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

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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional advisers.

If you have sold or transferred all your shares in **China Tontine Wines Group Limited**, you should at once hand this circular and the accompanying form of proxy to the purchaser(s) or the transferee(s) or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

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**TONTINE**  
**CHINA TONTINE WINES GROUP LIMITED**

**中國通天酒業集團有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 389)**

- (1) GENERAL MANDATES TO ISSUE AND BUY-BACK SHARES,  
RETIREMENT AND RE-ELECTION OF DIRECTORS;**  
**(2) TERMINATION OF EXISTING SHARE OPTION SCHEME  
AND ADOPTION OF 2023 SHARE OPTION SCHEME;**  
**(3) PROPOSED AMENDMENTS OF THE BYE-LAWS  
AND ADOPTION OF THE NEW BYE-LAWS; AND**  
**(4) NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the Annual General Meeting to be held at the head office of the Company at No. 2199, Tuanjie Road, Tonghua County, Jilin Province, The People's Republic of China at 3:00 p.m. on Friday, 16 June 2023 is set out on pages AGM-1 to AGM-5 of this circular.

A form of proxy for use by the Shareholders at the Annual General Meeting is enclosed with this circular for despatch to the Shareholders. Whether or not you intend to attend and/or vote at the Annual General Meeting in person, you are requested to complete the accompanying 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, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as practicable but in any event not later than 48 hours (i.e. 3:00 p.m. on Wednesday, 14 June 2023) before the time for holding the Annual General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Annual General Meeting or any adjournment thereof should you so wish and, in such event, the instrument appointing a proxy shall be deemed to be revoked.

**PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING**

Due to the constantly evolving COVID-19 pandemic situation, mass gatherings would potentially impose a significant risk in terms of the spread of the virus. For the safety of our shareholders, staff and stakeholders, the Company encourages shareholders, instead of attending the Annual General Meeting in person, to appoint the Chairman of the Annual General Meeting as their proxy to vote on the relevant resolutions at the Annual General Meeting, by completing and returning the form of proxy accompanying this circular in accordance with the instructions printed thereon.

Shareholders and other persons attending the Annual General Meeting should note that the Company may need to take certain precautionary measures at the venue of the Annual General Meeting to ensure the safety of attendees, including (but not limited to) requiring all attendees to have body temperature check and wear face masks. In addition, no refreshments will be served and no corporate gift will be distributed at the meeting. The Company reserves the right to deny admission to the meeting venue if any person does not comply with the precautionary measures to be taken at the meeting or such person is subject to any applicable prescribed quarantine or has close contact with any person under quarantine or has any flu-like symptoms.

**Shareholders are reminded that they should carefully consider the risks of attending the Annual General Meeting, taking into consideration their own personal circumstances.**

Subject to the continuing development of COVID-19, the Company may be required to adopt further changes to the arrangement of the Annual General Meeting at short notice. Shareholders are advised to check the websites of the Company (<http://www.tontine-wines.com.hk>) and the Stock Exchange (<http://www.hkexnews.hk>) for any further announcement(s) and information relating to the Annual General Meeting.

4 May 2023

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## DEFINITIONS

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

“2023 Share Option Scheme”	the new share option scheme proposed to be adopted by the Company at the Annual General Meeting;
“Adoption Date”	16 June 2023, the date on which the 2023 Share Option Scheme is conditionally adopted by the Company by ordinary resolutions to be passed by the Shareholders at the Annual General Meeting;
“Annual General Meeting”	the annual general meeting of the Company to be convened and held on Friday, 16 June 2023 at 3:00 p.m. or any adjournment thereof (as the case may be), the notice of which is set out on pages AGM-1 to AGM-5 of this circular;
“associate”	has the meaning as ascribed thereto under the Listing Rules;
“Auditors”	the auditors for the time being of the Company;
“Award”	means Shares granted or to be granted under any share award schemes of the Company, and “Awards” and “Award(s)” shall be construed accordingly;
“Board”	the board of Directors or a duly authorised committee thereof;
“Business Day”	means a day (other than Saturdays, Sundays, public holidays and days on which a tropical cyclone warning No.8 or above or a “black rainstorm warning signal” is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which banks in Hong Kong are open for general banking business;
“Buy-back Mandate”	a general and unconditional mandate proposed to be granted to the Directors to enable them to buy-back Shares, the aggregate number of which shall not exceed 10% of the aggregate number of Shares in issue as at the date of passing of the relevant resolution at the Annual General Meeting;
“BVI”	the British Virgin Islands;

