

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

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

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China Fortune Holdings Limited

中國長遠控股有限公司*

(Incorporated in Bermuda with limited liability, carrying on business in H.K. as CFH Limited)

(Stock Code: 110)

**PROPOSALS FOR
GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES
AND
RE-ELECTION OF RETIRING DIRECTORS
AND
PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the Annual General Meeting of **China Fortune Holdings Limited** to be held at Room 1505–6, Tower A, Regent Centre, 63 Wo Yi Hop Road, Kwai Chung, Hong Kong on Tuesday, 23 May 2023 at 11:30 a.m. is set out on pages 31 to 35 of this circular. If you are not able to attend such meeting, please complete and return the enclosed form of proxy in accordance with the instructions printed thereon to Tricor Abacus Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding such meeting or any adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting at the meeting or any adjournment thereof, should you so wish and in such event, the form of proxy previously submitted shall be deemed to be revoked.

* *For identification purpose only*

27 April 2023

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DEFINITIONS

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

“Amended and Restated Bye-laws”	the amended and restated bye-laws of the Company incorporating the proposed amendments set forth in Appendix III of this circular, which are proposed to be adopted by the Company at the Annual General Meeting;
“Annual General Meeting”	the annual general meeting of the Company to be held at Room 1505–6, Tower A, Regent Centre, 63 Wo Yi Hop Road, Kwai Chung, Hong Kong, on 23 May 2023 at 11:30 a.m., notice of which is set out on pages 31 to 35 of this circular;
“Board”	the board of Directors of the Company;
“Business Day”	a day on which the Stock Exchange is open for the trading of securities;
“Code”	The Hong Kong Code on Takeovers and Mergers;
“Company”	China Fortune Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange;
“Directors”	the directors of the Company for the time being, including executive directors, non-executive directors and independent non-executive directors;
“Existing Bye-Laws”	the existing bye-laws of the Company as amended from time to time;
“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 PRC;
“Issue Mandate”	a general mandate proposed to be granted to the Directors to exercise the powers of the Company to allot, issue and deal with Shares, during the period as set out in the relevant resolution, up to a maximum of 20% of the issued share capital of the Company as at the date of passing of the relevant resolution;
“Latest Practicable Date”	21 April 2023 being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein;

DEFINITIONS

“Listing Committee”	the listing committee of the Stock Exchange;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	the People’s Republic of China (for the purpose of this circular, does not include Hong Kong);
“Registrar”	the branch share registrar and transfer office of the Company in Hong Kong, Tricor Abacus Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong;
“Repurchase Mandate”	a general mandate proposed to be granted to the Directors to exercise the powers of the Company to repurchase Shares, during the period as set out in the relevant resolution, up to a maximum of 10% of the issued share capital of the Company as at the date of passing of the relevant resolution;
“Shareholders”	registered holders of Shares;
“Shares”	ordinary shares of HK\$0.01 each in the issued share capital of the Company;
“Share Options”	share options granted to certain eligible participants under the share option scheme of the Company adopted on 28 May 2014 and effective on the same day;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Substantial Shareholder”	has the meaning ascribed thereto in the Listing Rules; and
“%”	per cent.

LETTER FROM THE BOARD



China Fortune Holdings Limited
中國長遠控股有限公司*

(Incorporated in Bermuda with limited liability, carrying on business in H.K. as CFH Limited)

(Stock Code: 110)

Executive Directors:

Mr. Lau Siu Ying (*Chairman and C.E.O.*)

Mr. Wang Yu

Mr. Hou Zhenyang

Registered office:

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

Independent non-executive Directors:

Dr. Law Chun Kwan

Dr. Lo Wai Shun

Mr. Leung Wai Hung

Principal Office in Hong Kong:

