
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a 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 Oil And Gas Group 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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PROPOSALS FOR
(1) GENERAL MANDATES TO ISSUE SHARES
AND TO REPURCHASE SHARES;
(2) RE-ELECTION OF DIRECTORS;
(3) ADOPTION OF NEW SHARE OPTION SCHEME;
(4) ADOPTION OF NEW SHARE AWARD SCHEME;
(5) ADOPTION OF NEW BYE-LAWS;
AND
NOTICE OF ANNUAL GENERAL MEETING

A notice convening the annual general meeting (“AGM”) of China Oil And Gas Group Limited (the “Company”) to be held at 10/F, United Centre, 95 Queensway, Hong Kong on Thursday, 15 June 2023, at 2:30 p.m, at which the above proposals will be considered, is set out on pages 102 to 107 of this circular.

Whether or not you intend to attend and/or vote at the AGM, 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 and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, as soon as possible and in any event not less than 48 hours before the time of the Meeting or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish and in such event, the instrument appointing a proxy shall be deemed to be revoked.

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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 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.

DEFINITIONS

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

“Adoption Date”	the date on which the adoption of the New Share Award Scheme or the New Share Option Scheme by the Company is approved by the Shareholders at the AGM, where applicable
“AGM”	the annual general meeting of the Company to be convened and held at 10/F, United Centre, 95 Queensway, Hong Kong on Thursday, 15 June 2023 at 2:30 p.m. or any adjournment thereof
“Award”	an award granted under the New Share Award Scheme by the Board to an Eligible Participant, which may vest in the form of Award Shares or the actual selling price of the Award Shares in cash in accordance with the Scheme Rules and the terms of the Award
“Award Shares”	the Shares granted and to be granted to an Eligible Participant in an Award
“Board”	the board of Directors
“Business Day”	a day (other than Saturday, Sunday or public holiday and any day on which a tropical cyclone warning no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which banks in Hong Kong are generally open for business and the Stock Exchange is open for business of dealing in securities
“Bye-Laws”	the existing bye-laws of the Company
“Companies Act”	the Companies Act 1981 of Bermuda

DEFINITIONS

“Company”	China Oil And Gas Group Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Stock Exchange
“Director(s)”	director(s) of the Company
“Eligible Employee”	any employee (whether full time or part time) of the Company or any subsidiaries of the Company
“Eligible Participant(s)”	(1) any Eligible Employee; and (2) any director of the Company or any subsidiaries of the Company
“Excluded Participant(s)”	any Eligible Participants who is resident in a place where (a) the award of the Award Shares, the award of the Returned Shares or the vesting or transfer of Shares pursuant to the terms of the New Share Award Scheme is not permitted under the laws and regulations of such place; or (b) in the view of the Board, the need to comply with applicable laws and regulations in such place makes it necessary or expedient to exclude such Eligible Participants, in each case as determined by the Board in its absolute discretion
“Further Shares”	Shares purchased or subscribed for by the Trustee out of cash income or net proceeds of sale of non-cash and non-script distributions declared and distributed by the Company in respect of Shares held upon the Trust
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

DEFINITIONS

“Issue Mandate”	a general unconditional mandate proposed to be granted to the Directors at the AGM to allot, issue and deal with Shares in the capital of the Company of up to 20% of the aggregate number of the issued Shares of the Company as at the date of passing of the relevant resolution granting such mandate and adding thereto any Shares representing the aggregate number of the Shares repurchased by the Company pursuant to the authority granted under the Repurchase Mandate
“Latest Practicable Date”	24 April 2023, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Committee”	the listing sub-committee of the board of directors of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Bye-Laws”	the new bye-laws of the Company incorporating and consolidating all the Proposed Amendments
“New Share Award Scheme”	the new share award scheme proposed to be conditionally approved and adopted by the Company at the AGM, a summary of the principal terms of which is set out in Appendix IV to this circular
“New Share Option Scheme”	the new share option scheme proposed to be conditionally approved and adopted by the Company at the AGM, a summary of the principal terms of which is set out in Appendix III to this circular
“Old Share Award Scheme”	the share award scheme adopted by the Company on 23 November 2011 and expired on 23 November 2021
“Old Share Option Scheme”	the share option scheme adopted by the Company on 4 November 2011 and expired on 4 November 2021

DEFINITIONS

“Option(s)”	option(s) to subscribe for Share(s) granted pursuant to the New Share Option Scheme
“Performance Condition(s)”	the performance condition(s) set by the Board in relation to an Award, as may be amended by the Board from time to time
“Proposed Amendments”	the proposed amendments to the Bye-Laws as set out in Appendix V to this circular
“PRC”	the People’s Republic of China
“Reference Date”	the date of final approval by the Board of the total number of Shares to be awarded to the Eligible Participants in a single occasion pursuant to the New Share Award Scheme
“Related Income”	all income derived from a Share held upon the Trust in the form of Shares (including but not limited to, the Further Shares, any bonus Shares and scrip Shares received in respect of that Share)
“Relevant Event”	any variation in the share capital of the Company arising from any capitalisation issue, reduction, sub-division or consolidation of share capital of the Company, any rights issue of any share capital of the Company by way of capitalisation of profits or reserves or in connection with an open offer to the Shareholders (except where Shares are issued as consideration or part consideration in a transaction)
“Returned Shares”	such Award Shares and their Related Income which are not vested in accordance with the terms of the New Share Award Scheme (whether as a result of a lapse or otherwise), or were forfeited in accordance with the terms of the New Share Award Scheme, or such Shares which are deemed to be Returned Shares, or Related Income of any Returned Shares

DEFINITIONS

“Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors at the AGM to repurchase such number of issued and fully paid Shares of up to 10% of the aggregate number of the issued Shares of the Company as at the date of passing of the relevant resolution granting such mandate
“Scheme Mandate”	a specific mandate to allot and issue new Shares not exceeding 10% of the total number of Shares in issue as at the date of the AGM to satisfy (1) Awards that may be granted under the New Share Award Scheme (if approved by the Shareholders and adopted by the Company) and (2) Options to be granted under the New Share Option Scheme (if approved by the Shareholders and adopted by the Company). Such mandate is proposed on the basis that if the Company conducts a share consolidation or subdivision after grant of the Scheme Mandate has been approved in general meeting, the maximum number of Shares that may be issued in respect of all options and awards granted, as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall be the same
“Scheme Rules”	the rules governing the New Share Award Scheme
“SFO”	Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the price per Share at which a grantee may subscribe for Shares on the exercise of an Option
“Takeovers Code”	the Code on Takeovers and Mergers

DEFINITIONS

“Trustee”	an entity to be appointed for the sole purpose of holding the Shares underlying Awards issued on trust for Eligible Participants pursuant to the New Share Award Scheme
“Trust”	the trust to be constituted by a trust deed or such other governing documents of such trust arrangements and known as the “Share Award Scheme Trust” or such other name as the Board may determine from time to time
“Trust Deed(s)”	in respect of each Trust, the trust deed to be entered into between the Company and the relevant Trustee (as amended, supplemented and restated from time to time) in respect of the establishment of the Trust and administrative of the New Share Award Scheme
“Vesting Date”	the date or each such date on which the Award Shares are vested
“Vesting Expenses”	all transfer fees, taxes, social security contributions and other levies associated with the vesting, release or transfer of the relevant Award Shares and Related Income
“%”	per cent.

LETTER FROM THE BOARD



中油燃氣集團有限公司*

CHINA OIL AND GAS GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 603)

Executive Directors:

Mr. XU Tie-liang

(Chairman and Chief Executive Officer)

Ms. GUAN Yijun

Mr. GAO Falian

Ms. XU Ran

Registered Office:

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

Independent Non-Executive Directors:

Mr. WANG Wenhua

Mr. WANG Guangtian

Mr. YANG Jie

Head Office and Principal Place of

Business in Hong Kong:

Suite 2805, 28th Floor

Sino Plaza

255–257 Gloucester Road

Causeway Bay

Hong Kong

28 April 2023

To the Shareholders

Dear Sir or Madam,

PROPOSALS FOR
(1) GENERAL MANDATES TO ISSUE SHARES
AND TO REPURCHASE SHARES;
(2) RE-ELECTION OF DIRECTORS;
(3) ADOPTION OF NEW SHARE OPTION SCHEME;
(4) ADOPTION OF NEW SHARE AWARD SCHEME;
AND
(5) ADOPTION OF NEW BYE-LAWS

INTRODUCTION

The purpose of this circular is to provide you with information in respect of the resolutions to be proposed to seek approval of the Shareholders at the AGM in respect of (i) the ordinary resolutions for granting to the Directors the Issue Mandate and the Repurchase Mandate; and (ii)

* For identification purposes only

LETTER FROM THE BOARD

the ordinary resolution for re-election of the retiring Directors; (iii) the ordinary resolution for adoption of New Share Option Scheme; (iv) the ordinary resolution for adoption of New Share Award Scheme; and (v) the special resolution for adoption of New Bye-Laws.

GENERAL MANDATES

At the annual general meeting of the Company held on 25 May 2022 (the “2022 AGM”), the Directors were granted by the then Shareholders (i) a general unconditional mandate to allot, issue and deal with Shares not exceeding 20% of the then aggregate number of issued Shares as at the date of passing such resolution; (ii) a general unconditional mandate to repurchase Shares not exceeding 10% of the then aggregate number of issued Shares as at the date of passing such resolution; and (iii) to extend the general mandate mentioned in (i) above by the aggregate number of the securities of the Company repurchased by the Company pursuant to the mandate to repurchase securities referred to (ii) above.

As at the Latest Practicable Date, the number of issued Shares was 5,636,803,834 Shares, assuming no further Shares are to be issued or repurchased prior to the AGM, the Issue Mandate will grant to the Directors an authority to issue up to 1,127,360,766 Shares.

The above general mandates will lapse at the conclusion of the AGM. It is therefore proposed to seek your approval by way of ordinary resolutions to be proposed at the AGM to approve the Issue Mandate and the Repurchase Mandate. The Directors wish to state that they have no immediate plan to issue any Shares or repurchase any Shares pursuant thereto. Please refer to resolutions numbered 4 to 6 set out in the notice of AGM on pages 102 to 107 of this circular for details of the proposed Issue Mandate and Repurchase Mandate.

EXPLANATORY STATEMENT

An explanatory statement containing all relevant information relating to the proposed Repurchase Mandate is set out in Appendix I to this circular. The explanatory statement is to provide you with information reasonably necessary to enable you to make an informed decision on whether to vote for or against the ordinary resolution to grant to the Directors the Repurchase Mandate at the AGM.

RE-ELECTION OF DIRECTORS

The Board currently consists of seven Directors, namely Mr. Xu Tie-liang, Ms. Guan Yijun, Mr. Gao Falian, Ms. Xu Ran, Mr. Wang Wenhua, Mr. Wang Guangtian and Mr. Yang Jie.

LETTER FROM THE BOARD

Pursuant to Bye-law 87(1) of the Bye-Laws, Ms. Guan Yijun, Mr. Gao Falian and Mr. Wang Wenhua (“**Mr. Wang**”) shall retire from office as Directors by rotation at the AGM, Ms. Guan Yijun and Mr. Gao Falian, being eligible, offer themselves for re-election.

Mr. Wang Wenhua will not offer himself for re-election at the AGM as he would like to spend more time pursuing his other business commitment. He will retire upon conclusion of the AGM.

Details of the above-mentioned retiring Directors proposed to be re-elected at the AGM are set out in Appendix II to this circular.

ADOPTION OF NEW SHARE OPTION SCHEME

The Old Share Option Scheme was approved by the then Shareholders at the special general meeting of the Company held on 23 November 2011. The Old Share Option Scheme has been valid and effective for a period of 10 years from the date of adoption on 23 November 2011 and expired on 23 November 2021 accordingly. As at the Latest Practicable Date, there were 85,020,000 outstanding options granted under the Old Share Option Scheme but yet to be exercised. These options are valid for ten years from the date of grant on 22 January 2016 and will expire on 22 January 2026.

The Board proposes to recommend to the Shareholders to approve and adopt the New Share Option Scheme so that Options may be granted to the Eligible Participants pursuant to the terms thereof. A summary of the principal terms of the New Share Option Scheme is set out in Appendix III to this circular.

LETTER FROM THE BOARD

The New Share Option Scheme is conditional upon:

- (1) 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 by the Company pursuant to the exercise of Options in accordance with the New Share Option Scheme; and
- (2) the passing of an ordinary resolution to approve and adopt the New Share Option Scheme by the Shareholders at the AGM.

No Director is a trustee of the New Share Option Scheme or has a direct or indirect interest in the trustee of the New Share Option Scheme, if any.

The rules of the New Share Option Scheme provide that the Company may specify the Eligible Participant to whom Options shall be granted, the number of Shares subject to each Option and the date on which the Options shall be granted. The basis for determining the Subscription Price is also specified precisely in the rules of the New Share Option Scheme. The Board considers that the aforesaid criteria and rules will serve to preserve the value of the Company and encourage the Eligible Participants to acquire proprietary interests in the Company.

No performance target may be required for an Option granted to any Eligible Participant, the Company will consider all relevant matters, including but not limited to the following matters, in carefully selecting the Eligible Participants to whom grants will be made and in determining the number of Options to be granted to such Eligible Participants.

The Company will assess the contribution of an Eligible Participant to the development and growth of the Group, in particular, the ability to enhance the value of the Company and its Shares for the benefit of the Company and its Shareholders as a whole.

Amongst other forms of potential measures to provide incentives to the Eligible Participants, given that the grants of Options require the payment of Subscription Price that reflects the fair market value of the new Shares that would be subscribed upon the exercise of the granted Options, the Board believes that the New Share Option Scheme is one of the desirable incentive plans as the grantees will be incentivised to provide valuable contributions to the Group and work with the Group to increase the overall value and performance of the Group, which is expected to translate into share price performance of the Shares.

LETTER FROM THE BOARD

Considering the purpose of the New Share Option Scheme, the terms of the New Share Option Scheme (in particular that the terms are consistent with those prescribed under Chapter 17 of the Listing Rules), and that relevant matters will be considered by the Company in carefully selecting the Eligible Participants to whom grants will be made and in determining the number of Options to be granted to such Eligible Participants, the Board is of the view that any grant of Options to the selected Eligible Participants would be fair and reasonable and in the interest of the Company and the Shareholders as a whole.