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## DEFINITIONS

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“Bye-laws”	the bye-laws of the Company currently in force;
“chief executive”	has the meaning ascribed thereto under the Listing Rules;
“close associate(s)”	has the same meaning as ascribed thereto under the Listing Rules;
“Companies Act”	the Companies Act 1981 of Bermuda, as amended, supplemented or modified from time to time;
“Company”	China Tontine Wines Group Limited, an exempted company incorporated in Bermuda with limited liability, the issued shares of which are listed on the main board of the Stock Exchange (stock code: 389);
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules;
“core connected person(s)”	has the same meaning as ascribed thereto under the Listing Rules;
“Director(s)”	the director(s) of the Company and “Director” shall be construed accordingly;
“Eligible Employee”	any employee (whether full time or part time employee, including any executive Director) of the Company and any of its subsidiaries;
“Employee Participant”	Participant who is any director of the Company or any of its subsidiaries and Eligible Employee (including persons who are granted Option(s) under the 2023 Share Option Scheme as an inducement to enter into employment contracts with the Company or any of its subsidiaries);
“Existing Share Option Scheme”	the existing share option scheme adopted by the Company on 10 May 2019;
“Extension Mandate”	a general and unconditional mandate proposed to be granted to the Directors to the effect that any Shares bought back under the Buy-back Mandate will be added to the total number of Shares which may be allotted, issued and dealt with under the General Mandate;

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## DEFINITIONS

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“General Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise the power of the Company to allot, issue and deal with Shares up to a maximum of 20% of the aggregate number of Shares in issue as at the date of passing of the ordinary resolution in relation thereto at the Annual General Meeting;
“Grantee”	any Participant who accepts an offer of the grant of an Option made in accordance with the terms and conditions of the 2023 Share Option Scheme or (where the context so permits) any person entitled to exercise any such Option in consequence of the death of the original Grantee;
“Group”	the Company and its subsidiaries from time to time;
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong;
“Hong Kong”	Hong Kong Special Administrative Region of the PRC;
“Hong Kong Branch Share Registrar”	Tricor Investor Services Limited, the branch share registrar and transfer office of the Company in Hong Kong;
“Last Acceptance Date”	the last day of a period of twenty-one (21) days from the date upon which an offer of the grant of Option(s) is made to a Participant under the 2023 Share Option Scheme;
“Latest Practicable Date”	27 April 2023, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange (as amended, supplemented or otherwise modified from time to time);
“Mr. Wang”	Mr. Wang Guangyuan, the chairman, an executive Director and the chief executive officer of the Company, as well as a substantial shareholder of the Company;
“New Bye-Laws”	the new bye-laws of the Company, incorporating the Proposed Amendments, proposed to be approved, and adopted by the Shareholders at the Annual General Meeting;

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## DEFINITIONS

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“Nomination Committee”	the nomination committee established by the Board (comprising Mr. Lai Chi Keung, Albert (Chairman), Mr. Wang Guangyuan and Mr. Yang Qiang);
“Offer Date”	in respect of an Option, the date on which such Option is offered to a Participant;
“Option”	an option to subscribe for the Shares granted pursuant to the 2023 Share Option Scheme, and “Options” and “Option(s)” shall be construed accordingly;
“Option Period”	in respect of any particular Option, such period during which such Option is exercisable as the Board may in its absolute discretion determine, save that such period shall not be more than ten (10) years commencing from the date of grant of such Option and that the Board may at its discretion determine the minimum period for which the Option has to be held before the exercise of the Option;
“Other Schemes”	any other share option scheme(s) (including the Existing Share Option Scheme) and share award scheme(s) of the Company other than the 2023 Share Option Scheme;
“Participant”	any person belonging to any of the following classes of participants who are eligible as participants of the 2023 Share Option Scheme:  (a) any Employee Participant;  (b) any Related Entity Participant; and  (c) any Service Provider;
“Personal Representative(s)”	the person or persons who, by virtue of the laws of succession applicable in respect of the death of a Grantee (being an individual), is or are entitled to exercise the Option granted to such Grantee (to the extent not already exercised);
“PRC”	the People’s Republic of China (for the purpose of this circular, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan);

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## DEFINITIONS

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“Proposed Amendments”	the proposed amendments to the Bye-laws as set out in Appendix IV to this circular;
“Related Entities”	the holding companies, fellow subsidiaries or associated companies of the Company;
“Related Entity Participant”	Participant who is any director and employee of any Related Entities;
“Remuneration Committee”	the remuneration committee of the Board;
“Repurchase Mandate”	a general mandate to the Directors to exercise the power of the Company to repurchase Shares not exceeding 10% of the existing Shares in issue as at the date of passing the relevant resolution at the Annual General Meeting;
“Scheme Mandate Limit”	the total number of Shares which may be issued in respect of all Option(s) and Award(s) to be granted under the 2023 Share Option Scheme and any Other Schemes (excluding for this purpose Option(s) or Award(s) which have lapsed in accordance with the terms and conditions of the 2023 Share Option Scheme and any Other Schemes);
“Scheme Period”	a period commencing on the Adoption Date and ending on the tenth anniversary of the Adoption Date (both dates inclusive);
“Service Providers”	Participant who is any person who provides services to the Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long term growth of the Group, such as persons who work for the Company as independent contractors where the continuity and frequency of their services are akin to those of employees, but for the avoidance of doubt excludes placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions, professional service providers such as auditors or valuers who provide assurance, or are required to perform their services with impartiality and objectivity, provided that such person must have maintained over twelve (12) months’ of contractual relationship with the Group;