Room 1505–6, Tower A

Regent Centre

63 Wo Yi Hop Road

Kwai Chung

Hong Kong

27 April 2023

To the Shareholders

Dear Sir or Madam,

**PROPOSALS FOR
GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES
AND
RE-ELECTION OF RETIRING DIRECTORS
AND
PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information reasonably necessary to enable you to make a decision on whether to vote for or against the relevant resolutions to be proposed at the Annual General Meeting of the Company for the purpose of considering and if thought fit, passing resolutions to approve (i) the granting of the general mandates to the Directors to issue and repurchase Shares; (ii) the re-election of retiring Directors who shall retire by rotation and to give you the notice of the Annual General Meeting; and (iii) the

* *For identification purpose only*

LETTER FROM THE BOARD

adoption of the Amended and Restated Bye-Laws. The Board has confirmed that having made all reasonable enquiries, no shareholder of the Company is required to abstain from voting on any of the above mentioned proposed resolutions at the forthcoming Annual General Meeting.

I. GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

At the last annual general meeting of the Company held on 31 May 2022, the Directors were granted a general mandate to exercise the powers of the Company to repurchase issued Shares and a general mandate to issue new Shares in the capital of the Company. No Share had been repurchased or granted under these general mandates up to the Latest Practicable Date. These general mandates will lapse at the conclusion of the Annual General Meeting. The Directors therefore propose to seek your approval of the ordinary resolutions to be proposed at the Annual General Meeting to grant general mandates to the Directors to exercise the powers of the Company to repurchase issued Shares and to issue new Shares in the capital of the Company.

Resolution No. 5 as set out in the notice of the Annual General Meeting will be proposed at the Annual General Meeting as an ordinary resolution to grant to the Directors the Repurchase Mandate. An explanatory statement, as required to be disclosed by the Listing Rules, is set out in Appendix I to this circular. The explanatory statement contains all the information necessary to enable you as Shareholders to make an informed decision on whether or not to vote for or against the ordinary resolution to grant the Repurchase Mandate to the Directors at the Annual General Meeting.

Resolutions Nos. 4 and 6 as set out in notice of the Annual General Meeting will be proposed at the Annual General Meeting as ordinary resolutions to grant to the Directors the Issue Mandate extended by adding the amount of any Shares repurchased by the Company under the Repurchase Mandate. As at the Latest Practicable Date, the number of Shares in issue was 183,555,888. Accordingly, the exercise of the Issue Mandate in full would enable the Company to issue a maximum of 36,711,177 new shares (assuming no share is issued or repurchased after the Latest Practicable Date and up to the passing of the relevant resolution).

II. RE-ELECTION OF RETIRING DIRECTORS

Resolution No. 2 as set out in the notice of the Annual General Meeting will be proposed at the Annual General Meeting as an ordinary resolution to re-elect retiring Directors.

In accordance with Bye-law 86(2) and Bye-law 87 of the Company's bye-laws, Dr. Law Chun Kwan and Dr. Lo Wai Shun shall retire at the forthcoming annual general meeting and, being eligible, offer themselves for re-election, respectively. The particulars of these two Directors, as are required to be disclosed by the Listing Rules, are set out in Appendix II to this circular.

LETTER FROM THE BOARD

III. PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS AND ADOPTION OF THE AMENDED AND RESTATED BYE-LAWS

Reference is made to the announcement of the Company dated 20 April 2023. The Board proposes to seek approval from the Shareholders at the Annual General Meeting for amendments to the Existing Bye-Laws, the provisions of which will principally conform with the core shareholder protection standards set out in Appendix III to the Listing Rules and make other housekeeping changes. The Company will also seek approval from the Shareholders at the Annual General Meeting for the adoption of the Amended and Restated Bye-Laws. The proposed amendments to the Existing Bye-Laws and the adoption of the Amended and Restated Bye-Laws are subject to the approval of the Shareholders by way of special resolution at the Annual General Meeting. Details of the proposed amendments to the Existing Bye-Laws are set out in Appendix III to this circular.

IV. ANNUAL GENERAL MEETING

The notice convening the Annual General Meeting to be held at Room 1505–6, Tower A, Regent Centre, 63 Wo Yi Hop Road, Kwai Chung, Hong Kong on Tuesday, 23 May 2023 at 11:30 a.m. is set out on pages 31 to 35 of this circular.