The Board considers that it is inappropriate to state the value of the Options as if they had been granted on the Latest Practicable Date given that a number of variables which are necessary for the calculation of the value of the Options cannot be ascertained at this stage. Such variables include the Subscription Price, exercise period, interest rate and other relevant variables. The Board believes that any calculation of such value of the Options on the Latest Practicable Date would be based on a number of speculative assumptions and would therefore not be meaningful but would instead be misleading the Shareholders.

ADOPTION OF NEW SHARE AWARD SCHEME

The Old Share Award Scheme was adopted by the Board on 4 November 2011 which has been valid and effective for a period of 10 years from the date of adoption on 4 November 2011 and expired on 4 November 2021 accordingly.

The Board proposes to recommend to the Shareholders to approve and adopt the New Share Award Scheme so that Award Shares may be granted to the Eligible Participants pursuant to the terms thereof. A summary of the principal terms of the New Share Award Scheme is set out in Appendix IV to this circular.

The New Share Award Scheme is conditional upon:

- (1) 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 by the Company pursuant to the award of the Awarded Shares in accordance with the New Share Award Scheme; and
- (2) the passing of an ordinary resolution to approve and adopt the New Share Award Scheme by the Shareholders at the AGM.

LETTER FROM THE BOARD

REASONS FOR THE ADOPTION OF THE NEW SHARE OPTION SCHEME AND THE NEW SHARE AWARD SCHEME

The New Share Option Scheme together with the New Share Award Scheme will allow the Company to continue to provide equity incentives to Eligible Participants so as to continue to serve its intended purposes of aligning the interests of Eligible Participants with those of the Group through ownership of Shares, dividends and other distributions paid on Shares and/or the increase in value of the Shares and to encourage and enable Eligible Participants to make contributions to the long-term growth and profits of the Group and share in the success of the Group.

In assessing whether Options or Award are to be granted to any Eligible Participant, the Board shall take into account various factors, including but not limited to, the nature and extent of contributions provided by such Eligible Participant to the Group, the special skills or technical knowledge possessed by them which is beneficial to the continuing development of the Group, the positive impacts which such Eligible Participant has brought to the Group's business and development and whether granting Options to such Participant is an appropriate incentive to motivate such Eligible Participant to continue to contribute towards the betterment of the Group.

In assessing the eligibility of the Eligible Participant(s), the Board will consider all relevant factors as appropriate, including, among others:

- (a) his/her skills, knowledge, experience, expertise and other relevant personal qualities;
- (b) his/her performance, time commitment, responsibilities or employment conditions and the prevailing market practice and industry standard;
- (c) his/her contribution made or expected to be made to the growth of the Group; and
- (d) his/her educational and professional qualifications, and knowledge in the industry.

The New Share Option Scheme and the New Share Award Scheme will not prescribe specific Performance Target (as defined in the New Share Option Scheme) or Performance Condition (as defined in the New Share Award Scheme) that must be met before an Option can be exercised or an Award to be vested. However, the New Share Option Scheme and the New Share Award Scheme will give the Board discretion to impose such conditions on the Options or the Award where appropriate. The Directors consider that it may not always be appropriate to impose such conditions particularly when the purpose of granting Options or Award is to remunerate or compensate employees. The Directors consider that it is not practicable to expressly set out a generic set of Performance Targets or Performance Conditions, as each Eligible Participant will

LETTER FROM THE BOARD

play different roles and contribute in different ways to the Group. The Directors consider it more beneficial to the Company to retain the flexibility to determine when and to what extent such conditions are appropriate.

The Group will utilize its internal assessment system to appraise and evaluate the Performance Targets or Performance Conditions applicable to each grant of Options on a case-by-case basis. The Company will consider the past contributions of an Eligible Participant with reference to the factors set out above and form an internal assessment as regards the future value that such Eligible Participant may bring to the growth and development of the Group. The assessment involves the consideration and appraisal of the Eligible Participant's expected contribution with reference to such Eligible Participant's nature of duties, position within the Group and other features including geographical location, corporate culture and business strategy focus. Specific weightings will be given to the factors above in order to provide a fair and objective appraisal of the Eligible Participants before the grant of Options or Awards, such that the grants will be on a fair and reasonable basis and in the interest of the Company and its Shareholders as a whole.

PROPOSED SCHEME MANDATE

In relation to the New Share Option Scheme and the New Share Award Scheme, the Board proposes to seek the approval of the Shareholders for the grant of the Scheme Mandate, being a specific mandate to allot and issue Shares not exceeding 10% of the total number of Shares in issue as at the date of the AGM to satisfy (i) the grant of Options under the New Share Option Scheme and (ii) the Awards that may be granted under the New Share Award Scheme (if approved by the Shareholders and adopted by the Company). An ordinary resolution will be proposed at the AGM for the Shareholders to consider and, if thought fit, approve the grant of the Scheme Mandate. The Scheme Mandate, once granted, shall remain in effect during the period from the passing of the ordinary resolution granting the Scheme Mandate until its renewal, variation or revocation by an ordinary resolution of the Shareholders in a general meeting.

An application will be made to the Stock Exchange for the listing and permission to deal in the Shares that may be issued pursuant to the exercise of Options that may be granted under the New Share Option Scheme and the Awards that may be granted under the New Share Award Scheme.

The Scheme Mandate will provide flexibility to the Directors as to the manner of satisfaction of the Awards upon the vesting thereof. The Directors therefore consider that the adoption of the Scheme and the grant of the Scheme Mandate are in the interests of the Company and its shareholders as a whole.

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As at the Latest Practicable Date, the Board has no present intention to grant any Options or any Award immediately upon adoption of the New Share Option Scheme and the New Share Award Scheme at the AGM as it has not identified any Eligible Participants.

PROPOSED ADOPTION OF NEW BYE-LAWS

The Board proposes to make the Proposed Amendments to the Bye-Laws to be in line with the latest legal and regulatory requirements, including the amendments made to Appendix 3 to the Listing Rules which took effect on 1 January 2022. In view of the proposed changes, the Board proposes to adopt the New Bye-Laws in substitution for, and to the exclusion of, the Bye-Laws.

The Board proposes to amend the Bye-Laws for the purposes of (i) providing greater flexibility to the Company in relation to the conduct of general meetings by allowing (but not requiring) general meetings to be held as an electronic meeting and/or as a hybrid meeting where the Shareholders may attend by electronic means in addition to as a physical meeting where Shareholders attend in person; (ii) bringing the Bye-Laws in line with the amendments made to the Listing Rules (in particular to conform to the core shareholder protection standards as set out in Appendix 3 to the Listing Rules) and applicable laws of Bermuda; and (iii) making certain minor housekeeping amendments to the Bye-Laws.

Subject to the Shareholders' approval at the AGM, the Company will adopt the New Bye-Laws (which incorporates and consolidates all Proposed Amendments) in substitution for and to the exclusion of the existing Bye-Laws. Full terms of the proposed changes brought about by the adoption of the New Bye-Laws when compared with the Bye-Laws are set out in Appendix V (indicating only the amended Bye-laws) to this circular.

The proposed adoption of the New Bye-Laws is subject to the approval of the Shareholders by way of a special resolution at the AGM, and will become effective upon the approval by the Shareholders at the AGM.

The legal advisers to the Company as to Hong Kong laws have confirmed that the Proposed Amendments comply with the requirements of the Listing Rules and the legal advisers to the Company as to the laws of Bermuda have confirmed that the Proposed Amendments do not violate the applicable laws of Bermuda. The Company confirms that there is nothing unusual about the Proposed Amendments for a company listed on the Stock Exchange.

The Proposed Amendments and the New Bye-Laws are prepared in the English language. The Chinese translation thereof is for reference only and in case there are any inconsistencies between the English version and the Chinese version, the English version shall prevail.

LETTER FROM THE BOARD

ANNUAL GENERAL MEETING

Set out on pages 102 to 107 of this circular is a notice convening the AGM to consider and, if appropriate, to approve the ordinary resolutions relating to the proposals for the general mandates to issue Shares and to repurchase Shares, re-election of retiring Directors, adoption of New Share Option Scheme, adoption of New Share Award Scheme and adoption of New Bye-Laws.

A form of proxy for use at the AGM is enclosed herewith. Whether or not you are able to attend and/or vote at the AGM in person, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time of the AGM or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. As such, all the resolutions set out in the notice of AGM will be voted by poll.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement of the Shareholders to attend and vote at the AGM, the register of members of the Company will be closed from Friday, 9 June 2023 to Thursday, 15 June 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 AGM, all transfers of Shares accompanied by the relevant share certificate(s) must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Thursday, 8 June 2023.

DOCUMENTS ON DISPLAY

Copies of the rules of the New Share Option Scheme and New Share Award Scheme will be published on the respective websites of the Stock Exchange (www.hkexnews.hk) and the Company (<http://www.hk603.com/>) for display for a period of not less than fourteen (14) days before the date of the AGM and the rules of the New Share Option Scheme and New Share Award Scheme will be made available for inspection at the AGM.

LETTER FROM THE BOARD

RECOMMENDATION

The Board considers that the ordinary resolutions in relation to the Issue Mandate, the Repurchase Mandate, the re-election of Directors, adoption of New Share Option Scheme and adoption of New Share Award Scheme, and the special resolution for adoption of New Bye-Laws to be proposed at the AGM are in the best interests of the Company and the Shareholders.

Accordingly, the Board recommends the Shareholders to vote in favour of such resolutions at the AGM.

GENERAL

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

MISCELLANEOUS

The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

By Order of the Board
China Oil And Gas Group Limited
Xu Tie-liang
Chairman

APPENDIX I EXPLANATORY STATEMENT ON REPURCHASE MANDATE

This appendix serves as an explanatory statement, as required by the Listing Rules, to provide the Shareholders with all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the ordinary resolution at the AGM to approve the Repurchase Mandate.

1. LISTING RULES RELATING TO THE REPURCHASE OF SHARES

The Listing Rules permit companies whose primary listings are on the Stock Exchange to repurchase their shares on the Stock Exchange subject to certain restrictions.

2. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital comprised 5,636,803,834 Shares. Subject to the passing of the resolution for repurchase of Shares and on the basis of no further Shares will be issued or repurchased up to the date of the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 563,680,383 Shares, representing approximately 10% of the total number of issued Shares as at the date of AGM.

3. REASONS FOR REPURCHASES

The Directors believe 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 per Share and/or the earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders.

4. FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its memorandum and Bye-Laws, the laws of Bermuda and any other applicable laws, including capital paid upon the Shares to be repurchased, profits otherwise available for distribution and sums standing to either the share premium account or contributed surplus account of the Company.

5. GENERAL

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 financial statements of the Company for the year ended 31 December 2022 in the event that the Repurchase Mandate were to be carried out in full at any time during the proposed repurchase period.

APPENDIX I EXPLANATORY STATEMENT ON REPURCHASE MANDATE

However, the Directors do not propose 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.

6. SHARE PRICES

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

	Shares	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2022		
April	0.405	0.320
May	0.395	0.340
June	0.370	0.330
July	0.360	0.295
August	0.365	0.290
September	0.325	0.260
October	0.285	0.242
November	0.325	0.245
December	0.315	0.270
2023		
January	0.305	0.285
February	0.305	0.260
March	0.300	0.260
April (up to the Latest Practicable Date)	0.285	0.255

7. UNDERTAKING

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, their close associates (as defined in the Listing Rules), have any present intention to sell any Shares to the Company under the Repurchase Mandate if the same is approved by the Shareholders.

APPENDIX I EXPLANATORY STATEMENT ON REPURCHASE MANDATE

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate pursuant to the proposed resolution in accordance with the Listing Rules and the applicable laws of Bermuda.

8. CORE CONNECTED PERSON

No core connected person (as defined in the Listing Rules) has notified the Company that he has a present intention to sell Shares to the Company, or has undertaken not to do so, in the event that the Repurchase Mandate is approved by the Shareholders.

9. TAKEOVERS CODE

If on exercise of the powers of repurchase 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.

As a result, 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.

As at the Latest Practicable Date, Mr. Xu Tie-liang is the beneficiary of The Great Xu Fund Trust, a trust managed by TMF (Cayman) Ltd. ("TMF (Cayman)"). TMF (Cayman) holds the entire issued share capital of Great Xu Holdings Limited ("Great Xu") which holds the entire issued share capital of Sino Vantage Management Limited ("Sino Vantage"), which in turn holds 1,592,634,130 Shares (representing approximately 27.62% of the total issued Shares as at the Latest Practicable Date). In the event that the Directors exercise in full the power to repurchase Shares under the Repurchase Mandate, then the attributable interest of Mr. Xu Tie-liang would be increased from approximately 27.62% to approximately 30.68% of the issued Shares. As a result, Mr. Xu is required to make a mandatory offer under Rule 26 of the Takeovers Code. However, the Company has no present intention to repurchase Shares to such extent as to result in the obligation to make a general offer under the Takeovers Code will be triggered.

10. SHARE PURCHASE MADE BY THE COMPANY

The Company has not repurchased any Shares on the Stock Exchange during the six months preceding the Latest Practicable Date.

The following set out the details of Directors who will retire and, being eligible, offer themselves for re-election at the AGM pursuant to the Bye-Laws.

Ms. Guan Yijun, aged 58, was appointed as an executive Director on 10 September 2010. She was appointed as the vice president of the Company on 1 September 2006. Ms. Guan is a member of each of the CG Committee and the Remuneration Committee. She is also a director of certain subsidiaries of the Company. Ms. Guan was a postgraduate from Peking University, and obtained a Master Degree in Business Administration. She has extensive business operation management experiences over 23 years.

The Company and Ms. Guan entered into a service agreement on 1 January 2021 for the appointment of Ms. Guan as an executive Director for a term of three years commencing from 1 January 2021 which can be terminated by 3 months' notice in writing served by either party to the other. She is subject to retirement by rotation at least once every three years in accordance with the Bye-Laws. Ms. Guan is entitled to a director's remuneration of HK\$120,000 as determined by the Board with reference to the recommendation of the Remuneration Committee, the performance of the Group, her duties and responsibilities and the prevailing market conditions.