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## DEFINITIONS

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“Service Provider Sublimit”	the sublimit on the total number of Shares that may be issued in respect of all Option(s) and Award(s) to be granted to Service Providers under the 2023 Share Option Scheme and any Other Schemes (excluding for this purpose Option(s) or Award(s) which have lapsed in accordance with the terms and conditions of the 2023 Share Option Scheme and any Other Schemes);
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended, supplemented or otherwise modified from time to time;
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company (or of such other nominal amount as shall result from a sub-division, consolidation, re-classification or re-construction of such shares from time to time);
“Shareholder(s)”	holder(s) of Share(s);
“Sky Source”	Sky Source International Investments Limited, a limited liability company incorporated in Samoa, the issued share capital of which are beneficially held by Mr. Li Jerry Y. (50%) and Mr. Zhu Minghui (50%), both of whom are the non-executive Directors;
“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 as described in paragraph 9 of Appendix III to this circular and shall be stated in the letter containing the offer of the grant of any Option;
“subsidiary”	has the meaning ascribed thereto under the Listing Rules;
“substantial shareholder”	has the meaning ascribed thereto under the Listing Rules;
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission (as amended from time to time);



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## DEFINITIONS

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“Up Mount”	Up Mount International Limited, a limited liability company incorporated in the BVI, the issued share capital of which are beneficially held by Mr. Wang Guangyuan (51%) and Sky Source International Investments Limited (49%); and
“%”	per cent.

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LETTER FROM THE BOARD

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**TONTINE**  
**CHINA TONTINE WINES GROUP LIMITED**  
**中國通天酒業集團有限公司**  
*(Incorporated in Bermuda with limited liability)*  
**(Stock Code: 389)**

*Executive Directors:*

Mr. Wang Guangyuan (*Chairman*)  
Mr. Zhang Hebin  
Ms. Wang Lijun

*Non-executive Directors:*

Mr. Li Jerry Y.  
Mr. Zhu Minghui

*Independent non-executive Directors:*

Dr. Cheng Vincent  
Mr. Lai Chi Keung, Albert  
Mr. Yang Qiang

*Registered office:*

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

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

Unit No. 2910-11, 29/F  
Prosperity Millennia Plaza  
663 King's Road  
Quarry Bay  
Hong Kong

4 May 2023

*To the Shareholders*

Dear Sir or Madam

- (1) GENERAL MANDATES TO ISSUE AND BUY-BACK SHARES,  
RETIREMENT AND RE-ELECTION OF DIRECTORS;**
- (2) TERMINATION OF EXISTING SHARE OPTION SCHEME  
AND ADOPTION OF 2023 SHARE OPTION SCHEME;**
- (3) PROPOSED AMENDMENTS OF THE BYE-LAWS  
AND ADOPTION OF THE NEW BYE-LAWS; AND**
- (4) NOTICE OF ANNUAL GENERAL MEETING**

**INTRODUCTION**

The primary purposes of this circular are to provide you with information regarding certain resolutions to be proposed at the Annual General Meeting to enable Shareholders to make an informed decision on whether to vote for or against those resolutions and to give you notice of the Annual General Meeting.

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## LETTER FROM THE BOARD

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The resolutions to be proposed at the Annual General Meeting, in respect of, among other matters, (i) the proposed grant of the General Mandate, the Buy-back Mandate and the Extension Mandate; (ii) the proposed re-election of retiring Directors; (iii) the proposed termination of Existing Share Option Scheme and adoption of 2023 Share Option Scheme; and (iv) the Proposed Amendments and proposed adoption of the New Bye-Laws.

### **GRANT OF BUY-BACK MANDATE, GENERAL MANDATE AND EXTENSION MANDATE**

At the Annual General Meeting, an ordinary resolution will be proposed to grant to the Directors a general and buy-back mandate to exercise all powers of the Company to buy-back issued Shares. The maximum number of Shares that may be bought back pursuant to the Buy-back Mandate will be such number which represents 10% of the aggregate number of Shares in issue as at the date of passing of the relevant resolution subject to the Listing Rules.

The Buy-back Mandate will lapse on the earliest of (i) the date of the next annual general meeting, or (ii) the date by which the next annual general meeting of the Company is required to be held by law and/or the Bye-laws, or (iii) the date on which such authority is revoked or varied by ordinary resolution of the Company in general meeting.

The explanatory statement required by the Listing Rules to be sent to Shareholders in connection with the proposed resolution to grant to the Directors the Buy-back Mandate is set out in Appendix I to this circular. This contains all the information reasonably necessary to enable Shareholders to make an informed decision on whether to vote for or against the resolution.

At the Annual General Meeting, an ordinary resolution will be proposed to grant to the Directors a general and unconditional mandate to allot, issue and deal with further Shares representing up to 20% of the aggregate number of Shares in issue as at the date of passing of the relevant resolution.

Subject to the passing of the ordinary resolution of the Buy-back Mandate and the General Mandate, an ordinary resolution will also be proposed to authorise the Directors to issue new Shares in an amount not exceeding the aggregate number of Shares bought back pursuant to the Buy-back Mandate.