The Register of Members of the Company will be closed from Tuesday, 16 May 2023 to Tuesday, 23 May 2023 both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the Annual General Meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Share Registrar, Tricor Abacus Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 p.m. on Monday, 15 May 2023.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Accordingly, the chairman of the Annual General Meeting will demand a poll for every resolution put to the vote at the Annual General Meeting pursuant to Bye-Law 66. Additionally, the Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

RECOMMENDATION

The Directors consider that the relevant resolutions in relation to the (i) proposed granting of the general mandates to issue and repurchase Shares, (ii) proposed re-election of Directors, and (iii) proposed adoption of the Amended and Restated Bye-Laws are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend all Shareholders to vote in favour of the relevant resolutions to be proposed at the Annual General Meeting in respect thereof.

Your attention is also drawn to the appendices to this circular.

LETTER FROM THE BOARD

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard 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.

Yours faithfully,
By Order of the Board
CHINA FORTUNE HOLDINGS LIMITED
Lau Siu Ying
Chairman and Chief Executive Officer

The following serves as an explanatory statement in compliance with the Listing Rules to give all the information reasonably necessary to enable Shareholders to make an informed decision on whether to vote for or against the ordinary resolution to approve the grant to the Directors of the Repurchase Mandate.

1. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company was HK\$1,835,558.88 comprising 183,555,888 Shares.

Subject to the passing of the relevant ordinary resolution to approve the Repurchase Mandate (as set out in Resolution No. 5 of the notice of the Annual General Meeting) and on the basis that no further Shares are issued or repurchased prior to the Annual General Meeting, exercise in full of the Repurchase Mandate would result in the repurchase by the Company of a maximum of 18,355,588 Shares during the period as set out in Resolution No. 5 of the notice of the Annual General Meeting, representing not more than 10% of the issued share capital of the Company as at the Latest Practicable Date.

2. REASONS FOR REPURCHASES

The Directors have no present intention to repurchase any Shares but consider that the Repurchase Mandate is in the best interests of the Company and the Shareholders. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets value and/or earnings per share of the Company and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders.

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 Bye-Laws and all applicable laws of Bermuda. Repurchases pursuant to the Repurchase Mandate would be financed entirely from the Company's available cash flow or working capital facilities. Any repurchases will be made out of funds of the Company permitted to be utilised in this connection, including profits otherwise available for distribution.

There might be material adverse impact on the working capital and/or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the 2022 annual report), in the event that the Repurchase Mandate was to be exercised 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 impact 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.

4. SHARE PRICES

The highest and lowest prices at which the Shares have been traded on the Stock Exchange during each of the previous 12 months were as follows:

	Highest <i>HK\$</i> <i>(Per Share)</i>	Lowest <i>HK\$</i> <i>(Per Share)</i>
Year 2022		
April	0.365	0.350
May	0.350	0.290
June	0.320	0.285
July	0.290	0.255
August	0.255	0.250
September	0.250	0.250
October	0.295	0.250
November	0.295	0.270
December	0.330	0.280
Year 2023		
January	0.300	0.246
February	0.300	0.250
March	0.330	0.270
April (up to the Latest Practicable Date)	0.295	0.295

5. DIRECTORS, THEIR ASSOCIATES AND CONNECTED PERSON

None of the Directors nor, to the best of their knowledge and having made all reasonable enquiries, any of their respective associates (as defined in the Listing Rules), have any present intention to sell any Shares to the Company or its subsidiaries under the Repurchase Mandate in the event that such mandate is approved by Shareholders.

No connected person (as defined in the Listing Rules), has notified the Company that he/she has a present intention to sell any Shares to the Company, nor has he/she undertaken not to do so in the event that the Repurchase Mandate is approved by Shareholders.

6. UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules, all applicable laws of Bermuda and in accordance with the Memorandum of Association and Bye-Laws of the Company.

7. EFFECT OF THE 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 the Rule 32 of the Code. As a result, a Shareholder or a group of Shareholders acting in concert (within the meanings of the Code) could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Code for all Shares not already owned by such Shareholder or group of Shareholders.