Ms. Guan did not have any directorship in other listed companies in the past three years. Save for Ms. Guan is the spouse of Mr. Xu Tie-liang (the Chairman, an executive Director and the Chief Executive Officer of the Company) and the mother of Ms. Xu Ran, an executive Director, she does not have any relationship with any Directors, senior management, substantial Shareholders (as defined in the Listing Rules) or controlling Shareholders (as defined in the Listing Rules) of the Company. As at the Latest Practicable Date, she is deemed to be interested in 1,592,634,130 Shares held by Great Xu Fund Trust in which Mr. Xu is the beneficiary, Great Xu Fund Trust is being managed by its trustee, TMF (Cayman) Ltd. Save as the aforesaid, Ms. Guan does not hold any Shares within the meaning of Part XV of the SFO.

Mr. Gao Falian, aged 58, was appointed as an executive Director on 17 May 2021. He is a senior engineer, obtained a bachelor's degree in law from Peking University and a master's degree in engineering from China University of Petroleum. Mr. Gao currently serves as a director of certain subsidiaries of the Group, including China Oil and Gas Investment and CCNG. He also served as president of CCNG during the period from February 2010 to August 2018 and president of China Oil and Gas Investment during the period from September 2015 to August 2018. Mr. Gao held several positions in China Petroleum Pipeline Bureau during August 1985 to May 2010, including general manager, commissioner of technical service etc. He has extensive experience in oil and gas industry.

Mr. Gao entered into a service agreement with the Company on 17 May 2021 for the appointment of Mr. Gao as an executive Director for a term of three years commencing from 17 May 2021 which can be terminated by 3 months' notice in writing served by either party to the other. He is subject to retirement by rotation and re-election at least once in every three years in accordance with the Bye-Laws. Mr. Gao is entitled to a director's remuneration of HK\$10,000 per month as determined by the Board with reference to the recommendation of the remuneration committee of the Company, the performance of the Group, his duties and responsibilities and the prevailing market conditions.

Mr. Gao did not hold any directorship in other listed companies during the past three years. He does not have any relationship with any Directors, senior management, substantial or controlling shareholders (as defined under the Listing Rules) of the Company. As at the Latest Practicable Date, he does not have any interests in the Shares within the meaning of Part XV of the SFO.

Save as disclosed above, there is no information required to be disclosed pursuant to any of the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules and there are no other matters that need to be brought to the attention of the Shareholders in relation to the re-election of the above Directors.

APPENDIX III SUMMARY OF THE PRINCIPAL TERMS OF THE RULES OF THE NEW SHARE OPTION SCHEME

The following is a summary of the principal terms of the New Share Option Scheme proposed to be adopted at the AGM which serves to summarize the terms of the New Share Option Scheme, but does not constitute the full terms of the same.

In this Appendix III, unless the context otherwise requires:

“Calculation Agent”	means the independent financial advisers appointed by the Company for the purposes of certifying certain adjustments under the rules of the Scheme;
“Board”	means board of Directors;
“Business Day”	means any day on which the Stock Exchange is open for the business of dealing in securities;
“Directors”	means the directors of the Company for the time being or a duly authorised committee thereof;
“Eligible Employee”	means any employee (whether full time or part time) of the Company or any subsidiary of the Company;
“Eligible Participant(s)”	(1) any Eligible Employee; and (2) any director of the Company or any subsidiaries of the Company;
“Listing Rules”	means The Rules Governing the Listing of Securities on the Stock Exchange;
“Offer”	means an offer for the grant of an Option pursuant to the Scheme;
“Offer Date”	means the date, which must be a business day, on which an Offer is made to an Eligible Participant;
“Option(s)”	means an option to subscribe for the Shares granted under the Scheme;

APPENDIX III SUMMARY OF THE PRINCIPAL TERMS OF THE RULES OF THE NEW SHARE OPTION SCHEME

“Option Period”	means, in relation to an Option, a period (which may not be later than 10 years from the Offer Date of that Option) to be determined and notified by the Directors to the grantee thereof and, in the absence of such determination, from the Offer Date to the earlier of (i) the date on which such Option lapses under the rules of the Scheme; and (ii) 10 years from the Offer Date of that Option;
“Other Scheme(s)”	means other share option scheme or share award scheme of the Company adopted pursuant to Chapter 17 of the Listing Rules;
“Scheme”	means the New Share Option Scheme proposed to be adopted by the Company at the AGM;
“Shares”	means shares of HK\$0.01 each in the share capital of the Company, or, if there has been a sub-division, consolidation, re-classification or re-construction of the share capital of the Company, shares forming part of the ordinary equity share capital of the Company of such other nominal amount as shall result from any such sub-division, consolidation, re-classification or re-construction;
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited; and
“Subscription Price”	means the price per Share at which a grantee may subscribe for the Shares on the exercise of an Option.

1. PURPOSE OF THE SCHEME

The purpose of the Scheme is to enable the Group to grant Options to the Eligible Participants as incentives or rewards for their contribution to the Group.

APPENDIX III SUMMARY OF THE PRINCIPAL TERMS OF THE RULES OF THE NEW SHARE OPTION SCHEME

2. ELIGIBLE PARTICIPANTS OF THE SCHEME

The Directors may in their discretion make an Offer to any person belonging to the following classes of participants to subscribe for Shares at such Subscription Price as the Directors shall determine:

- (1) any Eligible Employee; and
- (2) any director of the Company or any subsidiaries of the Company.

The eligibility of any of the Eligible Participants to an Offer shall be determined by the Directors from time to time on the basis of the Directors' opinion as to the contribution of an Eligible Participant to the development and growth of the Group, in particular, the ability of an Eligible Participant to enhance the value of the Company and its Shares for the benefit of the Company and its Shareholders as a whole.

In assessing the eligibility of the Eligible Participant(s), the Board shall take into account various factors, including but not limited to, the nature and extent of contributions provided by such Eligible Participant to the Group, the special skills or technical knowledge possessed by them which is beneficial to the continuing development of the Group, the positive impacts which such Eligible Participant has brought to the Group's business and development and whether granting Options to such Participant is an appropriate incentive to motivate such Eligible Participant to continue to contribute towards the betterment of the Group. The factors will include, among others:

- (a) his/her skills, knowledge, experience, expertise and other relevant personal qualities;
- (b) his/her performance, time commitment, responsibilities or employment conditions and the prevailing market practice and industry standard;
- (c) his/her contribution made or expected to be made to the growth of the Group; and
- (d) his/her educational and professional qualifications, and knowledge in the industry.

APPENDIX III SUMMARY OF THE PRINCIPAL TERMS OF THE RULES OF THE NEW SHARE OPTION SCHEME

3. PERIOD OF THE SCHEME

The Scheme shall be valid and effective until the close of business of the Company on the date which falls ten (10) years after the date on which the Scheme is adopted, after which period no further Options may be issued but the provisions of the Scheme shall remain in force to the extent necessary to give effect to the exercise of any Options granted or exercised prior thereto or otherwise as may be required in accordance with the provisions of the Scheme.

4. MINIMUM PERIOD AND PERFORMANCE TARGETS

Unless otherwise determined by the Directors and stated in the Offer to an Eligible Participant who accepts an Offer, there is not prescribed any performance targets that need to be achieved by the Eligible Participant before an Option can be exercised. The Directors consider that it is not practicable to expressly set out a generic set of performance targets as each Eligible Participant will play different roles and contribute in different ways to the Group. The Directors consider it more beneficial to the Company to retain the flexibility to determine when and to what extent such conditions are appropriate.

The Group will utilize its internal assessment system to appraise and evaluate the performance targets applicable to each grant of Options on a case-by-case basis. The Company will consider the past contributions of an Eligible Participant with reference to the factors set out above and form an internal assessment as regards the future value that such Eligible Participant may bring to the growth and development of the Group. The assessment involves the consideration and appraisal of the Eligible Participant's expected contribution with reference to such Eligible Participant's nature of duties, position within the Group and other features including geographical location, corporate culture and business strategy focus. Specific weightings will be given to the factors above in order to provide a fair and objective appraisal of the Eligible Participants before the grant of Options, such that the grants will be on a fair and reasonable basis and in the interest of the Company and its Shareholders as a whole. The Board may, however, at its absolute discretion, fix any minimum period for which an Option must be held which shall not be less than twelve (12) months from the date on which the option is accepted, any performance targets that must be achieved and any other conditions that must be fulfilled before the Option can be exercised upon the grant of an Option to an Eligible Participant.

The Board considers that imposing a standard minimum period for holding the Options is not necessary as this would then provide the Company with more flexibility to take into consideration the particular circumstance of each grant and the appropriate terms and conditions that should govern the grant and/or exercise of the Options. Any terms of the grant and/or exercise of the Options is a strategic decision that the Company would have to make on a case-by-case basis, such

APPENDIX III SUMMARY OF THE PRINCIPAL TERMS OF THE RULES OF THE NEW SHARE OPTION SCHEME

that the Company is able to provide meaningful incentive and motivation to attract and retain quality personnel that are valuable to the development and expansion of the Group's business and for the benefit of the Company and the Shareholders as a whole.

5. MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION

The total number of Shares which may be issued in respect of all Options and Awards to be granted under the New Share Option Scheme or any other schemes, including the New Share Award Scheme ("**Other Scheme(s)**") must not in aggregate exceed 10% of the Shares of the Company in issue as at the Adoption Date (the "**Scheme Limit**"). Options or Awards lapsed in accordance with the terms of the New Share Option Scheme and any Other Scheme will not be regarded as utilized for the purpose of calculating the Scheme Limit. With the approval of the Shareholders, the Board may "refresh" the Scheme Limit after three years from Adoption Date or the date of Shareholders' approval for the last refreshment provided that the total number of Shares which may be issued in respect of all Options and Awards to be granted under all of the schemes of the Company under the limit as "refreshed" shall not exceed 10% of the Shares of the Company in issue at the date on which the Shareholders approve the "refreshed" limit. Options previously granted under the New Share Option Scheme and any Other Schemes (including those outstanding, cancelled, lapsed in accordance with the terms of the relevant scheme, or exercised options) will not be counted for the purpose of calculating the limit as "refreshed". A circular regarding the proposed refreshing of the Scheme Mandate must be despatched to the Shareholders containing the number of Options and Awards that were already granted under the existing Scheme Limit and the reason for the refreshment.

Any refreshment to the Scheme Limit within any three-year period must be approved by the Shareholders, where any controlling shareholders of the Company and their associates (or if there is no controlling shareholder, Directors (excluding independent non-executive Directors) and the chief executive of Company and their respective associates) must abstain from voting in favour of the relevant resolution at the general meeting and in accordance with the requirements under the Listing Rules. Such requirements do not apply if the refreshment is made immediately after an issue of securities by the Company to the Shareholders on a pro rata basis as set out in Rule 13.36(2)(a) of the Listing Rules such that the unused part of the Scheme Limit (as a percentage of the total number of Shares in issue) upon refreshment is the same as the unused part of the Scheme Limit immediately before the issue of securities, rounded to the nearest whole Share.

The Board shall not grant any Options (the "**Relevant Options**") to any Eligible Participant which, if exercised, would result in such Participant becoming entitled to subscribe for such number of Shares as, when aggregated with the total number of Shares already issued or to be issued to him under all Options or options or Awards granted to him (excluding any Options and

APPENDIX III SUMMARY OF THE PRINCIPAL TERMS OF THE RULES OF THE NEW SHARE OPTION SCHEME

Awards lapsed in accordance with the terms of New Share Option Scheme or Other Schemes) in the 12-month period up to and including the Date of Grant of the Relevant Options, exceed 1% of the Shares in issue at such date (including cancelled, exercised and outstanding Options) unless:

- (a) such grant has been duly approved by the Shareholders in general meeting, at which the relevant Eligible Participant and his close associates (or associates if the relevant Participant is a connected person of the Company) abstained from voting;
- (b) a circular regarding the grant has been despatched to the Shareholders disclosing the identity of the relevant Eligible Participant, the number and terms of the Options to be granted (and Options or options or Awards previously granted to such relevant Participant in the 12-month period), the purpose of granting the Options to the relevant Eligible Participant and an explanation as to how the terms of the Options serve such purpose; and
- (c) the number and terms of such Options are fixed before the Shareholders' approval in general meeting of the Company at which the same are approved. In respect of any Options to be granted, 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 Subscription Price.

The Company may seek separate approval from the Shareholders in the general meeting for granting Options under the New Share Option Scheme which will result in the Scheme Limit or, if applicable, the extended limits, being exceeded, provided that:

- (a) the grant is to Eligible Participants specifically identified by the Company before the approval is sought;
- (b) a circular regarding the grant has been despatched to the Shareholders in a manner complying with, and containing the name of each specified Eligible Participant who may be granted such Options, the number and terms of the Options to be granted to each Eligible Participant, and the purpose of granting Options to the specified Eligible Participants with an explanation as to how the terms of the Options serve such purpose; and
- (c) the number and terms of Options to be granted to such Participant be fixed before Shareholders' approval. In respect of any Options to be granted, 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 Subscription Price.

APPENDIX III SUMMARY OF THE PRINCIPAL TERMS OF THE RULES OF THE NEW SHARE OPTION SCHEME

Each grant of Options to an Eligible Participant who is a Director, chief executive or substantial shareholder of the Company, or any of their respective associates, under the New Share Option Scheme must be approved by the independent non-executive Directors of the Company (excluding any independent non-executive Director who is the proposed Grantee of the Options).

Where any grant of Options to an independent non-executive Director or a substantial shareholder of the Company, or any of their respective associates, would result in the Shares issued and to be issued in respect of all Options and awards already granted or to be granted under the New Share Option Scheme or Other Schemes (excluding any Options and awards lapsed in accordance with the terms of the New Share Option Scheme or Other Schemes) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the Shares in issue, such further grant of Options by the Board shall not be valid unless:

- (a) a circular containing the details of the grant has been despatched to the Shareholders;
- (b) the grant has been approved by the Shareholders in general meeting (taken on a poll), at which the Grantee, his/her associates and all core connected persons (as defined in the Listing Rules) of the Company have abstained from voting in favour at such meeting, and in accordance with the Listing Rules; and
- (c) the number and terms of such Options are fixed before the general meeting of the Company at which the same are approved.