Based on 2,940,548,000 Shares in issue as at the Latest Practicable Date and on the basis that no new Shares will be issued and no Shares will be bought back by the Company for the period from the Latest Practicable Date up to and including the date of the Annual General Meeting:

- (1) subject to the passing of the proposed resolution granting the General Mandate to the Directors, the Company will be allowed under the General Mandate to issue up to a maximum of 588,109,600 Shares, representing 20% of the aggregate number of Shares in issue as at the Latest Practicable Date; and

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## LETTER FROM THE BOARD

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- (2) subject to the passing of the proposed resolution granting the Buy-back Mandate to the Directors, the Company will be allowed under the Buy-back Mandate to buy-back up to a maximum of 294,054,800 Shares, representing 10% of the Shares in issue as at the Latest Practicable Date.

The Directors wish to state that they have no immediate plans to buy-back any Shares or to allot and issue any new Shares, other than Shares which may fall to be allotted and issued upon the exercise of any options granted under the share option scheme(s) of the Company.

### RETIREMENT AND RE-ELECTION OF DIRECTORS

#### Board of Directors

As at the Latest Practicable Date, the Board consisted of eight Directors, namely:

<b>Executive Directors</b>	<b>Date of appointment</b>
Mr. Wang Guangyuan	8 September 2008
Mr. Zhang Hebin	8 September 2008
Ms. Wang Lijun	2 May 2017
<b>Non-executive Directors</b>	
Mr. Li Jerry Y.	31 August 2022
Mr. Zhu Minghui	31 August 2022
<b>Independent non-executive Directors</b>	
Dr. Cheng Vincent	17 November 2018
Mr. Lai Chi Keung, Albert	28 October 2009
Mr. Yang Qiang	15 January 2016

#### Directors proposed to be re-elected

Pursuant to Bye-law 108(A) of the Bye-laws, at each annual general meeting of the Company, one-third of the Directors for the time being (or, if their number is not three or a multiple of three (3)), then the number nearest to but not less than one-third) shall retire from office by rotation, provided that every Director shall be subject to retirement at least once every three years. A retiring Director shall be eligible for re-election and shall continue to act as a Director throughout the meeting at which he or she retired.

Accordingly, Mr. Zhang Hebin (“**Mr. Zhang**”), Ms. Wang Lijun (“**Ms. Wang**”) and Mr. Yang Qiang, (“**Mr. Yang**”) will retire and each of them being eligible, will offer himself for re-election at the Annual General Meeting.

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## LETTER FROM THE BOARD

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Pursuant to Bye-law 112 of the Bye-laws, any Director appointed by the Board to fill a casual vacancy or as an addition to the existing Board shall hold office until the next following general meeting of the Company (in the case of filling a casual vacancy) or until the next following annual general meeting of the Company (in the case of an addition to the existing Board).

Accordingly, Mr. Li Jerry Y. (“**Mr. Li**”) and Mr. Zhu Minghui (“**Mr. Zhu**”) were appointed as non-executive Directors with effect from 31 August 2022 as additions to the Board, they will offer themselves for re-election at the Annual General Meeting.

The biographical and other information including the perspectives, skills and experience on each of the retiring Directors proposed to be re-elected at the Annual General Meeting are set out in Appendix II to this circular.

### **Nomination policy and recommendation of the Nomination Committee and the Board in respect of the Director (Including the Independent Non-executive Directors) subject to Re-election at the Annual General Meeting**

The Nomination Committee has received and reviewed the written confirmations of independence of each of the independent non-executive Directors including one who has offered himself for re-election at the Annual General Meeting (namely, Mr. Yang Qiang) and assessed their independence based on the independence criteria as set out in Rule 3.13 of the Listing Rules and is satisfied that all of them remain independent in accordance with Rule 3.13 of the Listing Rules.

To ensure a balance of skills, experience and diversity of perspectives appropriate to the requirements of the business of the Group among members of the Board, the nomination of Directors for re-appointment at the Annual General Meeting were made by the Nomination Committee in accordance with the nomination policy adopted by the Company and the selection criteria as set out in the diversity policy of the Company (including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service).

The Nomination Committee had nominated Mr. Zhang, Ms. Wang, Mr. Yang, Mr. Li and Mr. Zhu to the Board for the Board to make recommendation to the Shareholders for re-election at the Annual General Meeting, having reviewed the composition of the Board and having regard to their professional experience, skills, knowledge and/or length of service, their commitment to their respective roles and functions, and their respective contributions brought and to be brought to the Group.

Mr. Yang (being one of the members of the Nomination Committee) had abstained from voting at the meeting of the Nomination Committee and at the meeting of the Board when his own nomination was being considered.

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## LETTER FROM THE BOARD

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### PROPOSED TERMINATION OF EXISTING SHARE OPTION SCHEME AND PROPOSED ADOPTION OF 2023 SHARE OPTION SCHEME

#### Introduction

As at the Latest Practicable Date, the Company operates the Existing Share Option Scheme which allows the Company to grant options over new Shares to eligible participants thereunder. Save for the aforesaid, as at the Latest Practicable Date, the Company does not maintain any other share schemes.

The Company proposes to adopt the 2023 Share Option Scheme and to terminate the Existing Share Option Scheme for the purpose of, among other things, reflecting the latest changes and requirements under Chapter 17 of the Listing Rules.

