific assets in trustees as may seem expedient to the Board and may appoint any person to sign any requisite instruments of transfer and other documents on behalf of the persons entitled to the dividend, and such appointment shall be effective and binding on the Members. The Board may resolve that no such assets shall be made available to Members with registered addresses in any particular territory or territories where, in the absence of a registration statement or other special formalities, such distribution of assets would or might, in the opinion of the Board, be unlawful or impracticable and in such event the only entitlement of the Members aforesaid shall be to receive cash payments as aforesaid. Members affected as a result of the foregoing sentence shall not be or be deemed to be a separate class of Members for any purpose whatsoever.
1462. (1) Whenever the Board or the Company in general meeting has resolved that a dividend be paid or declared on any class of the share capital of the Company, the Board may further resolve either:

- (a) that such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid up, provided that the shareholders entitled thereto will be entitled to elect to receive such dividend (or part thereof if the Board so determines) in cash in lieu of such allotment. In such case, the following provisions shall apply:
- (i) the basis of any such allotment shall be determined by the Board;
  - (ii) the Board, after determining the basis of allotment, shall give not less than two (2) weeks' Notice to the holders of the relevant shares 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;
  - (iii) 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
  - (iv) 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 satisfaction thereof shares of the relevant class 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 (including profits carried and standing to the credit of any reserves or other special account other than the Subscription Rights Reserve (as defined below)) as the Board may determine, such sum as may be required to pay up in full the appropriate number of shares of the relevant class for allotment and distribution to and amongst the holders of the non-elected shares on such basis; or
- (b) that the shareholders entitled to such dividend shall be entitled to elect to receive an allotment of shares credited as fully paid up in lieu of the whole or such part of the dividend as the Board may think fit. In such case, the following provisions shall apply:
- (i) the basis of any such allotment shall be determined by the Board;

- (ii) the Board, after determining the basis of allotment, shall give not less than two (2) weeks' Notice to the holders of the relevant shares 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;
  - (iii) 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
  - (iv) the dividend (or that part of the dividend in respect of which a right of election has been accorded) shall not be payable in cash on shares in respect whereof the share election has been duly exercised ("the elected shares") and in lieu thereof shares of the relevant class 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 (including profits carried and standing to the credit of any reserves or other special account other than the Subscription Rights Reserve (as defined below)) as the Board may determine, such sum as may be required to pay up in full the appropriate number of shares of the relevant class for allotment and distribution to and amongst the holders of the elected shares on such basis.
- (2) (a) The shares allotted pursuant to the provisions of paragraph (1) of this Bye-law shall rank *pari passu* in all respects with shares of the same class (if any) then in issue save only as regards participation in the relevant dividend or in any other distributions, bonuses or rights paid, made, declared or announced prior to or contemporaneously with the payment or declaration of the relevant dividend unless, contemporaneously with the announcement by the Board of their proposal to apply the provisions of sub-paragraph (a) or (b) of paragraph (2) 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 (1) of this Bye-law shall rank for participation in such distribution, bonus or rights.

- (b) The Board may do all acts and things considered necessary or expedient to give effect to any capitalisation pursuant to the provisions of paragraph (1) of this Bye-law, with full power to the Board to make such provisions as it thinks 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.
- (3) The Company may upon the recommendation of the Board by ordinary resolution resolve in respect of any one particular dividend of the Company that notwithstanding the provisions of paragraph (1) 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.
- (4) The Board may on any occasion determine that rights of election and the allotment of shares under paragraph (1) 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, in the opinion of the Board, be unlawful or impracticable, and in such event the provisions aforesaid shall be read and construed subject to such determination. Members affected as a result of the foregoing sentence shall not be or be deemed to be a separate class of Members for any purpose whatsoever.
- (5) Any resolution declaring a dividend on shares of any class, whether a resolution of the Company in general meeting or a resolution of the Board, may specify that the same shall be payable or distributable to the persons registered as the holders of such shares at the close of business on a particular date, notwithstanding that it may be a date prior to that on which the resolution is passed, and thereupon the dividend shall be payable or distributable to them in accordance with their respective holdings so registered, but without prejudice to the rights inter se in respect of such dividend of transferors and transferees of any such shares. The provisions of this Bye-law shall mutatis mutandis apply to bonuses, capitalisation issues, distributions of realised capital profits or offers or grants made by the Company to the Members.