As at the Latest Practicable Date, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong) showed that the following shareholders had notified the Company of relevant interests in the issued share capital of the Company:

Name of substantial shareholder	Number of ordinary shares held by			Total	Approximate	Approximate
	Beneficial owner	Controlled entity	Discretionary trust		Practicable as at the Latest Date	percentage of the shareholding if the Repurchase Mandate is exercised in full
Mr. Lau Siu Ying	78,685,479	—	37,660,002 (Note 1)	116,345,481	63.38%	70.43%
Mr. Lee Wai, Timothy	—	37,660,002 (Note 2)	—	37,660,002	20.52%	22.80%

Notes:

1. These Shares are held by Future 2000 Limited, a company incorporated in the British Virgin Islands which in turn is held by a discretionary trust. The beneficiaries of the discretionary trust include Mr. Lau Siu Ying, his spouse and his children.
2. Under the Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong), Mr. Lee Wai, Timothy is deemed to have interests in the shares of the Company in which Future 2000 Limited has interests as he is entitled to exercise more than one-third of the voting power at general meetings of Future 2000 Limited.

Assuming that there will be no change to the issued share capital of the Company since the Latest Practicable Date and up to the date of the repurchase, in the event that the Directors exercise in full the power to repurchase Shares of the Company under the Repurchase Mandate, if so approved, in accordance with the terms of Resolution No. 5 as set out in the notice of the Annual General Meeting, the total interests of the above shareholders would be increased to approximately the respective percentages shown in the last column above. Such increase would not give rise to an obligation to make a mandatory offer under Rules 26 and 32 of the Code. The Directors are not aware of any consequence which will arise under the Code as a result of any repurchases to be made under the Repurchase Mandate. Moreover, the Directors will not make any share repurchase on the Stock Exchange if the result of the repurchase would result in less than 25% of the issued share capital of the Company in the public hands.

8. SHARES REPURCHASES MADE BY THE COMPANY

The Company had not repurchased any Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

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

DR. LAW CHUN KWAN

Dr. Law, aged 57, has extensive working experience in various business fields including advertising, telecommunications, information technology and real estate development in both Hong Kong and the PRC. Dr. Law is presently engaged in real estate development business in the PRC. Dr. Law holds a bachelor degree of social science from the Chinese University of Hong Kong, a master degree of e-business and a doctorate degree of business administration in information systems from the Edith Cowan University, Western Australia. Dr. Law was appointed as an Independent Non-executive Director of the Company in June 2012.

Dr. Law has neither relationship with any Director, senior management or substantial or controlling shareholder of the Company. Dr. Law receives a director fee of HK\$125,000 per annum. Pursuant to the letter of appointment entered into between the Company and Dr. Law there is no fixed term but Dr. Law is subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the Company's Bye-Laws. As at the Latest Practicable Date, Dr. Law does not hold any shares of the Company. Dr. Law does not have any interest in the Shares within the meaning of Part XV of the Securities and Futures Ordinance.

Save as disclosed above, there is no information which is discloseable nor is/was Dr. Law involved in any of the matters required to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there are no other matters concerning Dr. Law that need to be brought to the attention of the Shareholders in relation to his re-election.

DR. LO WAI SHUN

Dr. Lo, aged 62, holds a bachelor degree in sciences and a master degree in philosophy from The Chinese University of Hong Kong, and a doctorate degree in Physics from Brown University, United States of America (“U.S.A.”). He is also Adjunct Professor of The Chinese University of Hong Kong and Visiting Professor of Peking University (School of Innovation and Entrepreneurship). Dr. Lo is currently a general partner of DL Capitals, an angel investment fund focusing on disruptive and exponential technologies and has over 20 years of extensive experience in various business fields including intellectual property commercialization, business models innovation and technology transfer. Dr. Lo had served as a non-executive director for various listed companies in Hong Kong from 2000 to 2005. Dr. Lo was appointed as an Independent Nonexecutive Director of the Company in June 2018.