The circular to be issued by the Company to its Shareholders shall contain the following information:

- (A) the details of the number and terms of the Options to be granted to each Eligible Participant which must be fixed before the Shareholders' meeting;
- (B) the views of the independent non-executive Directors (excluding any independent non-executive Director who is the Grantee of the Options) as to whether the terms of the grant are fair and reasonable and whether such grant is in the interests of the Company and its Shareholders as a whole, and their recommendation to the independent Shareholders as to voting;
- (C) the information required under Rule 17.02(2)(c) of the Listing Rules; and
- (D) the information required under Rule 2.17 of the Listing Rules.

**APPENDIX III SUMMARY OF THE PRINCIPAL TERMS OF THE RULES
OF THE NEW SHARE OPTION SCHEME**

6. TIME OF ACCEPTANCE AND EXERCISE OF OPTION

- (a) Any Offer may be accepted by an Eligible Participant in respect of less than the number of Shares which are offered provided that such number is clearly stated in the duplicate letter comprising acceptance of the Offer duly signed by such Eligible Participant and received by the Company together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof within such time as may be specified in the Offer (which shall not be later than 21 days from the Offer Date). Such remittance shall in no circumstances be refundable.

- (b) The Option Period of an Option must not end later than ten (10) years from the Offer Date of that Option. An Option can be exercised from the moment and to the extent that it vests. The date or dates on which an Option vests will be set by the Board at the time of grant, which shall be not less than twelve (12) months from the date on which the Option is accepted. The Options granted to the Eligible Participants will not be subject to a shorter vesting period.

- (c) For so long as the Shares are listed on the Stock Exchange:
 - (1) The Company may not grant any Options after inside information has come to its knowledge until (and including) the trading days after it has announced the information. In particular, it may not grant any Option during the period commencing one month immediately preceding the earlier of:
 - (a) the date of the Board meeting (as such date is first notified to the Stock Exchange under 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
 - (b) 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),

APPENDIX III SUMMARY OF THE PRINCIPAL TERMS OF THE RULES OF THE NEW SHARE OPTION SCHEME

and ending on the date of the results announcement; and

- (2) the Directors may not make any Offer to an Eligible Participant who is a Director during the periods or times in which the 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.

- (d) An Option shall be personal to the grantee and shall not be transferable or assignable and no grantee shall in any way sell, transfer, charge, mortgage, encumber or otherwise dispose of or create any interest whatsoever in favour of any third party over or in relation to any Option or enter into any agreement so to do. Any breach of the foregoing by a grantee shall entitle the Company to cancel any Option granted to such grantee to the extent not already exercised.

- (e) Shares to be allotted and issued upon the exercise of an Option will be subject to all the provisions of the Bye-Laws for the time being in force and will rank *pari passu* in all respects with the then existing 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. Any Share allotted and issued upon the exercise of an Option shall not carry voting rights, or rights to participate in any dividends or distributions of the Company, or any rights arising on a liquidation of the Company, or any rights as to transfer, in respect of the Shares to be issued upon the exercise of the Option, until the name of the grantee has been duly entered on the register of members of the Company as the holder thereof.

7. CLAWBACK MECHANISM

Subject to the discretion of the Board, if an Eligible Participant’s employment has been terminated summarily, or has been convicted of any criminal offence involving his or her integrity or honesty, or any wrongdoing involving misstatement in the Group’s financial statements, any outstanding Options shall immediately lapse. The clawback mechanism would enable the Company to recover or withhold the Options granted to any Eligible Participant, so that the equity incentives granted to Grantees culpable of misconduct and is in line with the purpose of the New Share Option Scheme and the interests of Shareholders.

APPENDIX III SUMMARY OF THE PRINCIPAL TERMS OF THE RULES OF THE NEW SHARE OPTION SCHEME

8. SUBSCRIPTION PRICE

The Subscription Price in respect of any Option shall be at the discretion of the Directors, provided that it must be at least the higher of:

- (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant, which must be a business day; and
- (ii) the average closing price of the shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant.

9. ADJUSTMENT TO THE SUBSCRIPTION PRICE

- (a) In the event of any alteration in the capital structure of the Company whilst any Option remains exercisable or the Scheme remains in effect, and such event arises from a capitalisation issue, rights issue, consolidation or sub-division of the Shares, or reduction of the capital of the Company, then, in any such case the Company shall instruct the Calculation Agent to certify in writing the adjustment, if any, that ought in their opinion fairly and reasonably to be made either generally or as regards any particular grantee, to:

- (1) the number or nominal amount of Shares to which the Scheme or any Option(s) relates (insofar as it is/they are unexercised); and/or
- (2) the Subscription Price of any Option; and/or
- (3) (unless the relevant grantee elects to waive such adjustment) the number of Shares comprised in an Option or which remains comprised in an Option,

and an adjustment as so certified by the Calculation Agent shall be made, provided that:

- (1) any such adjustment shall give the grantee the same proportion of the issued share capital of the Company for which such grantee would have been entitled to subscribe had he exercised all the Options held by him immediately prior to such adjustment;
- (2) no such adjustment shall be made the effect of which would be to enable a Share to be issued at less than its nominal value;

APPENDIX III SUMMARY OF THE PRINCIPAL TERMS OF THE RULES OF THE NEW SHARE OPTION SCHEME

- (3) the issue of Shares or other securities of the Group as consideration in a transaction shall not be regarded as a circumstance requiring any such adjustment; and
- (4) any such adjustment shall be in compliance with the Listing Rules and such applicable rules, codes, guidance notes and/or interpretation of the Listing Rules from time to time promulgated by the Stock Exchange.

In respect of any adjustment referred to above, other than any adjustment made on a capitalisation issue, the Calculation Agent must confirm to the Directors in writing that the adjustments satisfy the requirements of the relevant provisions of the Listing Rules.

10. LAPSE OF OPTION

The Option Period in respect of any Option shall automatically terminate and that Option (to the extent not already exercised) shall lapse on the earliest of:

- (1) the expiry of the Option Period;
- (2) the expiry of any of the periods specified in the rules of the Scheme following a grantee ceasing to be an Eligible Employee by reason of his death, ill-health or retirement or other causes or the occurrence of other circumstances specified in the rules of the Scheme;
- (3) in respect of a grantee who is an Eligible Employee, the date on which the grantee ceases to be an Eligible Employee by reason of termination of his employment on the grounds that he has been guilty of persistent or serious misconduct, or has committed any act of bankruptcy or has become insolvent or has made any arrangement or composition with his creditors generally, or has been convicted of any criminal offence (other than an offence which in the opinion of the Directors does not bring the grantee or any member of the Group into disrepute);

APPENDIX III SUMMARY OF THE PRINCIPAL TERMS OF THE RULES OF THE NEW SHARE OPTION SCHEME

- (4) in respect of a grantee other than an Eligible Employee, the date on which the Directors shall at their absolute discretion determine that:
- (a) the grantee or his associate has committed any breach of any contract entered into between the grantee or his associate on the one part and any member of the Group on the other part; or
 - (b) the grantee has 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
 - (c) the grantee could no longer make any contribution to the growth and development of any member of the Group by reason of the cessation of its relations with the Group or by any other reason whatsoever; and
 - (d) the Option shall lapse as a result of any event specified in sub-paragraph (a), (b) or (c) above; and
- (5) the date on which the Directors shall exercise the Company's right to cancel the Option by reason of a breach by the grantee of the transfer restriction in respect of that or any other Option.

11. CANCELLATION OF OPTIONS

- (a) Subject to the rules of the Scheme and Chapter 17 of the Listing Rules, any Option granted but not exercised may not be cancelled except with the prior written consent of the relevant grantee and the approval of the Directors.
- (b) Where the Company cancels any Option granted to a grantee, and make a new grant to the same grantee, such new grant of Option(s) may only be made with available unused General Scheme Limit approved by the Shareholders pursuant to the Scheme. The Options cancelled will be regarded as utilised for the purpose of calculating the Scheme Limit.

APPENDIX III SUMMARY OF THE PRINCIPAL TERMS OF THE RULES OF THE NEW SHARE OPTION SCHEME

12. ALTERATION OF THE SCHEME

- (1) Any alterations to the terms and conditions of the Scheme which are of a material nature or any alterations to the provisions relating to the matters set out in this Rule 17.03 of the Listing Rules to the advantage of Eligible Participants must be approved by the Shareholders in general meeting.
- (2) Any change to the terms of Options granted to an Eligible Participant must be approved by the Board, the remuneration committee of the Company (the “Remuneration Committee”), the independent non-executive Directors and/or the Shareholders (as the case may be) if the initial grant of the Options was approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders (as the case may be). This requirement does not apply where the alterations take effect automatically under the existing terms of the Scheme.
- (3) The amended terms of the scheme or the options or awards must still comply with the relevant requirements of Chapter 17 of the Listing Rules.
- (4) Any change to the authority of the directors or scheme administrators to alter the terms of the Scheme must be approved by Shareholders in general meeting.

13. TERMINATION

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

14. CONDITIONS

- (a) The Scheme is conditional upon:
 - (1) 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 by the Company pursuant to the exercise of Options in accordance with the Scheme; and

APPENDIX III SUMMARY OF THE PRINCIPAL TERMS OF THE RULES OF THE NEW SHARE OPTION SCHEME

- (2) the passing of an ordinary resolution to approve and adopt the Scheme by the Shareholders in general meeting.

- (b) If the conditions contained in paragraph 14(a) are not satisfied on or before the date falling 30 days after the date of the general meeting of the Company convened for the purposes of approving the adoption of the Scheme, the Scheme shall forthwith terminate and no person shall be entitled to any rights or benefits or be under any obligations under or in respect of the Scheme.

- (c) Reference in paragraph 14(a) to the Listing Committee of the Stock Exchange formally granting the listing and permission referred to therein shall include any such listing and permission which are granted subject to the fulfilment of any condition precedent or condition subsequent.

- (d) A certificate of a Director that the conditions contained in paragraph 14(a) have been satisfied and the date on which such conditions were satisfied or that such conditions have not been satisfied as of any particular date and the exact date of the adoption of the Scheme shall be conclusive evidence of the matters certified.

The following is a summary of the principal terms of the New Share Award Scheme proposed to be adopted at the AGM which serves to summarize the terms of the New Share Award Scheme, but does not constitute the full terms of the same.

Purpose

The purposes of the New Share Award Scheme are to align the interests of Eligible Participants with those of the Group through ownership of Shares, dividends and other distributions paid on Shares and/or the increase in value of the Shares and to encourage and enable Eligible Participants, upon whose judgment, initiative and efforts the Group largely depends for the successful conduct of its business, to make contributions to the long-term growth and profits of the Group and share in the success of the Group.

Duration

Subject to any early termination as may be determined by the Board, the New Share Award Scheme shall be valid and effective for a period of ten (10) years commencing on the Adoption Date, and thereafter for so long as there are any non-vested Award Shares relating to Awards granted prior to the expiration of the New Share Award Scheme.

Administration

The Scheme shall be subject to the administration of the Board in accordance with the Scheme Rules and all applicable laws and regulations. Any decision made by the Board as to all matters arising in relation to the New Share Award Scheme or its interpretation or effect (save as otherwise provided herein) shall be final, conclusive and binding on all parties.

The Trustee will hold the Shares and the income derived therefrom in accordance with the terms of the Trust Deed(s).

Operation

Subject to the Scheme Rules, the Board may, from time to time, in its absolute discretion and subject to such terms and conditions as it may think fit (including the basis of eligibility of each Eligible Participant determined by the Board from time to time), select any Eligible Participant (excluding any Excluded Participant) for participation in the New Share Award Scheme as an Eligible Participant, grant an Award to such Eligible Participant and determine the number of Award Shares. However, until so selected, no Eligible Participant shall be entitled to participate in the New Share Award Scheme.

Subject to the Scheme Rules, the Board may impose any conditions, restrictions or limitations or waive any such conditions, restrictions or limitations from time to time in relation to the Award as it may at its absolute discretion think fit. Where an Eligible Participant or his associate is a member of the Board, such person will abstain from voting on any approval by the Board of an award of Shares to such Eligible Participant.

The underlying Award Shares to satisfy the Awards (including potential Awards) may be purchased on-market by the Trustee at prevailing market prices from funds provided by the Company (subject to such maximum price as may from time to time be prescribed by the Board) or issued and allotted as new Shares by the Company for subscription by the Trustee on terms and at issue prices (including at par value) as shall be determined by the Board and from funds provided by the Company. The Company shall appoint the Trustee to acquire and hold such Award Shares and Related Income on Trust for the Eligible Participants, and to distribute such Award Shares and Related Income to the Eligible Participants, in accordance with the Scheme Rules and pursuant to the Trust Deed or such other governing documents of such trust arrangements. The Board may from time to time cause to be paid the Reference Amount to the Trustee by way of settlement as directed by the Board which shall constitute part of the trust fund of the Trust, for the purchase or subscription (as the case may be) of Shares and other purposes set out in the relevant Trust Deed.

Subject to the Scheme Rules and the terms of the Award, as soon as practicable following the vesting of the Award Shares, the Board shall direct the Trustee to transfer the relevant vested Award Shares and Related Income to, the Eligible Participant on the Vesting Date, or as soon as possible thereafter if it is not practicable to effect such transfer on such Vesting Date subject to (i) the receipt by the Trustee of, a written confirmation from the Company that all vesting conditions have been fulfilled and its prescribed transfer document(s) duly signed by the Eligible Participant; and (ii) the payment of all Vesting Expenses by the Eligible Participant.

Consideration

The Award Shares will be granted to the Eligible Participant(s) at nil consideration, if any.

Restrictions

No Award shall be made and no instructions to acquire Shares on-market shall be given to the Trustee (i) where any Director is in possession of unpublished inside information in relation to the Company or where dealings by Directors are prohibited under any code or requirement of the Listing Rules or any applicable laws, rules or regulations, or (ii) during the period of 60/30 days

immediately preceding the publication date of the annual/half-year results for any financial period of the Company or, if shorter, the period from the end of the relevant financial/interim period up to and including the publication date of such results.

Scheme Limit

The Board shall not make any further Award which will result in the aggregate number of the Shares which may be issued in respect of all options and awards granted under all of the schemes of the Company (including under the New Share Award Scheme and the New Share Option Scheme) exceeding 10% of the issued share capital of the Company as at the date of adoption of the New Share Award Scheme (“**Scheme Limit**”).