#### Proposed Termination of the Existing Share Option Scheme

The Existing Share Option Scheme was adopted on 10 May 2019 and is valid and effective for a period of 10 years from the date of adoption. In view of the amendments to the Listing Rules (Update No. 138) which came into effect on 1 January 2023, the Company proposed to terminate the Existing Share Option Scheme and adopt the 2023 Share Option Scheme to replace the Existing Share Option Scheme for the purpose of, among other things, reflecting the latest changes and requirements under Chapter 17 of the Listing Rules.

Pursuant to the terms of the Existing Share Option Scheme, the Company may at any time by resolution in general meeting terminate the operation of the Existing Share Option Scheme, and in such event no further options shall be granted under the Existing Share Option Scheme.

Upon termination of the Existing Share Option Scheme, no further options may be granted but in all other respects the provisions of the Existing Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any options (to the extent not already be exercised) granted prior to the termination or otherwise as may be required in accordance with the provisions of the Existing Share Option Scheme. Options (to the extent not already be exercised) granted prior to such termination shall continue to be valid and exercisable in accordance with the Existing Share Option Scheme.

Since the adoption of the Existing Share Option Scheme and up to the Latest Practicable Date, the Company has granted options relating to 400,000,000 Shares under the Existing Share Option Scheme representing approximately 13.60% of the total issued Shares. As at the Latest Practicable Date, 200,000,000 options had been exercised, 200,000,000 options had lapsed and no options had been cancelled. As all the options that have been granted under the Existing Share Option Scheme since its adoption had been exercised, lapsed or cancelled, there were no options outstanding as at the Latest Practicable Date.

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## LETTER FROM THE BOARD

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### **Proposed Adoption of the 2023 Share Option Scheme**

For the purpose of Chapter 17 of the Listing Rules, the 2023 Share Option Scheme will constitute a share scheme involving the grant by the Company of options over new Shares. Accordingly, the adoption of the 2023 Share Option Scheme will be subject to, among others, the Shareholders' approval at the Annual General Meeting.

The 2023 Share Option Scheme will take effect upon satisfaction of the following conditions:

- (a) the passing of ordinary resolution(s) by the Shareholders at a general meeting of the Company (i) to approve and adopt the 2023 Share Option Scheme; (ii) to authorise the Board to grant Option(s) under the 2023 Share Option Scheme; and (iii) to authorise the Board to allot and issue Shares pursuant to the exercise of any Option(s) to be granted pursuant to the 2023 Share Option Scheme;
- (b) termination of the Existing Share Option Scheme of the Company adopted on 10 May 2019; and
- (c) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Shares which fall to be issued in respect of the Option(s) granted under the 2023 Share Option Scheme.

### **Principal terms of the 2023 Share Option Scheme**

#### ***Purpose of the 2023 Share Option Scheme***

The purpose of the 2023 Share Option Scheme is to provide incentives or reward to Participants thereunder for their contribution to the Group and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group.

#### ***Eligible Participants and eligibility***

Participants include the Employee Participants, Related Entity Participants and Service Providers.

In determining the basis of eligibility of each Participant, the Board would mainly take into account the contribution of each Participant to the development and growth of the Group.

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## LETTER FROM THE BOARD

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The basis of eligibility of any class of Participants shall be determined by the Board from time to time on the basis of their contribution to the development and growth to the Group as set out below:

- (a) For Employee Participants, the Board will generally consider their general working performance, time commitment (full-time or part-time), length of their service within the Group, working experience, responsibilities and/or employment conditions with reference to the prevailing market practice and industry standard;
- (b) For Related Entity Participants, the Board will generally consider their participation and contribution to the development of the Group and/or the extent of benefits and synergies brought to the Group;
- (c) Service Providers include those distributors that provide the Group with e-platform services and supply chain management services using blockchain technology. For Service Providers, the Board will generally consider their experience and expertise, continuity and frequency of their services to the Group, their involvement in promoting the business of the Group, or where appropriate, contribution or potential contribution to the long-term growth of the Group. Set out below is the identification of each category of Service Providers and the criteria for determining a person's eligibility under each category:
  - (i) In assessing whether the Service Provider provides services to the Group on a continuing and recurring basis, the Board shall take into consideration the length (over twelve (12) months' of contractual relationship with the Group) and type of services provided and the recurrences and regularity of such services, and will benchmark such metrics against the performance of the employees, officers and Directors of the Group to whom the Group provides equity incentives, while taking into account the purpose of the 2023 Share Option Scheme and the objectives in engaging the Service Provider.
  - (ii) In assessing whether the Service Provider provides services to the Group in the Company's ordinary and usual course of business, the Board or the committee of the Board shall take into consideration the nature of the services provided to the Group by the Service Provider, and whether such services form part of or are directly ancillary to the businesses conducted by the Group, as disclosed in the Company's financial reports.

The Board (including the independent non-executive Directors) is of the view that, apart from the contributions of Directors and employees of the Group, the success of the Group may also come from the efforts and co-operation of non-employees (including Related Entity Participants and Service Providers) who play a part in the development and continued success of the Group's business and operations, and have contributed or may contribute to the Group in the future.