Dr. Lo has neither relationship with any Director, senior management or substantial or controlling shareholder of the Company. Dr. Lo receives a director fee of HK\$125,000 per annum. Pursuant to the letter of appointment entered into between the Company and Dr. Lo there is no fixed term but Dr. Lo is subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the Company’s Bye-Laws. As at the latest Practicable Date, Dr. Lo does not hold any shares of the Company. Dr. Lo does not have any interest in the Shares within the meaning of Part XV of the Securities and Futures Ordinance.

Save as disclosed above, there is no information which is discloseable nor is/was Dr. Lo involved in any of the matters required to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there are no other matters concerning Dr. Lo that need to be brought to the attention of the Shareholders in relation to his re-election.

The following are the proposed amendments to the Existing Bye-Laws as introduced by the Amended and Restated Bye-Laws. Unless otherwise specified, clauses, paragraphs and numbers referred to herein are clauses, paragraphs and numbers of the Amended and Restated Bye-Laws:

Bye-Law No. Provisions in the Amended and Restated Bye-Laws (showing changes to Existing Bye-Laws)

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.

<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 103 where the transaction or arrangement to be approved by the Board is a connected transaction referred to in the rules of the Designated Stock Exchange, it shall have the same meaning as that ascribed to “associate” in the rules of the Designated Stock Exchange.</u>
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<u>“substantial shareholder”</u>	<u>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.</u>
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2. (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;

2. (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;
2. (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; and
2. ~~(k)~~(l) 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.
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.~~4001~~ each.
3. (3) Subject to compliance with the rules and regulations of the Designated Stock Exchange and any other competent regulatory authority, the Company may give financial assistance for the purpose of or in connection with a purchase made or to be made by any person of any shares in the Company. Neither the Company nor any of its subsidiaries shall directly or indirectly 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.
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.

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.~~
10. (a) the necessary quorum (~~other than~~ including 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, its duly authorised representative) or by proxy (whatever the number of shares held by them) shall be a quorum;~~
12. (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.
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.
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.

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 ~~belief~~, 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.
44. The Register and branch register of Members maintained in Hong Kong, as the case may be, shall be open to inspection between 10 a.m. and 12 noon ~~on every~~during business ~~hour~~day by ~~Members~~ members of the public without charge ~~or by any other person, upon a maximum payment of five Bermuda dollars,~~ at the Office or such other place ~~in Bermuda~~ at which the Register is kept in accordance with the Act ~~or, if appropriate, upon a maximum payment of ten dollars 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 for inspection 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.
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.

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.
56. ~~An~~Subject to the Act, an annual general meeting of the Company shall be held ~~in for~~ each financial year other than the financial year in which its statutory meeting is convened and at such time ~~(within a period of not more than fifteen (15) annual general meeting must be held within six (6) months~~ after the ~~end~~holding 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 simultaneously and instantaneously, and participation in such a meeting shall constitute presence at such meeting.
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, on a one vote per share basis, 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.
59. (1) ~~An annual general meeting and any special general meeting at which the passing of a special resolution is to be considered shall~~must 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 not less than ninety-five per cent. (95%) in nominal value of the issued shares giving that right.
61. (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, for quorum purposes only, two persons appointed by the clearing house as authorised representative or by proxy shall form a quorum for all purposes.
73. 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 or the rules, codes or regulations of any competent regulatory authority. 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.
76. (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) 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 rules of the Designated Stock Exchange or the rules, codes or regulations of any competent regulatory authority, 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 or the rules, codes or regulations of any competent regulatory authority, 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.

84. (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~~ any 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.
84. (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.
86. (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 addition 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 annual general meeting of the Company and shall then be eligible for re-election ~~at that meeting~~.
86. (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 ~~special~~ordinary resolution remove a Director at any time before the expiration of his ~~period~~term 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.