**RESERVES**

1473. Before recommending any dividend, the Board may set aside out of the profits of the Company such sums as it determines as reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied and pending such application may, also at such discretion, either be employed in the business of the Company or be invested in such investments 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.

**CAPITALISATION**

1484. (1) The Company may, upon the recommendation of the Board, at any time and from time to time pass an ordinary resolution to the effect that it is desirable to capitalise all or any part of any amount for the time being standing to the credit of any reserve or fund (including the profit and loss account) whether or not the same is available for distribution and accordingly that such amount be set free for distribution among the Members or any class of Members who would be entitled thereto if it were distributed by way of dividend and in the same proportions, on the footing that the same is not paid in cash but is applied either in or towards paying up the amounts for the time being unpaid on any shares in the Company held by such Members respectively or in paying up in full unissued shares, debentures or other obligations of the Company, to be allotted and distributed credited as fully paid up among such Members, or partly in one way and partly in the other, and the Board shall give effect to such resolution provided that, for the purposes of this Bye-law ~~and subject to Section 40(2A) of the Act~~, a share premium account and any reserve or fund representing unrealised profits, may be applied only in paying up in full unissued shares of the Company to be allotted to such Members credited as fully paid. In carrying sums to reserve and in applying the same the Board shall comply with the provisions of the Act.

(2) Notwithstanding any provisions in these Bye-laws, the Board may resolve to capitalise all or any part of any amount for the time being standing to the credit of any reserve or fund (including the profit and loss account) whether or not the same is available for distribution by applying such sum in paying up unissued shares to be allotted to (i) employees (including directors) of the Company and/or its affiliates (meaning any individual, corporation, partnership, association, joint-stock company, trust, unincorporated association or other entity (other than the Company) that

directly, or indirectly through one or more intermediaries, controls, is controlled by or is under common control with, the Company) upon exercise or vesting of any options or awards granted under any share incentive scheme or employee benefit scheme or other arrangement which relates to such persons that has been adopted or approved by the Members at a general meeting, or (ii) any trustee of any trust to whom shares are to be allotted and issued by the Company in connection with the operation of any share incentive scheme or employee benefit scheme or other arrangement which relates to such persons that has been adopted or approved by the Members at a general meeting.

1495. The Board may settle, as it considers appropriate, any difficulty arising in regard to any distribution under the last preceding Bye-law and in particular may issue certificates in respect of fractions of shares or authorise any person to sell and transfer any fractions or may resolve that the distribution should be as nearly as may be practicable in the correct proportion but not exactly so or may ignore fractions altogether, and may determine that cash payments shall be made to any Members in order to adjust the rights of all parties, as may seem expedient to the Board. The Board may appoint any person to sign on behalf of the persons entitled to participate in the distribution any contract necessary or desirable for giving effect thereto and such appointment shall be effective and binding upon the Members.

## SUBSCRIPTION RIGHTS RESERVE

15046. The following provisions shall have effect to the extent that they are not prohibited by and are in compliance with the Act:

- (1) If, so long as any of the rights attached to any warrants issued by the Company to subscribe for shares of the Company shall remain exercisable, the Company does any act or engages in any transaction which, as a result of any adjustments to the subscription price in accordance with the provisions of the conditions of the warrants, would reduce the subscription price to below the nominal value of a share, then the following provisions shall apply:
  - (a) 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 Rights 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 (c) below on the exercise in full of all the subscription rights outstanding and shall apply the Subscription Rights Reserve in paying up such additional shares in full as and when the same are allotted;
  - (b) the Subscription Rights 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) have been extinguished and will then only be used to make good losses of the Company if and so far as is required by law;
  - (c) upon the exercise of all or any of the subscription rights represented by any warrants, the relevant subscription rights shall be exercisable in respect of a nominal amount of shares equal to the amount in cash which the holder of such warrant is required to pay on exercise of the subscription rights represented thereby (or, as the case may be the relevant portion thereof in the event of a partial exercise of the subscription rights) and, in addition, there shall be allotted in respect of such subscription rights to the exercising warrant holder, credited as fully paid, such additional nominal amount of shares as is equal to the difference between:



- (i) 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
  - (ii) the nominal amount of shares in respect of which such subscription rights would have been exercisable having regard to the provisions of the conditions of the warrants, had it been possible for such subscription rights to represent the right to subscribe for shares at less than par and immediately upon such exercise so much of the sum standing to the credit of the Subscription Rights 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 holders; and
- (d) if, upon the exercise of the subscription rights represented by any warrant, the amount standing to the credit of the Subscription Rights 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, share premium account) 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 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.
- (2) 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 (1) of this Bye-law, no fraction of any share shall be allotted on exercise of the subscription rights.

- (3) The provision of this Bye-law as to the establishment and maintenance of the Subscription Rights 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.
- (4) A certificate or report by the auditors for the time being of the Company as to whether or not the Subscription Rights 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 Rights 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 Rights Reserve shall (in the absence of manifest error) be conclusive and binding upon the Company and all warrant holders and shareholders.

#### ACCOUNTING RECORDS

1547. 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 receipt and expenditure take place, and of the property, assets, credits and liabilities of the Company and of all other matters required by the Act or necessary to give a true and fair view of the Company's affairs and to explain its transactions.
15248. The accounting records shall be kept at the Office or, subject to the Act, at such other place or places as the Board decides and shall always be open to inspection by the Directors. No Member (other than a Director) shall have any right of inspecting any accounting record or book or document of the Company except as conferred by law or authorised by the Board or the Company in general meeting.
15349. Subject to Section 88 of the Act and Bye-law 150, 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) days before the date of the annual general meeting and laid before the Company ~~in~~ at the annual general meeting in accordance with the requirements of the 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.

1540. 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 15349 shall be deemed satisfied in relation to any person by sending to the person in any manner not prohibited by the Statutes ~~and instead of such copies, a summary, summarised~~ financial statements 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~~ summarised financial statements, a complete printed copy of the Company's annual financial statement and the directors' report thereon.
1551. The requirement to send to a person referred to in Bye-law 15349 the documents referred to in that ~~article~~ provision or a summary financial report in accordance with Bye-law 1540 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 15349 and, if applicable, a summary financial report complying with Bye-law 1540, 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.

#### AUDIT

1562. (1) Subject to Section 88 of the Act, at the annual general meeting or at a subsequent special general meeting in each year, the Members shall by ordinary resolution appoint an auditor to audit the accounts of the Company and such auditor shall hold office until the Members appoint another auditor. Such auditor may be a Member but no Director or officer or employee of the Company shall, during his continuance in office, be eligible to act as an auditor of the Company.

- (2) Subject to Section 89 of the Act, a person, other than an incumbent Auditor, shall not be capable of being appointed Auditor at an annual general meeting unless notice in writing of an intention to nominate that person to the office of Auditor has been given not less than twenty-one (21) days before the annual general meeting and furthermore, the Company shall send a copy of any such notice to the incumbent Auditor.
- (3) The Members may, at any general meeting convened and held in accordance with these Bye-laws, by ~~special~~extraordinary resolution remove the Auditor at any time before the expiration of his term of office and shall by ordinary resolution at that meeting appoint another Auditor in his stead for the remainder of his term.
1573. Subject to Section 88 of the Act the accounts of the Company shall be audited at least once in every year.
1584. The remuneration of the Auditor shall be fixed by the Company by ordinary resolution in general meeting or in such manner as the Members may by ordinary resolution determine.
155. The Directors 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. The remuneration of any Auditor appointed by the Directors under this Bye-law may be fixed by the Board. Subject to Bye-law 152(3), an Auditor appointed under this Bye-law shall hold office until the next following annual general meeting of the Company and shall then be subject to appointment by the Members under Bye-law 152(1) at such remuneration to be determined by the Members under Bye-law 154.
- ~~159. 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 shall fill the vacancy and fix the remuneration of the Auditor so appointed."~~
1560. The Auditor shall at all reasonable times have access to all books kept by the Company and to all accounts and vouchers relating thereto; and he may call on the Directors or officers of the Company for any information in their possession relating to the books or affairs of the Company.
- ~~164~~57. The statement of income and expenditure and the balance sheet provided for by these Bye-laws shall be examined by the Auditor and compared by him with the books, accounts and vouchers relating thereto; and he shall make a written report thereon stating whether such statement and balance sheet are drawn up so as to present fairly the financial position