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## LETTER FROM THE BOARD

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The Group has a close working relationship with the Related Entity Participants. The Group maintains close collaborative relationships with its subsidiaries, many of which operate in different cities of the PRC. Through these subsidiaries, the Group is able to extend its connections in the PRC market. The Related Entity Participants may also contribute to the Group by providing specific knowledge on a wide spectrum of related industries in which it operates, providing guidance with respect to potential expansions into new markets and product categories based on their pre-existing expertise, which allows the Group to capture new opportunities for business development.

As Service Providers, those distributors that provide the Group with e-platform services and supply chain management services using blockchain technology directly contribute to the long-term growth of the Group's business by providing services that are of a continuing and recurring nature in the ordinary and usual course of the Group's business. A number of distributors of the Group not only resell products for the Group but also operate e-platforms to facilitate sales of the Group's products, and provide supply chain management services using blockchain technology which helps identify origins of products to ensure consumers are buying genuine products from the Group. The Group relies on those services to increase customer base and promote its products. Therefore, the Company regards those distributors as Service Providers. Service Providers are closely connected to and crucial to the Group's day-to-day operations in the business of manufacturing and sale of wine products, and their contributions directly impact the results of operations of the Group. The Company estimated that there would be 5 to 8 distributors which may be eligible Service Providers under the 2023 Share Option Scheme.

Therefore, the inclusion of Related Entity Participants and Service Providers as Participants under the 2023 Share Option Scheme is consistent with the purpose of the 2023 Share Option Scheme. This enables the Group to have flexibility to utilise Options as a means of incentivising or rewarding persons outside of the Group to contribute to its long-term success by aligning the interests with these stakeholders and strengthening their ongoing relationship with the Group. For the avoidance of doubt, Service Providers will exclude placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions, professional service providers such as auditors or valuers who provide assurance, or are required to perform their services with impartiality and objectivity.

As mentioned above, the Board will take into account numerous factors when assessing the eligibility of and contribution or potential contribution made or to be made by different categories of non-employee Participants. The Board also has the discretion to impose different terms and conditions (including but not limited to performance targets (if any) and vesting conditions) on Options to be granted to these Participants, which allows the Board to have flexibility to impose appropriate conditions in light of the particular circumstances of each grant, corresponding to the relevant non-employee Participants' contribution or potential contribution.

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## LETTER FROM THE BOARD

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Based on the above, the Board (including the independent non-executive Directors) considers that (i) the inclusion of the Related Entity Participants and the Service Providers as non-employee Participants are in line with the Group's business needs and the industry norm of providing equity based payment to stakeholders in order to align interests and incentivise performance and contribution, as it is desirable and necessary to sustain and foster these business relationships on a long-term basis; and (ii) the criteria for selection of Related Entity Participants and Service Providers as set out above and the discretion afforded to the Board to impose different terms and conditions (including performance targets (if any) and vesting conditions) on Options granted to such selected non-employee Participants, is appropriate and in the interest of the Company and the Shareholders as a whole, and would enable the purpose of the 2023 Share Option Scheme to be achieved.

### ***Scheme Mandate Limit and Service Provider Sublimit***

As at the Latest Practicable Date, the number of Shares in issue is 2,940,548,000 Shares. Assuming that there is no change in the number of issued Shares between the period from the Latest Practicable Date and the Adoption Date, the maximum number of Shares that may be issued upon exercise of all Options and Awards (if any) to be granted under the 2023 Share Option Scheme and any Other Schemes of the Company (if any) will be 294,054,800 Shares, representing 10% of the total number of issued Shares as at the Adoption Date.

The Service Provider Sublimit of the 2023 Share Option Scheme, being a sublimit under the Scheme Mandate Limit, will be 29,405,480 Shares, representing 1% of the total number of Shares in issue on the Adoption Date. The basis for determining the Service Provider Sublimit includes (i) the potential dilution effect arising from grants to the Service Providers; (ii) the actual or expected increase in the Group's revenue or profits which is attributable to the Service Providers; (iii) the extent of use of Service Provider in the Group's business; and (iv) the current payment and/or settlement arrangement with the Service Providers. Given the above, the Directors considered that a sublimit of 1% would be reasonable and appropriate.

In light of the Company's principal business in the manufacturing and sale of wine products, the Company's business development relies on maintaining a stable and harmonious relationship with its Service Providers. By giving Service Providers an opportunity to have a personal stake in the Company, Service Providers will be motivated to optimise their future contributions to the Group. Service Providers may be incentivised under the 2023 Share Option Scheme to provide services to the Group at a lower fee, which reduces the operational costs of the Group in the long-run. Sales of the Group may be enhanced as Service Providers may be incentivised to prioritise the Group's business and provide better service if they have a personal stake in the profits of the Group, leading to fulfilment of internal sales targets, increase in the Group's revenue and improvement on the Group's business performance. Different Service Providers from different sectors of the business are also more likely to maintain long-term contractual relationships with the Group in order to benefit from the 2023 Share Option Scheme.