The Scheme Limit may be refreshed after three years from the Adoption Date or the date of the Company’s shareholders’ approval for the last refreshment (as the case may be) in accordance with the relevant Listing Rules. Any Refreshment within any three year period must be approved by shareholders of the Company (other than the controlling shareholders (or if there is no controlling shareholder, the directors (excluding independent non-executive directors) and chief executive of the Company and their respective associates) and their associates, who must abstain from voting in favour of the relevant resolution at the general meeting) in general meeting. The aggregate number of Shares which may be issued in respect of all options and awards to be granted under all of the schemes of the Company (including the New Share Award Scheme) under the Scheme Limit as refreshed shall not exceed 10% of the relevant class of Shares in issue as at the date of approval of the refreshed Scheme Limit by shareholders of the Company in general meeting. Awards or options lapsed in accordance with the terms of the New Share Award Scheme or the New Share Option Scheme will not be regarded as utilized for the purpose of calculating the Mandate Limit.

Where any grant of Awards to an Eligible Participant would result in the Shares issued and to be issued in respect of all options and awards granted to such person (excluding any options and awards lapsed in accordance with the terms of the scheme) in the 12-month period up to and including the date of such grant representing in aggregate over 1% of the relevant class of shares of the Company in issue, such grant must be separately approved by shareholders of the Company in general meeting with such Eligible Participant and his/her close associates (or associates if the Eligible Participant is a connected person) abstaining from voting.

Award to a Director, chief executive or substantial shareholder of the Company or any of their respective associates and a connected person of the Company Any grant of Awards to a director, chief executive or substantial shareholder of the Company, or any of their respective associates, under the Scheme must be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the grantee of the Awards).

Where any grant of Awards to a director (other than an independent non-executive director) or chief executive of the Company, or any of their associates would result in the Shares issued and to be issued in respect of all awards granted (excluding any awards lapsed in accordance with the terms of the scheme) to such person in the 12-month period up to and including the date of such grant, representing in aggregate over 0.1% of the relevant class of shares in issue, such further grant of Awards must be approved by shareholders of the Company in general meeting, at which the grantee, his/her associates and all core connected persons of the Company must abstain from voting. Where any grant of Awards to an independent non-executive Director or a substantial shareholder of the Company, or any of their respective associates would result in the Shares issued and to be issued in respect of all options and awards granted (excluding any options and awards lapsed in accordance with the terms of the scheme) to such person in the 12-month period up to and including the date of such grant, representing in aggregate over 0.1% of the relevant class of shares in issue, such further grant of Awards must be approved by shareholders of the Company in general meeting, at which the grantee, his/her associates and all core connected persons of the Company must abstain from voting.

For any grant of Awards to any connected person of the Company, the Company shall comply with all applicable laws, rules and regulations, including but not limited to the Listing Rules from time to time.

Voting rights

No Eligible Participant shall exercise any voting rights in respect of any Shares held on Trust that have not yet vested or take any action in relation to such Shares in the event of a proposed change in Control of the Company. The Trustee shall not exercise the voting rights in respect of any Shares held under the Trust and the Trustee holding unvested Shares under the Scheme, whether directly or indirectly, shall abstain from voting on matters that require shareholders' approval under the Listing Rules, unless otherwise required by law to vote in accordance with the beneficial owner's direction and such a direction is given.

Dividends

Notwithstanding any other provisions in the Scheme Rules, no Eligible Participant shall receive any cash income derived from the Award Shares (i.e., cash dividends declared and paid on the Award Shares, if any) in the event that the Company pays any dividend on the Award Shares until such Award Shares become fully vested (provided always that the Eligible Participant shall not be entitled to receive any dividend declared and distributed with respect to the Award Share, prior to the vesting of the same), unless otherwise provided in the Award notice.

Vesting and forfeiture

The Award Shares held by the Trustee upon the Trust and which are referable to an Eligible Participant shall vest in that Eligible Participant in accordance with the conditions set out in the Award Notice as the Board may determine at its absolute discretion or is deemed to have vested pursuant to the Scheme Rules, provided that the Eligible Participant remains at all times after the Reference Date and on the relevant vesting dates (if applicable) an Eligible Participant and the related vesting period shall not be less than 12 months. An Eligible Participant shall have no right, benefit or interest in any Award Shares unless and until the Trustee has vested the legal and beneficial ownership of such Award Shares in him.

The Award granted to an Eligible Participant shall automatically lapse and be cancelled forthwith and the Award Shares and Related Income of such Award shall not vest on the relevant Vesting Date but shall become Returned Shares for the purposes of the Scheme, in the event that:

- (a) the Eligible Participant ceases to be an employee;
- (b) the Subsidiary by which an Eligible Participant is employed ceases to be a subsidiary of the Company (or of a member of the Group);
- (c) any of the vesting conditions upon an Award to the relevant Eligible Participant as determined by the Board on the Reference Date were not fulfilled;
- (d) an order for the winding-up of the Company is made or a resolution is passed for the voluntary winding-up of the Company (otherwise than for the purposes of, and followed by, an amalgamation and reconstruction in such circumstances that substantially the whole of the undertaking, assets and liabilities of the Company pass to the successor company);

- (e) the Eligible Participant has been guilty of serious misconduct, or has been convicted of any criminal offence involving his integrity or honesty, or could no longer make any contribution to the growth and development of the Group for any reason whatsoever, as the Board may at its absolute discretion determine;
- (f) the Eligible Participant is found to be an Excluded Participant; or
- (g) the Eligible Participant fails to (i) return duly executed transfer documents prescribed by the Trustee for the relevant Award Shares and the Related Income; and/or (ii) pay the related Vesting Expenses, within the stipulated period,

(each of these, an event of “**Lapse**”).

The Trustee shall hold the Returned Shares exclusively for the benefit of all or one or more of the Eligible Participants as the Board shall in its absolute discretion at any time determine and select in writing as the Eligible Participant(s).

In respect of an Eligible Participant who died or retired at his normal retirement date or earlier by agreement with the Company or any of the Subsidiaries at any time prior to the relevant Vesting Date, all the Award Shares and Related Income of that Eligible Participant shall be deemed to be vested on the day immediately prior to his death or retirement at his normal retirement date or earlier by agreement with the Company or its subsidiary.

If there is an event of change in control of the Company by way of a merger, a privatization of the Company by way of a scheme or by way of an offer, the vesting of any Award Shares may be accelerated and/or the vesting conditions or criteria of any Award may be amended or waived at the sole discretion of the Board or its delegate(s).

Ranking of the Award Shares

The Award Shares, when issued and fully paid, shall rank *pari passu* among themselves and with the other Shares in issue, with rights to receive all dividends and other distributions declared, made or paid on or after the date of proposed allotment and issue.

Performance Conditions

The Directors consider that it is not practicable to expressly set out a generic set of Performance Conditions as each Eligible Participant will play different roles and contribute in different ways to the Group. The Directors consider it more beneficial to the Company to retain

the flexibility to determine when and to what extent such conditions are appropriate. The Board may, in its absolute discretion, designate an Award made to any Eligible Participant. If it does so, the Board shall determine the Performance Conditions attached to an Award made to the Eligible Participant under the Scheme. The Performance Conditions shall be applied to the Eligible Participants, including but not limited to directors and/or senior managers of the Company.

The Group will utilize its internal assessment system to appraise and evaluate the Performance Conditions applicable to each grant of Award on a case-by-case basis. The Company will consider the past contributions of an Eligible Participant with reference to the factors set out above and form an internal assessment as regards the future value that such Eligible Participant may bring to the growth and development of the Group. The assessment involves the consideration and appraisal of the Eligible Participant's expected contribution with reference to such Eligible Participant's nature of duties, position within the Group and other features including geographical location, corporate culture and business strategy focus.

Besides, the following additional factors may also be considered:

- (a) normally be tested over a performance period of at least three financial years of the Company (or such other period as the Board may from time to time determine in respect of the Award for any Eligible Participant);
- (b) may relate to the performance of the Eligible Participant, the Company, one or more of the Subsidiaries, the business or functional unit or department for which the Eligible Participant works or the strategic or business initiatives or projects for which the Eligible Participant is responsible or in relation to which he is actively involved in developing, implementing or completing, or any combination of the above; and
- (c) may be relative to the performance of one or more comparators, benchmarks, indices or other measures; and

Specific weightings will be given to the factors above in order to provide a fair and objective appraisal of the Eligible Participants before the grant of Awards, such that the grants will be on a fair and reasonable basis and in the interest of the Company and its Shareholders as a whole.

The Performance Conditions may include other events or circumstances the occurrence of which shall constitute a Lapse.

The Board may amend any Performance Condition if any event occurs which causes it to consider that the amended Performance Condition would, at the absolute discretion of the Board, be a more accurate measure of performance.

Clawback mechanism

In certain circumstances, it may be regarded as inequitable for any Award Shares to be vested or retained, as applicable. Such Award Shares are therefore subject to Clawback, including but not limited to circumstances where there has been a material misstatement or omission in the financial statements of the Group made by an Eligible Participant or if the relevant Eligible Participant's employee has been terminated summarily, or has engaged in serious negligence, fraud or misconduct, breached the Company's policies, rules or regulations or other circumstances. Notwithstanding anything else in the Scheme Rules, any Award Shares may be subject to clawback pursuant to the Company's clawback mechanism, as amended from time to time, and that any Award Shares allocated or awarded to an Eligible Participant, the return or repayment of all or a specified part of such Award Shares by such Eligible Participant and/or the ceasing or variation of the Eligible Participant's entitlement to receive or be vested with all or a specified part of any such Award Shares which have not yet been vested in the Eligible Participant.

Transferability

Awards shall be personal to the Eligible Participant to whom it is made and shall not be assignable or transferable and no Eligible Participant shall in any way sell, transfer, assign, charge, mortgage, encumber or create any interest in favour of any other person over or in relation to any Award, or enter into any agreement to do so.

Alteration of the New Share Award Scheme

No alteration shall be made to any of the Scheme Rules unless such alteration is approved by the Shareholders in general meeting.

Adjustment arising from the Relevant Event

Upon the occurrence of any Relevant Event (i.e. any variation in the share capital of the Company arising from any capitalisation issue, reduction, sub-division or consolidation of share capital of the Company, any rights issue of any share capital of the Company by way of capitalisation of profits or reserves or in connection with an open offer to the Shareholders, except where Shares are issued as consideration or part consideration in a transaction), the purchase price for Award Shares (if any) and/or the number of Award Shares may be adjusted in a manner as

determined by the Board (having received a statement in writing from the independent financial adviser or the auditor of the Company that in their opinion the adjustments proposed satisfy the requirements set out in Rule 17.03(13) of Listing Rules), in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Scheme for such Eligible Participant(s). The adjustment must give an Eligible Participant the same proportion of the Award Shares, rounded to the nearest whole Share, as that to which he was previously entitled, but no such adjustment may be made to the extent that a Share would be issued at less than its nominal value (if any).

Termination

The New Share Award Scheme shall terminate on the earlier of: (a) the 10th anniversary of the Adoption Date; (b) the date when an order for the winding-up of the Company is made or a resolution is passed for the voluntary winding-up of the Company (otherwise than for the purposes of an amalgamation, reconstruction or a scheme of arrangement); and (c) such date of early termination as determined by the Board provided that such termination shall not affect any subsisting rights of any Eligible Participant under the New Share Award Scheme.

Upon termination, no further Award shall be granted but in all other respects the provisions of the New Share Award Scheme shall remain in full force and effect. The Award Shares granted and subsisting prior to the termination shall continue to be in full force and effect.

The following are the Proposed Amendments to the Bye-Laws brought about by the adoption of the New Bye-Laws.

Unless otherwise specified, clauses, paragraphs and bye-laws numbers referred to herein are clauses, paragraphs and article numbers of the existing Bye-Laws.

Specific amendments

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- 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 to them respectively in the second column.

WORD	MEANING
<u>“announcement”</u>	<u>an official publication of a Notice or document of the Company, including a publication, subject to and to such extent permitted by the Listing Rules, by electronic communication or by advertisement published in the newspapers or in such manner or means ascribed and permitted by the Listing Rules and applicable laws.</u>
“Act”	the Companies Act 1981 of Bermuda, as amended from time to time.
<u>“associates”</u>	the meaning attributed to it in the rules of the Designated Stock Exchange
“Board” or “Directors”	the B <u>b</u> oard of D <u>d</u> irectors of the Company or the D <u>d</u> irectors present at a meeting of D <u>d</u> irectors <u>of the Company</u> at which a quorum is present.
“capital”	the share capital <u>of the Company</u> from time to time of the Company

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<u>“clearing house”</u>	<u>a clearing house recognised by the laws of the jurisdiction in which the shares of the Company are listed or quoted on a stock exchange in such jurisdiction.</u>
<u>“close associate”</u>	<u>in relation to any Director, shall have the same meaning as defined in the 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 Listing Rules, it shall have the same meaning as that ascribed to “associate” in the Listing Rules.</u>
<u>“\$”</u>	<u>dollars, the legal currency of Hong Kong</u>
<u>“electronic communication”</u>	<u>a communication sent, transmitted, conveyed and received by wire, by radio, by optical means or by other similar means in any form through any medium.</u>
<u>“electronic meeting”</u>	<u>a general meeting held and conducted wholly and exclusively by virtual attendance and participation by Members and/or proxies by means of electronic facilities.</u>
<u>“hybrid meeting”</u>	<u>a general meeting convened for the (i) physical attendance by Members and/or proxies at the Principal Meeting Place and where applicable, one or more Meeting Locations and (ii) virtual attendance and participation by Members and/or proxies by means of electronic facilities.</u>
<u>“Listing Rules”</u>	<u>the rules and regulations of the Designated Stock Exchange.</u>
<u>“Meeting Location”</u>	<u>has the meaning given to it in Bye-law 64(A).</u>

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<u>“physical meeting”</u>	<u>a general meeting held and conducted by physical attendance and participation by Members and/or proxies at the Principal Meeting Place and/or where applicable, one or more Meeting Locations.</u>
<u>“Principal Meeting Place”</u>	<u>shall have the meaning given to it in Bye-law 59(2).</u>
<u>“Register”</u>	the principal register and where applicable, any branch register of Members of the Company to be kept pursuant to the provisions of the Act.
<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 Listing Rules from time to time) of the voting power at any general meeting of the Company.</u>