of the Company and the results of its operations for the period under review and, in case information shall have been called for from Directors or officers of the Company, whether the same has been furnished and has been satisfactory. The financial statements of the Company shall be audited by the Auditor in accordance with generally accepted auditing standards. The Auditor shall make a written report thereon in accordance with generally accepted auditing standards and the report of the Auditor shall be submitted to the Members in general meeting. The generally accepted auditing standards referred to herein may be those of a country or jurisdiction other than Bermuda. If the auditing standards of a country or jurisdiction other than Bermuda are used, the financial statements and the report of the Auditor should disclose this fact and name such country or jurisdiction.

### NOTICES

16258. 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 (as defined in the Act) or in newspapers published daily and circulating generally in the territory of and in accordance with the requirements of the Designated Stock Exchange 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 other than by posting it on a website. 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.

16359. Any Notice or other document:

- (a) 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 ~~the~~ Notice or other document was so addressed and put into the post shall be conclusive evidence thereof;
- (b) 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 ~~the~~ 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;
- (c) 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 despatch, 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, despatch, transmission or publication shall be conclusive evidence thereof; and
- (d) 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.

1640. (1) Any Notice or other document delivered or sent by post to or left at the registered address of any Member in pursuance of these Bye-laws shall, notwithstanding that such Member is then dead or bankrupt or that any other event has occurred, and whether or not the Company has notice of the death or bankruptcy or other event, be deemed to have been duly served or delivered in respect of any share registered in the name of such Member as sole or joint holder unless his name shall, at the time of the service or delivery of the ~~the~~ Notice or document, have been removed from the Register as the holder of the share, and such service or delivery shall for all purposes be deemed a sufficient service or delivery of such Notice or document on all persons interested (whether jointly with or as claiming through or under him) in the share.

- (2) 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.
- (3) 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.

### SIGNATURES

1651. For the purposes of these Bye-laws, a ~~eable or telex or facsimile~~ or electronic transmission message purporting to come from a holder of shares or, as the case may be, a Director or alternate Director, or, in the case of a corporation which is a holder of shares from a director or the secretary thereof or a duly appointed attorney or duly authorised representative thereof for it and on its behalf, shall in the absence of express evidence to the contrary available to the person relying thereon at the relevant time be deemed to be a document or instrument in writing signed by such holder or Director or alternate Director in the terms in which it is received. The signature to any notice or document to be given by the Company may be written, printed or made electronically.

### WINDING UP

162. (1) Subject to Bye-law 162(2)~~The, the~~ Board shall have power in the name and on behalf of the Company to present a petition to the court for the Company to be wound up.
- (2) A resolution that the Company be wound up by the court or be wound up voluntarily shall be a special resolution.
1673. 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 and any other sanction required by the Act, 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 properties of one kind or shall consist of properties to be divided as aforesaid 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, vest any part of the assets in trustees upon such trusts for the benefit of the 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

1684. (1) The Directors, Secretary and other officers and every Auditor ~~for the time being~~ of the Company at any time, whether at present or in the past, and the liquidator or trustees (if any) ~~for the time being acting or who have acted~~ in relation to any of the affairs of the Company and everyone of them, and everyone of their heirs, executors and administrators, shall be indemnified and secured harmless out of the assets and profits 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 heirs, executors or administrators, shall or may incur or sustain by or 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; and none of them shall be answerable for the acts, receipts, neglects or defaults of the other or others of them or for joining in any receipts for the sake of conformity, or for any bankers or other persons with whom any moneys or effects belonging to the Company shall or may be lodged or deposited for safe custody, or for insufficiency or deficiency of any security upon which any moneys of or belonging to the Company shall be placed out on 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; PROVIDED THAT this indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to any of said persons.
- (2) Each Member agrees to waive any claim or right of action he might have, whether individually or by or in the right of the Company, against any Director on account of any action taken by such Director, or the failure of such Director to take any action in the performance of his duties with or for the Company; PROVIDED THAT such waiver shall not extend to any matter in respect of any fraud or dishonesty which may attach to such Director.