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## LETTER FROM THE BOARD

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The Company is aware of the potential dilution effect from grants to the Service Providers. In assessing the eligibility of a Service Provider to participate in the 2023 Share Option Scheme, the Company will impose an additional requirement that any Service Provider who wishes to participate in the 2023 Share Option Scheme must have maintained over twelve months of contractual relationship with the Group. As disclosed in the latest annual report of the Group, the Group had a total of 86 distributors during the year ended 31 December 2022. During the year ended 31 December 2022, revenue from the Group's five largest distributor accounted for 19.11% of the total revenue of the Group and the Group's largest distributor accounted for 5.54% of the total revenue of the Group. The Group shall reward distributors which enhance the Group's long-term business value, and promote the Group's growth and development. By setting an extra threshold of maintaining twelve (12) months of contractual relationship with the Group before being eligible to participate in the 2023 Share Option Scheme, the Group can safeguard against excessive dilution effect from grants to the Service Providers.

Mr. Wang, an executive Director of the Company, beneficially owns 16.84% of the shares of the Company through Up Mount International Limited in which Mr. Wang beneficially owns 51% of shares. As such, Mr. Wang is a substantial shareholder of the Company and does not have any intention to be granted share options.

Further, the Group wishes to retain flexibility in the number of Option(s) it may grant to the Service Providers under the 2023 Share Option Scheme in the future. Any grant of Option(s) to Service Providers will only be made when the Directors believe that such grant will benefit the Group and the Shareholders.

Considering that there are no other share schemes (apart from the Existing Share Option Scheme) involving grant of Options over new Shares, the Group's hiring practice and organisational structures and that the Service Providers have contributed to the long-term growth of the Company's businesses, the Board is of the view that the Service Provider Sublimit is appropriate and reasonable as it provides flexibility to grant Options to the Service Providers to achieve the purpose of the 2023 Share Option Scheme. The Service Provider Sublimit is subject to separate approval by the Shareholders at the Annual General Meeting.

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## LETTER FROM THE BOARD

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### ***Vesting Period***

The vesting period for Options under the 2023 Share Option Scheme shall be a minimum of twelve (12) months. Notwithstanding any of the scenarios for the lapse of Option(s) set out in paragraphs 13(i) to (ix) of Appendix III to this circular, the vesting period for the Option(s) granted to Participants other than Employee Participants shall not be less than 12 months. To ensure practicability in fully attaining the purpose of the 2023 Share Option Scheme, the Board and the Remuneration Committee are of the view that (a) there are certain instances where a strict twelve (12)-month vesting requirement would not work or would not be fair to the Grantee, such as those set out in paragraphs 6(a), (b) and (e) of Appendix III to this circular; (b) there is a need for the Company to retain flexibility to reward exceptional performers with accelerated vesting or in exceptional circumstances where justified; and (c) the Company should be allowed discretion to formulate its own talent recruitment and retention strategies in response to changing market conditions and industry competition, and thus should have flexibility to impose vesting conditions such as performance-based vesting conditions (if any) depending on individual circumstances.

Hence, the Board and the Remuneration Committee are of the view that the shorter vesting period prescribed in paragraph 6 of Appendix III to this circular is in line with the market practice and is appropriate and aligns with the purpose of the 2023 Share Option Scheme.

### ***Basis of Determination of the Subscription Price***

Participants to whom Option(s) shall be granted, are entitled to subscribe for the number of Shares at the Subscription Price as determined by the Board in its absolute discretion at the time of the Grant of the relevant Options (and shall be stated in the letter containing the offer of the Grant of the Option(s)), but in any event the Subscription Price shall be the at least the highest of (i) the closing price of the Shares as stated in the daily quotation sheet on the date of grant of the Options, which must be a Business Day; (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five (5) Business days immediately preceding the date of the grant of the Option(s); and (iii) the nominal value of a Share. The basis for determining the Subscription Price is also specified precisely in the requirements set out in Chapter 17 of the Listing Rules. The Directors consider that such basis will preserve the value of the Company and encourage the Participants to acquire proprietary interests in the Company.

### ***Performance targets and clawback mechanism***

The provisions of the 2023 Share Option Scheme will not prescribe specific performance targets that must be met before an Option can be exercised. However, the provisions of the 2023 Share Option Scheme will give the Board discretion to impose such conditions on the Options where appropriate. The Directors consider that it may not always be appropriate to impose performance targets particularly when the purpose of granting the Options is to remunerate or

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## LETTER FROM THE BOARD

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compensate Participants for past contributions. The Directors consider it would be more beneficial to the Company to retain the flexibility to determine whether such performance targets are appropriate in light of the particular circumstances of each grant.

The provisions of the 2023 Share Option Scheme provides for an automatic lapse of Option as clawback mechanism where, as set out in paragraph 19 of Appendix III, the right to exercise an Option shall lapse automatically on the date on which the Grantee ceases to be a Participant by reason of summary dismissal of such Grantee, or on any one or more of the grounds that such Grantee has been guilty of misconduct, or other breach of the terms of his employment contract or other contract constituting him a Participant (including, among others, causing material misstatement of the financial statements of the Company), or the date on which he begins to appear to be unable to pay or has no reasonable prospect of being able to pay his debts or has become insolvent or has made any arrangement or composition with such Grantee's creditors generally, or has been convicted of any criminal offence involving such Grantee's integrity or honesty or (if so determined by the Board) on any other ground on which an employer would be entitled to terminate such Grantee's employment summarily at common law or pursuant to any applicable laws or under such Grantee's service contract with the Company or the relevant subsidiary.