87. (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 a multiple of three (3), the number nearest to but not ~~less~~ greater than one-third) shall retire from office by rotation provided that ~~notwithstanding anything herein, the chairman of the Board and/or the managing director of the Company~~ every Director shall ~~not, whilst holding such office, be subject to retirement by rotation or be taken into account in determining the number of Directors to retire in each year~~ at least once every three years.
87. (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 86(2) shall not be taken into account in determining which particular Directors or the number of Directors who are to retire by rotation.
88. 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) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also a Notice signed by the person to be proposed of his willingness to be elected shall have been lodged at the head office or at the Registration Office ~~not less than seven (7) clear days but not more than fourteen (14) clear days before the date of the general meeting~~ provided that such Notices must be lodged with the Company at least fourteen (14) days prior to the date of the general meeting of election but no earlier than the day after despatch of the Notice of the general meeting appointed for such election.
89. 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;
 - (2) becomes of unsound mind or dies;

- (3) without special leave of absence from the Board, is absent from meetings of the Board of 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.

100. (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~~the 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.

101. 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 102 herein.
103. (1) A Director shall not vote (nor be counted in the quorum) on any resolution of the Board ~~in respect of approving~~ any contract or arrangement or any other proposal in which he or any of his close associates is materially interested, but this prohibition shall not apply to any of the following matters namely:
- (i) the giving of any security or indemnity either:—
 - (i)(a) ~~any contract or arrangement for the giving to such the Director or his close associate(s) any security or indemnity in respect of money lent by him 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)(b) ~~any contract or arrangement for the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his close associate(s) has himself/themselves assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;~~
 - (iii)(ii) ~~any contract or arrangement~~ proposal concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase, where the Director or his 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 he is interested in the same manner as other holders of shares or debentures or other securities of the Company or any of its subsidiaries by virtue only of his interest in shares or debentures or other securities of the Company;~~
- (v) ~~any contract or arrangement concerning any other company in which he is interested only, whether directly or indirectly, as an officer or executive or a shareholder other than a company in which the Director together with any of associates (as defined by the rules, where applicable, of the Designated Stock Exchange) is beneficially interested in five (5) per cent or more of the issued shares or of the voting rights of any class of shares of such company (or any third company through which is interest is derived); or~~
- (vi)(iii) 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 ~~or other arrangement~~ which relates ~~both~~ to the Director, his close associate(s) ~~directors~~ and employee(s) of the Company or of any of its subsidiaries and does not provide in respect of any Director, or his close associate(s), as such ~~any~~ privilege or advantage not ~~generally~~ accorded to the ~~employees~~ class of persons to which such scheme or fund relates; ~~and~~
- (iv) any contract or arrangement in which the Director or his close 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.

- (2) ~~A company shall be deemed to be a company in which a Director owns five (5) per cent. or more if and so long as (but only if and so long as) he and his associates (as defined by the rules, where applicable, of the Designated Stock Exchange), (either directly or indirectly) are the holders of or beneficially interested in five (5) per cent. or more of any class of the equity share capital of such company or of the voting rights available to members of such company (or of any third company through which his interest is derived). For the purpose of this paragraph there shall be disregarded any shares held by a Director as bare or custodian trustee and in which he has no beneficial interest, any shares comprised in a trust in which the Director's interest is 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 is interested only as a unit holder and 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 together with his associates (as defined by the rules, where applicable, of the Designated Stock Exchange) holds five (5) per cent. or more is materially interested in a transaction, then that Director 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 of the meeting) or as to the entitlement of any Director (other than such chairman) to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the chairman of the meeting and his ruling in relation to such other Director shall be final and conclusive except in a case where the nature or extent of the interest of the Director concerned as known to such Director has not been fairly disclosed to the Board. If any question as aforesaid shall arise in respect of the chairman of the meeting such question shall be decided by a resolution of the Board (for which purpose such chairman shall not vote thereon) and such resolution shall be final and conclusive except in a case where the nature or extent of the interest of such chairman as known to such chairman has not been fairly disclosed to the Board.

106. The Board may by ~~be~~ 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.
122. 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.
132. (3) The Register of Directors and Officers shall be open to inspection by members of the public without charge at the Office between 10:00a.m. and 12:00 noon ~~on every~~during business ~~hours~~day.