**ALTERATION OF BYE-LAWS AND AMENDMENT TO MEMORANDUM OF  
ASSOCIATION AND NAME OF COMPANY**

1695. No Bye-law shall be rescinded, altered or amended and no new Bye-law shall be made until the same has been approved by a resolution of the Directors and confirmed by a special resolution of the Members. A special resolution shall be required to alter the provisions of the memorandum of association or to change the name of the Company.

**INFORMATION**

17066. No Member shall be entitled to require discovery of or any information in respect of any detail of the Company's trading or any matter which is or may be in the nature of a trade secret or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Directors it will be inexpedient in the interests of the members of the Company to communicate to the public.



**CHINA PUBLIC PROCUREMENT LIMITED**

**中國公共採購有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock code: 1094)**

**NOTICE IS HEREBY GIVEN** that an annual general meeting (the “**Meeting**”) of China Public Procurement Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) will be held at Unit 705, 7/F, Nam Wo Hong Building, 148 Wing Lok Street, Sheung Wan, Hong Kong on Wednesday, 3 August 2022 at 2:00 p.m. for the purpose of considering and, if thought fit, passing (with or without amendments) the following resolutions:

1. To receive and consider the audited consolidated financial statements of the Company and its subsidiaries and the reports of the directors and auditors of the Company for the year ended 31 March 2022;
2. To re-elect, each as a separate resolution, the following persons as directors of the Company:
  - (a) Ms. He Qian;
  - (b) Mr. Li Guanghua;
  - (c) Mr. Zhong Dengyu; and
  - (d) Mr. Wang Shuai.
3. To authorise the board of directors (the “**Board**”) to fix the remuneration of the directors of the Company (the “**Directors**”); and
4. To re-appoint Crowe (HK) CPA Limited as the auditors of the Company for the year ending 31 March 2023 and to authorise the Board to fix the auditors’ remuneration.

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## NOTICE OF THE ANNUAL GENERAL MEETING

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As special businesses, to consider and, if thought fit, pass with or without amendments, the following resolutions as ordinary resolutions:

### ORDINARY RESOLUTIONS

5. **“THAT:**

- (a) subject to paragraph (b) below, a general mandate be and is hereby generally and unconditionally given to the Directors to exercise during the Relevant Period (as defined below) all the powers of the Company to purchase its shares in accordance with all applicable laws, rules and regulations;
- (b) the total number of shares of the Company to be purchased pursuant to the mandate in paragraph (a) above shall not exceed 10% of the aggregate number of the issued shares the Company as at the date of passing of this resolution and the said mandate shall be limited accordingly; and
- (c) for the purpose of this resolution,

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

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable laws to be held; and
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.”

6. **“THAT:**

- (a) subject to paragraph (c) below, a general mandate be and is hereby generally and unconditionally given to the Directors during the Relevant Period (as defined below) to allot, issue and deal with additional shares of the Company and to make or grant offers, agreements and options which might require the exercise of such powers;

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## NOTICE OF THE ANNUAL GENERAL MEETING

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- (b) the mandate in paragraph (a) above shall authorise the Directors to make or grant offers, agreements and options during the Relevant Period which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate number of Shares allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to the mandate in paragraph (a) above, otherwise than pursuant to:
  - (i) a Rights Issue (as defined below);
  - (ii) the exercise of options under a share option scheme of the Company; and
  - (iii) any scrip dividend scheme or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the bye-laws of the Company,

shall not exceed 20% of the aggregate number of issued shares of the Company on the date of the passing of this resolution and the said mandate shall be limited accordingly; and

- (d) for the purposes of this resolution:

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

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company, the Companies Act 1981 of Bermuda or any applicable laws to be held; and
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the Directors to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction or the requirements of any recognised regulatory body or any stock exchange).”