2. In these Bye-laws, unless there be something within the subject or context inconsistent with such construction:

- (b) words importing a gender include ~~every~~ both gender and the neuter;
- (e) expressions referring to writing shall, unless the contrary intention appears, be construed as including printing, lithography, photography and other modes of representing or reproducing words or figures in a visible form legible and non-transitory form or, to the extent permitted by and in accordance with the Statutes and other applicable laws, rules and regulations, any visible substitute for writing (including an electronic communication), or modes of representing or reproducing words partly in one visible form and partly in another visible form, and including where the representation takes the form of electronic display, provided that both the mode of service of the relevant document or notice and the Member’s election comply with all applicable Statutes, rules and regulations;
- (g) save as aforesaid words and expressions defined in the Statutes shall bear the same ~~meetings~~ meanings in these Bye-laws if not inconsistent with the subject in the context;

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- (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, 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) days' Notice has been duly given~~ in accordance with Bye-law 59;
- (j) a special resolution shall be effective for any purpose for which an ordinary resolution is expressed to be required under any provision of these Bye-laws or the Statutes;
- (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;
- (l) references to a document (including, but without limitation, a resolution in writing) being signed or executed include references to it being signed or executed under hand or under seal or by electronic signature or by electronic communication or by any other method and references to a notice or

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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;

- (m) references to the right of a Member to speak at an electronic meeting or a hybrid meeting shall include the right to raise questions or make statements to the chairman of the meeting, verbally or in written form, by means of electronic facilities. Such a right shall be deemed to have been duly exercised if the questions or statements may be heard or seen by all or only some of the persons present at the meeting (or only by the chairman of the meeting) in which event the chairman of the meeting shall relay the questions raised or the statements made verbatim to all persons present at the meeting, either orally or in writing using electronic facilities;
- (n) a reference to a meeting shall mean a meeting convened and held in any manner permitted by these Bye-laws and any Member or Director attending and participating at a meeting by means of electronic facilities shall be deemed to be present at that meeting for all purposes of the Statutes and these Bye-laws, and attend, participate, attending, participating, attendance and participation shall be construed accordingly;
- (o) references to a person's participation in the business of a general meeting include without limitation and as relevant the right (including, in the case of a corporation, through a duly authorised representative) to speak or communicate, vote, be represented by a proxy and have access in hard copy or electronic form to all documents which are required by the Statutes or these Bye-laws to be made available at the meeting, and participate and participating in the business of a general meeting shall be construed accordingly;
- (p) references to electronic facilities include, without limitation, website addresses, webinars, webcast, video or any form of conference call systems (telephone, video, web or otherwise); and
- (j)(q) where a Member is a corporation, any reference in these Bye-laws to a Member shall, where the context requires, refer to a duly authorised representative of such Member.

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3. (1) ~~Unless otherwise determined by the Company in general meeting, the share capital of the Company at the date on which these Bye-laws come into effect shall be divided into shares of a par value of \$0.01 each.~~
- (2) Subject to the Act, the Company's memorandum of association and, where applicable, the ~~rules of any Designated Stock Exchange Listing Rules~~ 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 Listing Rules 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~~ or in connection with a purchase made or to be made by any person of any shares in the Aet Company.
4. The Company may from time to time by ordinary resolution in accordance with Section 45 of the Act:
- ~~(f)~~ (f) make provision for the issue and allotment of shares which do not carry any voting rights; and
- ~~(g)~~ (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.
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.~~
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

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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.

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 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 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.~~
12. (1) Subject to the Act, ~~and~~ these Bye-laws, any direction that may be given by the Company in general meeting and, where applicable, the Listing Rules 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

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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~~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.

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.

19. Share certificates shall be issued ~~in the case of an issue of shares within twenty-one (21) days (or such longer period~~the relevant time limit as prescribed in the Act or as the terms of Designated Stock Exchange may from time to time determine, whichever is the issue provide) shorter, after allotment or, except in the case of a transfer of fully or partly paid shares ~~within twenty-one (21) days after lodgment of a transfer with the Company, not being 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.

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20. (2) The fee referred to in paragraph (1) above shall be an amount not exceeding ~~\$2 or such other~~ 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 be issued to the relevant ~~m~~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.
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 ~~m~~Member, and whether the period for the payment or discharge of the same shall have actually arrived or not, and notwithstanding that the same are joint debts or liabilities of such Member or his estate and any other person, whether a Member ~~of the Company~~ or not. The Company's lien 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

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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.

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. ~~The Directors may make arrangements on the issue of shares for a difference between the shareholders in the amount of calls to be paid and in the times of payment.~~
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~~general Meeting~~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.
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 ~~n~~Notice~~in writing~~ of its intention in that behalf, unless before the expiration of such notice the amount so advanced shall have been called up on the shares in respect of which it was advanced. Such payment in advance shall not entitle the holder of such share or shares to participate in respect thereof in a dividend subsequently declared.
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:
- (b) stating that if the ~~notice~~Notice is not complied with the shares on which the call was made will be liable to be forfeited.

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- (2) If the requirements of any such ~~notice~~Notice are not complied with, any share in respect of which such ~~notice~~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~~Notice.
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

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the declaration shall be given to the ~~m~~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 of ~~r~~ neglect to give such notice or make any such entry.

43. (1) The Company shall keep in one or more books a Register ~~of its Members 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;

44. The Register and branch register of Members, as the case may be, shall be open to inspection between 10 a.m. and 12 noon ~~on every~~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,~~ 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 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.

45. ~~Notwithstanding~~ Subject to the Listing Rules, 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 30 days before or after, any date on which such dividend, distribution, allotment or issue is declared, paid or made;~~

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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 Listing Rules 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-only 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. (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 ~~it~~ 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. (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;
51. The registration of transfers of shares or of any class of shares may, after notice has been given by announcement or by electronic communication or by advertisement in an appointed newspaper and, where applicable, any other

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newspapers in accordance with the requirements of any Designated Stock Exchange or by any means in such manner as may be accepted by the Designated Stock Exchange to that effect be suspended at such times and for such periods (not exceeding in the whole thirty (30) days in any year) as the Board may determine.

55. (2) (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;
- (c) the Company, if so required by the ~~rules governing the listing of shares on the Designated Stock Exchange~~ Listing Rules, 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.

56. Subject to the Act, Aan annual general meeting of the Company shall be held in each financial year other than the financial year ~~of incorporation at such time~~ (within a period of not more than fifteenin which its statutory meeting is convened and such annual general meeting must be held within six (156) months after the holding end of the last ~~preceeding annual general meeting~~Company’s financial year (unless a longer period would not infringe the rules of the Designated Stock Exchange, if any) ~~and place as may be determined by the Board~~at such time.

57. Each general meeting, other than an annual general meeting, shall be called a special general meeting. All Ggeneral meetings (including an annual general meeting, any adjourned meeting or postponed meeting) may be held as a physical

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meeting in any part of the world and at one or more locations as provided in Bye-law 64A, as a hybrid meeting or as an electronic meeting, as may be determined by the Board in its absolute discretion.

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 in the form of a physical meeting only and 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~~convene such physical meeting 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 be called by Notice of not less than twenty- one (21) clear days' Notice. All other general meetings (including a special general meeting) must ~~may~~ be called by Notice of not less than fourteen (14) clear days' Notice but if permitted by the Listing Rules, a general meeting may be called by shorter notice if it is so agreed:
- (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 period of notice shall be exclusive of the day on which it is served or deemed to be served and exclusive of the day on which the meeting is to be held, and the n~~Notice shall specify (a) the time and date of the meeting, (b) save for an electronic meeting, the place of the meeting and, in ease of special business, the general nature of the business if there is more than one meeting location as determined by the Board pursuant to Bye-law 64A, the principal place of the meeting (the "Principal Meeting Place"), (c) if the general meeting is to be a hybrid meeting or an electronic meeting, the notice shall include a statement to that effect and with details of the electronic

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facilities for attendance and participation by electronic means at the meeting or where such details will be made available by the Company prior to the meeting, and (d) particulars of resolutions to be considered at the meeting.
The ~~n~~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.

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 by proxy or, for quorum purposes only, two persons appointed by the clearing house as (in the case of a member being a corporation) by its ~~duly~~ 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 (where applicable) same place(s) or to such time and (where applicable) such place(s) ~~as~~ and in such form and manner referred to in Bye-law 57 as the chairman of the meeting (or in default, the Board) may absolutely 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. (1) The ~~President~~ chairman of the Company or ~~the Chairman~~ 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 a general meeting. If at any meeting ~~the President or the Chairman, as the case may be,~~ no chairman 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

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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.

- (2) If the chairman of a general meeting is participating in the general meeting using an electronic facility or facilities and becomes unable to participate in the general meeting using such electronic facility or facilities, another person (determined in accordance with Bye-law 63(1) above) shall preside as chairman of the meeting unless and until the original chairman of the meeting is able to participate in the general meeting using the electronic facility or facilities.

64. Subject to Bye-law 64C, 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 (or indefinitely) and/or from place to place(s) and/or from one form to another (a physical meeting, a hybrid meeting or an electronic meeting) 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 details set out in Bye-law 59(2) 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.

64A. (1) The Board may, at its absolute discretion, arrange for persons entitled to attend a general meeting to do so by simultaneous attendance and participation by means of electronic facilities at such location or locations ("Meeting Location(s)") determined by the Board at its absolute discretion. Any Member or any proxy attending and participating in such way or any

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Member participating in an electronic meeting or a hybrid meeting by means of electronic facilities is deemed to be present at and shall be counted in the quorum of the meeting.

(2) All general meetings are subject to the following:

- (a) where a Member is attending a Meeting Location and/or in the case of a hybrid meeting, the meeting shall be treated as having commenced if it has commenced at the Principal Meeting Place;
- (b) Members present in person or by proxy at a Meeting Location and/or Members participating in an electronic meeting or a hybrid meeting by means of electronic facilities shall be counted in the quorum for and entitled to vote at the meeting in question, and that meeting shall be duly constituted and its proceedings valid provided that the chairman of the meeting is satisfied that adequate electronic facilities are available throughout the meeting to ensure that Members at all Meeting Locations and Members participating in an electronic meeting or a hybrid meeting by means of electronic facilities are able to participate in the business for which the meeting has been convened;
- (c) where Members attend a meeting by being present at one of the Meeting Locations and/or where Members participating in an electronic meeting or a hybrid meeting by means of electronic facilities, a failure (for any reason) of the electronic facilities or communication equipment, or any other failure in the arrangements for enabling those in a Meeting Location other than the Principal Meeting Place to participate in the business for which the meeting has been convened or in the case of an electronic meeting or a hybrid meeting, the inability of one or more Members or proxies to access, or continue to access, the electronic facilities despite adequate electronic facilities having been made available by the Company, shall not affect the validity of the meeting or the resolutions passed, or any business conducted there or any action taken pursuant to such business provided that there is a quorum present throughout the meeting.

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(d) if any of the Meeting Locations is outside the jurisdiction of the Principal Meeting Place and/or in the case of a hybrid meeting, unless otherwise stated in the Notice, the provisions of these Bye-laws concerning the service and giving of Notice for the meeting, and the time for lodging proxies, shall apply by reference to the Principal Meeting Place; and in the case of an electronic meeting, the time for lodging proxies shall be as stated in the Notice for the meeting.

64B. The Board and, at any general meeting, the chairman of the meeting may from time to time make arrangements for managing attendance and/or participation and/or voting at the Principal Meeting Place, any Meeting Location(s) and/or participation in an electronic meeting or a hybrid meeting by means of electronic facilities (whether involving the issue of tickets or some other means of identification, passcode, seat reservation, electronic voting or otherwise) as it shall in its absolute discretion consider appropriate, and may from time to time change any such arrangements, provided that a Member who, pursuant to such arrangements, is not entitled to attend, in person or by proxy, at any Meeting Location shall be entitled so to attend at one of the other Meeting Locations; and the entitlement of any Member so to attend the meeting or adjourned meeting or postponed meeting at such Meeting Location or Meeting Locations shall be subject to any such arrangement as may be for the time being in force and by the Notice of meeting or adjourned meeting or postponed meeting stated to apply to the meeting.

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64C. If it appears to the chairman of the general meeting that:

- (a) the electronic facilities at the Principal Meeting Place or at such other Meeting Location(s) at which the meeting may be attended have become inadequate for the purposes referred to in Bye-law 64A(1) or are otherwise not sufficient to allow the meeting to be conducted substantially in accordance with the provisions set out in the Notice of the meeting; or
- (b) in the case of an electronic meeting or a hybrid meeting, electronic facilities being made available by the Company have become inadequate; or
- (c) it is not possible to ascertain the view of those present or to give all persons entitled to do so a reasonable opportunity to communicate and/or vote at the meeting; or
- (d) there is violence or the threat of violence, unruly behaviour or other disruption occurring at the meeting or it is not possible to secure the proper and orderly conduct of the meeting;

then, without prejudice to any other power which the chairman of the meeting may have under these Bye-laws or at common law, the chairman may, at his/her absolute discretion, without the consent of the meeting, and before or after the meeting has started and irrespective of whether a quorum is present, interrupt or adjourn the meeting (including adjournment for indefinite period). All business conducted at the meeting up to the time of such adjournment shall be valid.

64D. (1) The Board and, at any general meeting, the chairman of the meeting may make any arrangement and impose any requirement or restriction the Board or the chairman of the meeting, as the case may be, considers appropriate to ensure the security and orderly conduct of a meeting (including, without limitation, requirements for evidence of identity to be produced by those attending the meeting, the searching of their personal property and the restriction of items that may be taken into the meeting place, determining the number and frequency of and the time allowed for questions that may be raised at a meeting). Members shall also comply with all requirements or restrictions imposed by the owner of the premises at which the meeting is held. Any decision made under this Bye-law shall be final and conclusive and

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a person who refuses to comply with any such arrangements, requirements or restrictions may be refused entry to the meeting or ejected (physically or electronically) from the meeting.