134. (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 ~~be~~ 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.
136. (1)(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;
138. 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.~~

148. 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.
153. Subject to Section 88 of the Act and Bye-law 154, 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 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.
156. (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.

156. (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.
158. The remuneration of the Auditor shall, by ordinary resolution, be fixed by the Company in general meeting or in such manner as the Members may by ordinary resolution determine.
159. 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 156(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 156(1) at such remuneration to be determined by the Members under Bye-law 158.~~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 as soon as practicable convene a special general meeting to fill the vacancy.~~

162. 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.
163. (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 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;

164. (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 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~~^{jointed} with or as claiming through or under him) in the share.
166. (1) ~~The~~Subject to Bye-law 166(2), 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.

The Board would like to remind the Shareholders that the English version of the Existing Bye-Laws shall always prevail in case of any discrepancy or inconsistency between English version and its Chinese translation. The proposed amendments are subject to the approval of the Shareholders by way of a special resolution at the Annual General Meeting.

NOTICE OF ANNUAL GENERAL MEETING



China Fortune Holdings Limited 中國長遠控股有限公司*

(Incorporated in Bermuda with limited liability, carrying on business in H.K. as CFH Limited)

(Stock Code: 110)

NOTICE IS HEREBY GIVEN THAT the annual general meeting (the “**Meeting**”) of the members of China Fortune Holdings Limited (the “**Company**”) will be held at Room 1505–6, Tower A, Regent Centre, 63 Wo Yi Hop Road, Kwai Chung, Hong Kong on Tuesday, 23 May 2023 at 11:30 a.m. for the following purposes:

1. To receive and consider the audited financial statements and the reports of the directors of the Company and auditor of the Company for the year ended 31 December 2022;
2. To re-elect by way of separate ordinary resolutions, the following retiring Directors and to authorise the Board of Directors of the Company to fix the directors’ remuneration;
 - (a) Dr. Law Chun Kwan
 - (b) Dr. Lo Wai Shun
3. To re-appoint Yongtuo Fuson CPA Limited as the Company’s auditor and authorise the Directors to fix their remuneration;
4. As special business, to consider and, if thought fit, pass with or without amendment(s) the following resolution as an ordinary resolution:

“**THAT:**

- (a) subject to paragraph (c) of this Resolution, and pursuant to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares of HK\$0.01 each in the capital of the Company (“**Shares**”) and to make or grant offers, agreements and options (including warrants, bonds, notes, debentures and other securities which carry rights to subscribe for or are convertible into Shares) which would or might require the exercise of such powers be and is hereby generally and unconditionally approved;

* *For identification purpose only*

NOTICE OF ANNUAL GENERAL MEETING

- (b) the approval in paragraph (a) of this Resolution shall authorise the Directors of the Company during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and options (including warrants, bonds, notes, debentures and other securities which carry rights to subscribe for or are convertible into Shares) which would or might require the exercise of such powers after the end of the Relevant Period (as hereinafter defined);
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors of the Company pursuant to the approval in paragraph (a) of this Resolution, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); or (ii) the exercise of any rights or subscription or conversion under any share option scheme(s) of the Company or any other option, scheme or similar arrangement for the time being adopted for the grant or issue to grantees as specified in such scheme or similar arrangement of Shares or rights to acquire the Shares; or (iii) an issue of Shares pursuant to any scrip dividends or similar arrangement providing for the allotment of Shares in lieu of the whole or part of the dividend on Shares in accordance with the Bye-Laws of the Company in force from time to time, shall not exceed 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of this Resolution, and the said approval shall be limited accordingly; and
- (d) for the purpose of this Resolution:
 - “Relevant Period” means the period from the passing of this Resolution until whichever is the 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 Bye-Laws of the Company, or any other applicable laws of Bermuda 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 of the Company in general meeting.

NOTICE OF ANNUAL GENERAL MEETING

“Rights Issue” means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares, open for a period fixed by the Directors of the Company to holders of Shares, whose names appear on the register of members of the Company (and, where appropriate, to holders of other securities of the Company entitled to the offer), on a fixed record date in proportion to their the holdings of such Shares (or, where appropriate, such other securities) as at that date (subject to such exclusions or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory or otherwise howsoever applicable to the Company).”