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## NOTICE OF THE ANNUAL GENERAL MEETING

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7. “**THAT** conditional upon the passing of resolutions set out in items 5 and 6 of the notice convening this Meeting (the “**Notice**”), the general mandate referred to in the resolution set out in item 6 of the Notice be and is hereby extended by the addition to the aggregate number of shares which may be allotted and issued or agreed conditionally or unconditionally to be allotted and issued by the Directors pursuant to such general mandate of an amount representing the aggregate number of the shares repurchased by the Company pursuant to the mandate referred to in resolution set out in item 5 of the Notice, provided that such amount shall not exceed 10% of the aggregate number of shares of the Company in issue on the date of the passing of this resolution.”
8. (a) “**THAT** subject to and conditional upon the approval from the Listing Committee of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting approval for the listing and trading of the shares to be issued pursuant to the exercise of any options granted under the new share option scheme of the Company (the “**New Share Option Scheme**”, a copy of which marked “A” is produced to the meeting and for the purposes of identification signed by the chairman thereof and a summary of the principal terms of which are set out in the circular of the Company to its shareholders dated 11 July 2022), the New Share Option Scheme be and is hereby approved and adopted; and with effect from the date of the New Share Option Scheme becoming unconditional and coming into effect, the Company’s existing share option scheme adopted on 13 June 2013 (the “**Existing Share Option Scheme**”) be terminated and the Board be and is hereby authorised to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the termination of the Existing Share Option Scheme and the adoption of the New Share Option Scheme, including but without limitation:
- (i) administering, modifying, interpreting the New Share Option Scheme and granting and cancelling options under the New Share Option Scheme;
  - (ii) issuing and allotting from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the exercise of the options granted under the New Share Option Scheme provided that the maximum number of shares of the Company which may be allotted and issued pursuant to the New Share Option Scheme and any other share option scheme of the Group or shares of the Company which may be subject to a share award under any share award plan (excluding, for this purpose, options and share awards which have lapsed in accordance with the relevant schemes or plans of the Group) must not in aggregate exceed 10% of the total issued shares of the Company as at the date of passing of this resolution, the Company may seek approval from its shareholders in general meeting to

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## NOTICE OF THE ANNUAL GENERAL MEETING

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refresh the 10% limit from time to time but provided always that the maximum number of shares of the Company which may be issued upon exercise of all outstanding options under the New Share Option Scheme and any other scheme(s) of the Company shall not in exceed 30% of the total issued shares of the Company from time to time. Before any refreshment of the 10% limit, in the case that no share awards would be made pursuant to any share award plan and no other share option scheme would be adopted by the Group, the total number of shares of the Company which may be allotted and issued pursuant to the New Share Option Scheme shall not exceed 10% of the aggregate number of the issued shares of the Company as at the date of passing of this resolution;

- (iii) modifying and/or amending the New Share Option Scheme from time to time provided that such modification and/or amendment is effected in accordance with the terms of the New Share Option Scheme relating to the modification and/or amendment thereof and is subject to the requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”);
  - (iv) acting as the executive body of the New Share Option Scheme, and being responsible for its implementation and administration;
  - (v) making application at the appropriate time or times to the Stock Exchange of Hong Kong Limited for the listing and trading of any shares or any part thereof that may from time to time be issued and allotted pursuant to the exercise of the options granted under the New Share Option Scheme; and
  - (vi) to consent, if it so deems fit and expedient, to such conditions, modifications and/or variations as may be required or imposed by the relevant authorities in relation to the New Share Option Scheme, including but not limited to the Stock Exchange.
- (b) “**THAT** the Existing Share Option Scheme be and is hereby terminated upon the New Share Option Scheme becoming unconditional and effective such that thereafter no further options shall be offered under the Existing Share Option Scheme (without prejudice to the rights and benefits of and attached to any outstanding options which have been granted under the Existing Share Option Scheme prior to the date of the passing of this resolution).”