64E. If, after the sending of Notice of a general meeting but before the meeting is held, or after the adjournment of a meeting but before the adjourned meeting is held (whether or not Notice of the adjourned meeting is required), the Directors, in their absolute discretion, consider that it is inappropriate, impracticable, unreasonable or undesirable for any reason to hold the general meeting on the date or at the time or place or by means of electronic facilities specified in the Notice calling the meeting, they may change or postpone the meeting to another date, time and/or place and/or change the electronic facilities and/or change the form of the meeting (a physical meeting, an electronic meeting or a hybrid meeting) without approval from the Members. Without prejudice to the generality of the foregoing, the Directors shall have the power to provide in every Notice calling a general meeting the circumstances in which a postponement of the relevant general meeting may occur automatically without further notice, including without limitation where a number 8 or higher typhoon signal, black rainstorm warning or other similar event is in force at any time on the day of the meeting. This Bye-law shall be subject to the following:

- (a) when a meeting is so postponed, the Company shall endeavour to post a notice of such postponement on the Company's website as soon as practicable (provided that failure to post such a notice shall not affect the automatic postponement of such meeting);
- (b) when only the form of the meeting or electronic facilities specified in the Notice are changed, the Board shall notify the Members of details of such change in such manner as the Board may determine;
- (c) when a meeting is postponed or changed in accordance with this Bye-law, subject to and without prejudice to Bye-law 64, unless already specified in the original Notice of the meeting, the Board shall fix the date, time, place (if applicable) and electronic facilities (if applicable) for the postponed or changed meeting and shall notify the Members of such details in such manner as the Board may determine; further all proxy forms shall be valid (unless

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revoked or replaced by a new proxy) if they are received as required by these Bye-laws not less than 48 hours before the time of the postponed or changed meeting; and

(d) notice of the business to be transacted at the postponed or changed meeting shall not be required, nor shall any accompanying documents be required to be recirculated, provided that the business to be transacted at the postponed or changed meeting is the same as that set out in the original Notice of general meeting circulated to the Members.

64F. All persons seeking to attend and participate in an electronic meeting or a hybrid meeting shall be responsible for maintaining adequate facilities to enable them to do so. Subject to Bye-law 64C, any inability of a person or persons to attend or participate in a general meeting by way of electronic facilities shall not invalidate the proceedings of and/or resolutions passed at that meeting.

64G. Without prejudice to other provisions in Bye-law 64, a physical meeting may also be held by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting.

64. ~~No business shall be transacted at any such adjourned meeting other than the business which might have been transacted at the meeting from which the adjournment took place.~~

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.

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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 poll every Member present in person or by proxy ~~or, in the case of a Member being a corporation, by its duly authorised representative~~ shall have one vote for every fully paid share of which he is the holder but so that no amount paid up or credited as paid up on a share in advance of calls or instalments is treated for the foregoing purposes as paid up on the share.

A resolution put to the vote of a meeting shall be decided by way of a poll save that in the case of a physical meeting, 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 authorized representative)~~; or by proxy(ies) shall have one vote provided that where more than one proxy is appointed by a Member which is a clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands.

For purposes of this Bye-law, procedural and administrative matters are those that (i) are not on the agenda of the general meeting or in any supplementary circular that may be issued by the Company to its Members; and (ii) relate to the chairman's duties to maintain the orderly conduct of the meeting and/or allow the business of the meeting to be properly and effectively dealt with, whilst allowing all Members a reasonable opportunity to express their views. Where Votes may be cast by such means, electronic or otherwise, as the Directors or the chairman of the meeting may determine.

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(2) In the case of a physical meeting where a show of hands is allowed, before or on the declaration of the result of the show of hands, a poll may be demanded:

~~(a) by the chairman of such meeting; or~~

~~(b)(a) by at least three Members present in person or in the case of a Member being a corporation by its duly authorised representative or by proxy for the time being entitled to vote at the meeting; or~~

~~(e)(b) by a Member or Members present in person or in the case of a Member being a corporation by its duly authorised representative or by proxy and representing not less than one-tenth of the total voting rights of all Members having the right to vote at the meeting; or~~

~~(d) by a Member or Members present in person or in the case of a Member being a corporation by its duly authorised representative or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all shares conferring that right; or~~

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

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

67. ~~Unless~~ Where a poll resolution is duly demanded and the demand is not withdrawn, voted on by a show of hands, a declaration by the chairman that a resolution has been carried, or carried unanimously, or by a particular majority, or not carried by a particular majority, or lost, and an entry to that effect made in the minute book of the Company, shall be conclusive evidence of the facts without proof of the number or proportion of the votes recorded for or against the resolution.

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68. ~~If a poll is 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~~ Listing Rules.
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.~~ [Intentionally deleted]
70. [Intentionally deleted] ~~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.~~
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. ~~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.
75. (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

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appropriate, not less than forty-eight (48) hours before the time appointed for holding the meeting, or adjourned meeting, or ~~postponed meeting~~, 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 or postponed 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.

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 Ggeneral ~~M~~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 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~~Listing Rules, 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.

77. 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;

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the objection or error shall not vitiate the decision of the meeting or adjourned meeting or postponed meeting on any resolution unless the same is raised or pointed out at the meeting or, as the case may be, the adjourned meeting or postponed 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~~chairman of the meeting and shall only vitiate the decision of the meeting on any resolution if the ~~Chairman~~chairman decides that the same may have affected the decision of the meeting. The decision of the ~~C~~hairman on such matters shall be final and conclusive.

- 80.
- (1) The Company may, at its absolute discretion, provide an electronic address for the receipt of any document or information relating to proxies for a general meeting (including any instrument of proxy or invitation to appoint a proxy, any document necessary to show the validity of, or otherwise relating to, an appointment of proxy (whether or not required under these Bye-laws) and notice of termination of the authority of a proxy). If such an electronic address is provided, the Company shall be deemed to have agreed that any such document or information (relating to proxies as aforesaid) may be sent by electronic means to that address, subject as hereafter provided and subject to any other limitations or conditions specified by the Company when providing the address. Without limitation, the Company may from time to time determine that any such electronic address may be used generally for such matters or specifically for particular meetings or purposes and, if so, the Company may provide different electronic addresses for different purposes. The Company may also impose any conditions on the transmission of and its receipt of such electronic communications including, for the avoidance of doubt, imposing any security or encryption arrangements as may be specified by the Company. If any document or information required to be sent to the Company under this Bye-law is sent to the Company by electronic means, such document or information is not treated as validly delivered to or deposited with the Company if the same is not received by the Company at its designated electronic address provided in accordance with this Bye-law or if no electronic address is so designated by the Company for the receipt of such document or information.
- (2) 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

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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), or if the Company has provided an electronic address in accordance with the preceding paragraph, shall be received at the electronic address specified, not less than forty- eight (48) hours before the time appointed for holding the meeting or adjourned meeting or postponed 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~~ a postponed 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.

81. 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 or postponement of the meeting as for the meeting to which it relates. The Board may decide, either generally or in any particular case, to treat a proxy appointment as valid notwithstanding that the appointment or any of the information required under these Bye-laws has not been received in accordance with the requirements of these Bye-laws. Subject to aforesaid, if the proxy appointment and any of the information required under these Bye-laws is not received in the manner set out in these Bye-laws, the appointee shall not be entitled to vote in respect of the shares in question.

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84. (1) Any corporation which is a Member of the Company 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 of the Company. 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 of the Company 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. 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.
- (2) ~~84A. If a recognised~~ Where a Member is a clearing house within the meaning of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as from time to time supplemented, amended, substituted, or replaced, (or its nominee(s)) is a member of the Company, it may, by resolution of its directors or other governing body or by power of attorney, and, in each case, being a corporation), it may authorise such person or persons as it thinks fit to act as its representative or representatives at any meeting of the Company or at any meeting of any class of members of the Company Members provided that, if more than one person is so authorised, the authorisation shall specify the number and class of shares in respect of which each such person 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, 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.
85. (1) Subject to the Act, Aa 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

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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 86(4) or for the purposes set out in Bye-law 154(3) relating to the removal and appointment of the Auditor.

86. (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 ~~each~~ the annual general meeting in accordance with Bye-law 90 or at any special general meeting ~~of the Company~~ 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 87 or until their successors are elected or appointed. ~~Subject to the Bye-laws and the Statutes, the Company may from time to time in general meeting by ordinary resolution elect any person to be a Director to either or their office is otherwise vacated. Any general meeting may authorise the Board to fill a casual vacancy or as an addition to the Board 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 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

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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~~.

- (4) 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 ~~n~~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 than one-third) shall retire from office by rotation provided that every Director, ~~whether or not 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 ~~obtain~~ ascertain the number ~~required~~ 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 ~~n~~Notice signed by a Member (other than the person to be

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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~~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 provided that the minimum length of the period, during which such ~~notice~~Notice(s) is/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 ~~n~~Notice(s) shall commence on the day after the despatch of the notice of the general meeting appointed for such election and end no later than seven (7) days prior to the date of such general meeting.

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 ~~whereupon the Board resolves to accept such resignation;~~
 - (6) ceases to be a Director by virtue of any provision of the Statutes or is removed from office pursuant to these Bye-laws.
 - (6) 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.
90. The Board may from time to time appoint any one or more of its body to be a ~~M~~managing Director,director, Jointjoint Managingmanaging Directordirector or ~~Deputydeputy Managingmanaging Directordirector 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.~~

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92. 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 ~~and if such alternate Director is not another Director, such appointment, unless previously approved by the Board, shall have effect only upon and subject to it being so approved.~~ 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~~ happening of any event which the relevant, 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.
93. ~~Every~~ An alternate Director ~~when performing the functions of~~ shall only be a Director shall (except as regards power to appoint an alternate Director for the purposes of the Act and remuneration) shall only be subject in all respects to the provisions of the Act and these Bye-laws relating 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

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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 in writing to the Company from time to time direct.

95. 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.
98. 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 ~~the~~ 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.
100. (c) continue to be or become a director, managing director, joint managing ~~Director, 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~~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 ~~D~~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,

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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.

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.
102. 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 nNotice 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 nNotice 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 nNotice be made with a specified person who is connected with him;

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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.

103. (1) A Director shall not vote (nor be counted in the quorum) on any resolution of the Board approving any contract or arrangement or any other proposal in which he or any of his close associate(s) is materially interested, but this prohibition shall not apply to any of the following matters namely:
- (i) ~~any contract or arrangement for the giving of any security or indemnity either:-~~
 - (i)(a) ~~to the~~ Director or his close associate(s) ~~any security or indemnity~~ in respect of money lent by him or any of his associate(s) or obligations incurred or undertaken by him or any of his ~~associate(s)~~ 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 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;~~

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- (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 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 or of the voting rights of any class of shares of such company (or of any third company through which his interest or that of any his associate(s) is derived); or~~
- (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 scheme, a pension fund or retirement, death or disability benefits scheme or other arrangement which relates both to directors, the Director, his close associate(s) 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 accorded generally accorded to the class of persons to which such scheme or fund relates;
- ~~(vi)~~(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 and/or his associate(s) owns five (5) per cent. or more if and so long as (but only if and so long as) he and/or his associate(s), (either directly or indirectly) are the holders of or beneficially interested in five (5) per cent. or more of any class of the equity share capital of such company or of the voting rights available to members of such company (or of any third company through which his interest or that of any his associate(s) is derived). For the purpose of this~~

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~~paragraph there shall be disregarded any shares held by a Director or his associate(s) as bare or custodian trustee and in which he or any of them has no beneficial interest, any 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 is interested only as a unit holder.~~

~~(3) Where a company in which a Director and/or his associate(s) holds five (5) per cent. or more is materially interested in a transaction, then that Director and/or his associate(s) shall also be deemed materially interested in such transaction.~~

~~(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.

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104. (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.
106. 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 Company's Seal.
107. The Board may entrust to and confer upon a ~~Managing~~managing ~~Director,~~director, ~~Joint~~joint ~~Managing~~managing ~~Director,~~director, ~~Deputy~~deputy ~~Managing~~managing ~~Director,~~director, an ~~Executive~~executive ~~Director~~director or any ~~Director~~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.

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113. (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~~Members or otherwise, to obtain priority over such prior charge.
114. The Board may meet for the despatch of business, adjourn or postpone 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.
115. 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 by electronic means to an electronic address from time to time notified to the Company by such Director or (if the recipient consents to it being made available on a website) by making it available on a website 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. Any Director may waive notice of any meeting either prospectively or retrospectively.~~
116. (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 ~~M~~meeting as if those participating were present in person.
118. The Board may elect ~~a~~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 of 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.

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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 ~~subject to Bye-law 93~~ 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 ~~further provided~~ that a copy of such resolutions 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) ~~be as valid and effectual as if a resolution had been passed at a meeting of the Board duly convened and held~~ and further provided that no Director is aware of or has received any objection to the resolution from any Director. A notification of consent to such resolution given by a Director in writing to the Board by any means (including by means of electronic communication) shall be deemed to be his/her signature to such resolution in writing for the purpose of this Bye-law. 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.
124. The Board may from time to time appoint a ~~General~~general ~~Manager,~~manager, a ~~Manager~~manager or ~~Managers~~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~~general ~~Manager,~~manager, ~~Manager~~manager or ~~Managers~~managers who may be employed by him or them upon the business of the Company.
125. The appointment of such ~~General~~general ~~Manager,~~manager, ~~Manager~~manager or ~~Managers~~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 ~~they~~it may think fit.

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126. The Board may enter into such agreement or agreements with any such ~~g~~General ~~Manager, manager, Manager~~manager or ~~Managers~~managers upon such terms and conditions in all respects as the Board may in their absolute discretion think fit, including a power for such ~~G~~general ~~Manager, manager, Manager~~manager or ~~Managers~~managers to appoint an ~~Assistant~~assistant ~~Manager~~manager or ~~Managers~~managers or other employees whatsoever under them for the purpose of carrying on the business of the Company.
127. (1) The officers of the Company shall consist of a ~~Chairman, deputy Chairman, Managing Director,~~ 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 ~~Statues~~Act and, subject to Bye-law 132(4), these Bye-laws.
- ~~(2) The Directors of the Company shall, as soon as may be after each appointment or election of Directors, elect one of their number to be Chairman and may appoint another of their number to be Managing Directors; 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)~~ (2) The officers shall receive such remuneration as the Directors may from time to time determine.
- ~~(3)~~ (3) Where the Company ~~does not have a quorum of Directors~~ appoints and maintains a resident representative ordinarily resident in Bermuda, ~~the Company shall in accordance with the Act appoint and maintain a resident representative (being a person ordinarily resident in Bermuda) and,~~ the resident representative shall ~~maintain an office in Bermuda and~~ 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' meetings or general meetings of the Company.