5. As special business, to consider and, if thought fit, pass with or without amendment(s) the following resolution as an ordinary resolution:

“THAT:

- (a) subject to paragraph (c) of this Resolution, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all powers of the Company to repurchase Shares on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or any other stock exchange on which the securities of the Company may be listed and recognised by the Securities and Futures Commission and the Stock Exchange for such purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this Resolution shall be in addition to any other authorisation given to the Directors of the Company and shall authorise the Directors of the Company on behalf of the Company, during the Relevant Period (as hereinafter defined), to procure the Company to repurchase the Shares at a price determined by the Directors of the Company;
- (c) the aggregate nominal amount of Shares which may be repurchased by the Company pursuant to the approval in paragraph (a) of this Resolution, during the Relevant Period (as hereinafter defined), shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of this Resolution and the authority granted pursuant to paragraph (a) of this Resolution shall be limited accordingly; and

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- (d) for the purpose of this Resolution, “Relevant Period” means the period from the date of 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 Memorandum of Association and Bye-Laws of the Company, or any other applicable laws of Bermuda 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 of the Company in general meeting.”
6. As special business, to consider and, if thought fit, pass with or without amendment(s) the following resolution as an ordinary resolution:

“**THAT** conditional upon Resolutions Nos. 4 and 5 set out in the notice convening this meeting being duly passed, the general mandate granted to the Directors of the Company to exercise the powers of the Company to allot, issue and deal with Shares pursuant to Resolution No. 4 set out in the notice convening this meeting be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of the Shares in the capital of the Company repurchased by the Company under the authority granted pursuant to Resolution No. 5 set out in the notice convening this meeting, provided that such an extended amount shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of Resolution No. 5 set out in the notice convening this meeting.”

SPECIAL RESOLUTION

7. As special business, to consider and, if thought fit, to pass the following resolution as a special resolution:

“**THAT** the existing bye-laws of the Company (the “**Existing Bye-Laws**”) be amended in the manner as set out in the circular of the Company dated 27 April 2023 (the “**Circular**”) and the amended and restated bye-laws of the Company (the “**Amended and Restated Bye-Laws**”) in the form of the document marked “A” and produced to the Annual General Meeting and for the purpose of identification initialed by the chairman of the Annual General Meeting, which consolidates all the proposed amendments mentioned in the Circular, be approved and adopted as the Amended and Restated Bye-Laws in substitution for and to the exclusion of the Existing Bye-Laws with immediate effect after the close of the Annual General Meeting and that any one director of the Company or the company secretary of the Company be and is hereby authorised to do all things necessary to implement the adoption of the Amended and Restated Bye-Laws of the Company.”

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8. To consider and transact any other business as may properly come before the Meeting, if any.

By Order of the Board
Lau Siu Ying
Chairman and Chief Executive Officer

Hong Kong, 27 April 2023

Notes:

1. A member entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and, on a poll, vote instead of him at this meeting. A member holding two or more shares of the Company may appoint more than one proxy. A proxy need not be a member of the Company but must be present in person to represent the member.
2. The form of proxy must be lodged at the Company's branch registrar in Hong Kong, Tricor Abacus Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not less than 48 hours before the time appointed for the Meeting. Completion and return of the proxy will not preclude any member from attending and voting in person.
3. The Register of Members of the Company will be closed from 16 May 2023 to 23 May 2023 (both days inclusive), during which period no transfer of Shares will be effected. In order to determine the identify of members who are entitled to attend and vote at this meeting, all transfers accompanied by the relevant share certificates, must be lodged with Tricor Abacus Limited at the address mentioned above for registration not later than 4:30 p.m. on 15 May 2023.
4. Where there are joint registered holders of any Share in the Company, any one of such joint holders may vote at any meeting, 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 personally or by proxy, the one of the said persons so present whose name stands first on the Register of Members of the Company in respect of such Share shall alone be entitled to vote in respect thereof.