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## NOTICE OF THE ANNUAL GENERAL MEETING

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As special businesses, to consider and, if thought fit, pass with or without amendments, the following resolutions as special resolutions:

### SPECIAL RESOLUTIONS

9. “**THAT** subject to and conditional upon the necessary approval of the Registrar of Companies in Bermuda being obtained, the English name of the Company be changed from “China Public Procurement Limited” to “Cherish Sunshine International Limited” and the secondary name of the Company in Chinese be changed from “中國公共採購有限公司” to “承輝國際有限公司” (together, the “**Proposed Change of Company Name**”) with effect from the date of registration as set out in the certificate of incorporation on change of name and the certificate of secondary name to be issued by the Registrar of Companies in Bermuda respectively, and that any one of the Directors, secretary, assistant secretary or registered office provider be and is hereby authorised to do all such acts and things and execute such further documents and take all steps which, in his/her opinion, may be necessary, desirable or expedient to implement and give effect to the Proposed Change of Company Name and to attend to any necessary registration and/or filing for and on behalf of the Company.”
  
10. “**THAT**, subject to and conditional upon the passing of the special resolution no. 9 and with effect from the date of registration as set out in the certificate of incorporation on change of name and the certificate of secondary name to be issued by the Registrar of Companies in Bermuda in respect of the Proposed Change of Company Name,
  - (a) the proposed amendments to the existing Bye-laws of the Company (the “**Proposed Amendments**”), the details of which are set out in Appendix IV to the circular of the Company dated 11 July 2022, be and are hereby approved;
  
  - (b) the amended and restated Bye-laws of the Company (the “**New Bye-laws**”) which incorporate and consolidate the Proposed Amendments and all previous amendments to the Bye-laws of the Company adopted and approved by the Company in the past (a copy of which is tabled at the meeting and marked “B” and signed by the chairman of the meeting for the purpose of identification) be and are hereby approved and adopted in substitution for and to the exclusion of the existing Bye-laws of the Company; and

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## NOTICE OF THE ANNUAL GENERAL MEETING

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- (c) any Director, secretary, assistant secretary or registered office provider of the Company be and is hereby authorised to do all such acts as may be necessary or expedient in order to effect and implement the Proposed Amendments and the adoption of the New Bye-laws and to make relevant registrations and filings in accordance with the requirements of the applicable laws in Bermuda and Hong Kong.”

By order of the Board  
**China Public Procurement Limited**  
**Wu Siyuan**  
*Chairman and Chief Executive*

Hong Kong, 11 July 2022

*As at the date of this notice, the Board comprises two executive Directors, namely Ms. Wu Siyuan (Chairman and Chief Executive) and Ms. He Qian; three non-executive Directors, namely Ms. Liu Qian, Mr. Li Shun and Mr. Li Guanghua; and three independent non-executive Directors, namely Mr. Zhong Dengyu, Mr. Jiang Jun and Mr. Wang Shuai.*

*Notes:*

1. For the purpose of determining members who are qualified for attending the Meeting, the register of members of the Company will be closed from Thursday, 28 July 2022 to Wednesday, 3 August 2022 (both days inclusive), during which period no transfer of the Shares will be effected. In order to qualify for attending and voting at the Meeting, all transfer of Shares, accompanied by the relevant share certificates and transfer forms, must be lodged with the Company’s branch share registrar in Hong Kong, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong, for registration not later than 4:00 p.m. on Wednesday, 27 July 2022.
2. All resolutions at the Meeting will be taken by poll pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the Listing Rules.
3. Any member of the Company entitled to attend and vote at the above Meeting is entitled to appoint one, or if he holds two or more shares, appoint more than one proxy to attend and vote instead of him. A proxy needs not be a member of the Company. If more than one proxy is so appointed, the appointment shall specify the number of shares in respect of which each such proxy is so appointed.
4. In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed or a certified copy of that power or authority, must be deposited at the Company’s branch share registrar in Hong Kong, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong not less than 48 hours before the time appointed for the holding of the Meeting (i.e. by 2:00 p.m. on Monday, 1 August 2022) or any adjournment thereof. Delivery of the form of proxy shall not preclude a member of the Company from attending and voting in person at the Meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.



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## NOTICE OF THE ANNUAL GENERAL MEETING

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5. If Typhoon Signal No. 8 or above, or a “black” rainstorm warning or extreme conditions caused by super typhoons is in effect in Hong Kong any time after 8:00 a.m. on the date of the Meeting, the Meeting will be adjourned. The Company will post an announcement on the website of Company at [www.cpphk1094.com](http://www.cpphk1094.com) and on the HKExnews website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) to notify Shareholders of the date, time and place of the rescheduled Meeting.