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129. ~~Subject to these Bye-laws, 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.~~ [Intentionally deleted]
132. (1) The Board shall cause to be kept in one or more books at ~~its~~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 and, surname and his or her 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 ~~its~~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 every~~during ~~business-day~~ hours.
133. (1) The Board shall cause Minutes to be duly entered in books provided for the purpose:
- (a) of all elections and appointments of officers;

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- (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 ~~and meetings of committees of the Board.~~
- (e) (2) Minutes prepared in accordance with the Act and these Bye-laws shall be kept by the Secretary at the Office.
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 ~~of the Company~~ 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.
136. (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;

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- (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.

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137. Subject to the Act, the Company in ~~General~~general ~~Meeting~~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).
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.~~
145. Whenever the Board or the Company in general meeting ~~have~~s 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~~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.
146. (1) (ii) the Board, after determining the basis of allotment, shall give not less than two (2) weeks' ~~n~~Notice in writing to the holders of the relevant shares of the right of election accorded to them and shall send with such

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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;

(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) (ii) the Board, after determining the basis of allotment, shall give not less than two (2) weeks’ ~~notice in writing~~ 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;

(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.

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- (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 (21) 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~~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.

148. (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~~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

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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~~, 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.

150. (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 ~~par~~ nominal value of a share, then the following provisions shall apply:

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152. 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 ~~of the Company~~. No Member (other than a Director ~~of the Company~~) 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.
153. Subject to Section 88 of the Act and Bye-law 153(A), 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 at the same time as the notice of 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.
- 153(A) 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~~ Listing Rules, and to obtaining all necessary consents, if any, required thereunder, the requirements of Bye-law 153 shall be deemed satisfied in relation to any person by sending to the person in any manner not prohibited by the Statutes, a summaryised 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 summaryised financial statements, a complete printed copy of the Company's annual financial statement and the directors' report thereon.
- 153(B) The requirement to send to a person referred to in Bye-law 153 the documents referred to in that provision or a summary financial report in accordance with Bye-law 153(A) shall be deemed satisfied where, in accordance with all applicable Statutes, rules and regulations, including, without limitation, the ~~rules of the~~

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~~Designated Stock Exchange Listing Rules, the Company publishes copies of the documents referred to in Bye-law 153 and, if applicable, a summary financial report complying with Bye-law 153(A), 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.~~

154. (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 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.
- ~~154.~~ (3) The Members may, at any general meeting convened and held in accordance with these Bye-laws, by 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.
157. If The Directors may fill any casual vacancy in the office of ~~auditor becomes~~ vacant by the resignation or death of the Auditor but while any such vacancy continues the surviving or continuing 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 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 1524(3), an Auditor appointed under this Bye-law shall hold office until the next following annual

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general meeting to fill the vacancy of the Company and shall then be subject to appointment by the Members under Bye-law 154(1) at such remuneration to be determined by the Members under Bye-law 154.;

159. 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 ~~so~~ 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.
160. (1) Any Notice or document (including any “corporate communication” within the meaning ascribed thereto under the Listing Rules), whether or not, to be given or issued under these Bye-laws from the Company to a Member shall be given in writing or by cable, telex or facsimile transmission message or other form of electronic transmission or electronic communication and any such Notice and (where appropriate) any other document may be served given or delivered issued by the Company on or to any Member either following means:
- (a) by serving it personally on the relevant person;
- or
- (b) 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;~~

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- (c) by delivering or leaving it to anyat such address or transmitting it to any telex or faesimile transmission number 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 as aforesaid;
- (d) by placing an advertisement in appointed newspapers or other publication and where applicable, (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;
- (e) by sending or transmitting it as an electronic communication to the relevant person at such electronic address as he may provide under Bye-law 160(5), subject to the Company complying with the Statues and any other applicable laws, rules and regulations from time to time in force with regard to any requirements for the obtaining of consent (or deemed consent) from such person;
- (f) by publishing it on the Company’s website or the website to which the relevant person may have access, subject to the Company complying with the Statutes and any other applicable laws, rules and regulations from time to time in force with regard to any requirements for the obtaining of consent (or deemed consent) from such person and/or for giving notification to any such person that the notice, document or publication is available on the Company’s computer network website (a “**notice of availability**”).
- (g) by sending or otherwise making it available to such person through such other means to the extent permitted by and in accordance with the Statutes and other applicable laws, rules and regulations.
- (2) The notice of availability may be given by any of the means set out above other than by posting it on a website.

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- (3) 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.
- (4) Every person who, by operation of law, transfer, transmission, or other means whatsoever, shall become entitled to any share, shall be bound by every notice in respect of such share, which, previously to his name and address (including electronic address) being entered in the Register as the registered holder of such share, shall have been duly given to the person from whom he derives title to such share.
- (5) Every Member or a person who is entitled to receive notice form the Company under the provisions of the Statutes or these Bye-laws may register with the Company an electronic address to which notices can be served upon him.
- (6) Subject to any applicable laws, rules and regulations and the terms of these Bye-laws, any notice, document or publication, including but not limited to the documents referred to in Bye-laws 153, 153(A) and 160 may be given in the English language only or in both the English language and the Chinese language.

161. Any Notice or other document:

- (a) if served or delivered by post, shall ~~be sent airmail~~ where appropriate be sent by airmail and shall be deemed to have been served or delivered on the day following that on which the envelope containing the same, properly prepaid and addressed, is put into the post; in proving such service or delivery it shall be sufficient to prove that the envelope or wrapper containing the notice or document was properly addressed and put into the post and a certificate in writing signed by the Secretary or other officer of the Company or other person appointed by the Board that the envelope or wrapper containing the ~~notice~~Notice or other document was so addressed and put into the post shall be conclusive evidence thereof;

and

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- (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;
- ~~(a)~~(c) if published on the Company's website, shall be deemed to have been served on the day on which the notice, document or publication first so appears on the Company's website to which the relevant person may have access or the day on which the notice of availability is deemed to have been served or delivered to such person under these Bye-laws, whichever is later;
- (d) 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, ~~or 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, ~~or transmission~~ or publication shall be conclusive evidence thereof; and
- ~~(b)~~(e) if published as an advertisement in a newspaper or other publication permitted under these Bye-laws, shall be deemed to have been served on the day on which the advertisement first so appears.
162. (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 ~~n~~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.

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- (2) A ~~notice~~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~~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~~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.
163. 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.
164. (1) Subject to Bye-law 164(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.
166. (1) The Directors, Secretary and other officers and every Auditor ~~for the time being~~ 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

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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 ~~the~~ 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 ~~wilful negligence, wilful default,~~ 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 ~~wilful negligence, wilful default,~~ fraud or dishonesty which may attach to such Director.

167. No ~~Bye-Law~~ shall be rescinded, altered or amended and no new ~~Bye-Law~~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.

168. No Member shall be entitled to require discovery of or any information ~~respecting~~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 ~~m~~Members of the Company to communicate to the public.

NOTICE OF ANNUAL GENERAL MEETING



中油燃氣集團有限公司*

CHINA OIL AND GAS GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 603)

NOTICE IS HEREBY GIVEN THAT an Annual General Meeting of China Oil And Gas Group Limited (the “**Company**”) will be held at 10/F, United Centre, 95 Queensway, Hong Kong on Thursday, 15 June 2023 at 2:30 p.m. for the following purposes:

1. To receive and consider the Audited Financial Statements and the Reports of the Directors and the Auditor of the Company and its subsidiaries for the year ended 31 December 2022.
2. (a) To re-elect Ms. Guan Yijun as a Director.

(b) To re-elect Mr. Gao Falian as a Director.

(c) To authorize the Directors to fix the Directors’ remuneration.
3. To re-appoint PricewaterhouseCoopers as Auditor and to authorize the Directors to fix its remuneration.

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

ORDINARY RESOLUTIONS

4. “**THAT:**
 - (a) subject to the following provisions of this resolution, the exercise by the directors of the Company (“**Directors**”) 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 share capital of the Company (the “**Shares**”), and to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into Shares) which would or might require the exercise of such powers, subject to and in accordance with all applicable laws, 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 during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into Shares) 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 (whether pursuant to an option or otherwise) and issued by the Directors pursuant to the approval in paragraph (a) of this resolution, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); (ii) the exercise of the conversion rights attaching to any convertible securities issued by the Company; (iii) the exercise of warrants to subscribe for Shares; (iv) the exercise of options granted under any share option scheme or similar arrangement for the time being adopted by the Company; or (v) an issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the bye-laws of the Company (“Bye-Laws”); shall not exceed 20% of the aggregate number of issued Shares as at the date of the 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 the Bye-Laws or any applicable law of Bermuda to be held; or

 - (iii) the date on which such mandate is revoked or varied by an ordinary resolution of the shareholders of the Company (the “Shareholders”) in general meeting.

“Rights Issue” means an offer of Shares open for a period fixed by the Directors to the holders of Shares or any class of Shares whose names appear on the registers of members of the Company on a fixed record date in proportion to their then holdings of such Shares 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 applicable to the Company).”

NOTICE OF ANNUAL GENERAL MEETING

5. “THAT:

- (a) subject to paragraph (b) of this resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase the Shares on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or any other stock exchange on which Shares may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this 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 (the “Listing Rules”) or those of any other recognised stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate number of Shares to be repurchased by the Company pursuant to the approval in paragraph (a) of this resolution shall not exceed 10% of the aggregate number of issued Shares as at the date of the passing of this resolution, and the said approval shall be limited accordingly; and
- (c) for the purpose of this resolution, “Relevant Period” means the period from the passing of this resolution until whichever is the 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 or any applicable law of Bermuda to be held; or
 - (iii) the date on which such mandate is revoked or varied by an ordinary resolution of the Shareholders in general meeting.”

NOTICE OF ANNUAL GENERAL MEETING

6. “**THAT** conditional upon resolutions numbered 4 and 5 above being passed, the unconditional general mandate granted to the Directors to allot, issue and deal with additional shares and to make or grant offers, agreements, and options which might require the exercise of such powers pursuant to resolution numbered 4 above be and is hereby extended by the additional thereto of an amount representing the aggregate number of Shares repurchased by the Company under the authority granted pursuant to resolution numbered 4 above, provided that such amount shall not exceed 10% of the aggregate number of issued Shares as at the date of passing the resolution.”

7. “**THAT** subject to the Listing Committee of the Stock Exchange granting the listing of and permission to deal in, the shares of HK\$0.01 each in the capital of the Company (the “**Shares**”) which may fall to be issued pursuant to the exercise of share options which may be granted under the share option scheme (a copy of which is produced to the meeting marked “A” and signed by the Chairman of this meeting for the purpose of identification) (the “**New Share Option Scheme**”), the New Share Option Scheme and the Scheme Mandate (as defined in the circular of the Company dated 28 April 2023) be and is hereby approved and adopted and the directors of the Company be and are hereby authorized to grant options and to allot, issue and deal with the Shares pursuant to the exercise of any option granted thereunder and to take such steps and do such acts and to enter into such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the New Share Option Scheme.”

8. “**THAT** subject to the Listing Committee of the Stock Exchange granting the listing of and permission to deal in, the Shares which may fall to be issued pursuant to the grant of any award under the share award scheme (a copy of which is produced to the meeting marked “B” and signed by the Chairman of this meeting for the purpose of identification) (the “**New Share Award Scheme**”), the New Share Award Scheme and the Scheme Mandate (as defined in the circular of the Company dated 28 April 2023) be and is hereby approved and adopted by the Company and the directors of the Company be and are hereby authorized to grant awards, to allot, issue and deal with the Shares pursuant to the vesting of any awards granted thereunder and to take such steps and do such acts and to enter into such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the New Share Award Scheme.”

NOTICE OF ANNUAL GENERAL MEETING

SPECIAL RESOLUTION

9. “**THAT** the new bye-laws of the Company (incorporating the proposed amendments to the existing bye-laws of the Company, the details of which are set out in Appendix V to the circular of the Company dated 28 April 2023) (“**New Bye-Laws**”), a copy of which has been produced to this meeting and marked “**C**” and initialled by the chairman of the meeting for the purpose of identification, be and is hereby approved and adopted as the bye-laws of the Company in substitution for, and to the exclusion of, the existing bye-laws of the Company with immediate effect after the close of this Meeting, and any Director or company secretary of the Company be and is hereby authorised to do all such acts and things and execute all such documents, deeds and make all such arrangements that he shall, in his absolute discretion, deem necessary or expedient to implement the adoption of the New Bye-Laws.”

By Order of the Board
China Oil And Gas Group Limited
Chan Yuen Ying Stella
Company Secretary

Hong Kong, 28 April 2023

Notes:

1. Any member of the Company entitled to attend and vote at the Meeting convened by this notice shall be entitled to appoint proxy to attend and vote in his stead in accordance with the Bye-laws. A proxy need not be a member of the Company but must be present in person to represent the member.
2. A form of proxy for use at the above Meeting is enclosed.
3. 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 thereof, must be lodged with the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the Meeting. Completion and return of the form of proxy will not preclude members from attending and voting in person at the Meeting or any adjournment a thereof should they so wish.
4. For determining the identity of the Shareholders to attend and vote at the Meeting, the register of members of the Company will be closed from Friday, 9 June 2023 to Thursday, 15 June 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 Meeting, all transfers of Shares accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Thursday, 8 June 2023.

NOTICE OF ANNUAL GENERAL MEETING

5. With respect to resolution no. 2 of this notice, Ms. Guan Yijun and Mr. Gao Falian shall retire from the office of directorship and offer themselves for re-election in accordance with the Bye-laws. Details of their information which are required to be disclosed under the Listing Rules are set out in the circular of the Company dated 28 April 2023.
6. As at the date of this notice, the Board comprises four executive Directors, namely Mr. Xu Tie-liang (Chairman and Chief Executive Officer), Ms. Guan Yijun, Mr. Gao Falian and Ms. Xu Ran; and three independent non-executive Directors, namely Mr. Wang Wenhua, Mr. Wang Guangtian and Mr. Yang Jie.
7. **In case the venue is being closed on the date of Meeting due to bad weather, the Meeting may be adjourned in accordance with the bye-laws of the Company to the same day in the next week or at such other time and place as the chairman of the Meeting may determine. The Company will post an announcement on the Stock Exchange and the Company's website notifying Shareholders of the date, time and place of the adjourned meeting.**