The Board believes that the aforesaid will provide the Board with more flexibility in setting the terms and conditions of the Options under particular circumstances of each grant and facilitate the Board's aim to offer meaningful incentives to attract and retain quality personnel that are valuable to the development of the Group and for the benefit of the Group and the Shareholders as a whole.

### **Terms of the 2023 Share Option Scheme**

A summary of the principal terms of the 2023 Share Option Scheme is set out in Appendix III to this circular.

A copy of the 2023 Share Option Scheme will be displayed on the websites of HKExnews (<https://www.hkexnews.hk>) and the Company (<https://www.tontine-wines.com.hk>) from 4 May 2023 and up to and including the date of the Annual General Meeting, and will also be available for inspection at the Annual General Meeting.

### **Application for Listing**

Application will be made to the Stock Exchange for the approval of the listing for, and permission to deal in, the Shares to be issued pursuant to the exercise of the Options granted under the 2023 Share Option Scheme.

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## LETTER FROM THE BOARD

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### **Other Information**

As the Board has no intention of granting any further options under the Existing Share Option Scheme during the period from the Latest Practicable Date and the date of the Annual General Meeting, no options will remain outstanding after the Existing Share Option Scheme is terminated. The Company has no outstanding options, convertible securities or warrants which confer the right to subscribe for Shares at the Latest Practicable Date.

None of the Directors is a trustee of the 2023 Share Option Scheme or has any direct or indirect interest in the trustees of the 2023 Share Option Scheme, if any. As at the Latest Practicable Date, the Company has no other share option schemes or share award schemes other than the Existing Share Option Scheme.

As at the Latest Practicable Date, to the best knowledge of the Directors and having made all reasonable enquiries, no Shareholder has any material interest in the proposed adoption of the 2023 Share Option Scheme. As such, no Shareholder is required to abstain from voting on the resolution in relation thereto.

### **PROPOSED AMENDMENTS TO THE BYE-LAWS AND ADOPTION OF THE NEW BYE-LAWS**

The Board proposes to seek the approval from the Shareholders by way of special resolution at the Annual General Meeting for the Proposed Amendments and the adoption of the New Bye-Laws as the bye-laws of the Company in substitution for, and to the exclusion of, the Bye-laws, so as to bring the constitutional documents of the Company up to date and in line with (i) revised requirements made under the Listing Rules, including amendments to the Core Shareholder Protection Standards set out in the Appendix 3 to the Listing Rules; and (ii) the applicable laws of Bermuda.,

Further particulars of the Proposed Amendments are set out in Appendix IV to this circular. To the best knowledge of the Board, the Board considers that the Proposed Amendments would not bring any major adverse effects to the operation of the Company.

The legal adviser to the Company as to Hong Kong laws has confirmed that the Proposed Amendments comply with the requirements of the Listing Rules, and the legal adviser to the Company as to Bermuda laws has confirmed that the Proposed Amendments do not violate Bermuda laws. The Company confirms that there is nothing unusual about the Proposed Amendments. The New Bye-Laws comply with the requirements of the Listing Rules, including the Core Shareholder Protection Standards.

Shareholders are advised that the New Bye-Laws are written in English only and there is no official Chinese translation. The Chinese translation of the New Bye-Laws is provided for reference only. In case of any discrepancy or inconsistency, the English version shall prevail.

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## LETTER FROM THE BOARD

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### ANNUAL GENERAL MEETING

Whether or not you intend to attend the Annual General Meeting in person, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Hong Kong Branch Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as practicable and in any event not later than 48 hours (i.e. 3:00 p.m. on Wednesday, 14 June 2023) before the time for holding the Annual General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Annual General Meeting or any adjournment thereof should you so wish.

### CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 13 June 2023 to Friday, 16 June 2023 (both days inclusive) during which no transfer of Shares may be effected for the purpose of determining shareholders who are entitled to attend and vote at the Annual General Meeting. In order to qualify for attending and voting at the Annual General Meeting, all transfer documents accompanied by the relevant share certificate(s) should be lodged for registration with the Hong Kong Branch Share Registrar by 4:30 p.m. on Monday, 12 June 2023.

### 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 issuer. 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.

### RECOMMENDATIONS

The Directors consider that the proposals regarding (1) the grant of the General Mandate, the Buy-back Mandate and the Extension Mandate; (2) the re-election of Directors; (3) the termination of Existing Share Option Scheme and adoption of 2023 Share Option Scheme; and (4) Proposed Amendments and the adoption of the New Bye-Laws are in the best interests of the Company and the Shareholders as a whole and recommend the Shareholders to vote in favour of the relevant resolutions at the Annual General Meeting.

### DOCUMENTS ON DISPLAY

A copy of the rules of the 2023 Share Option Scheme will be published on the websites of the Company (<http://www.tontine-wines.com.hk>) and the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) for a period of 14 days before the date of the Annual General Meeting and will be available for inspection at the Annual General Meeting.

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## LETTER FROM THE BOARD

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### GENERAL INFORMATION

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

### MISCELLANEOUS

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

Yours faithfully  
By order of the Board  
**China Tontine Wines Group Limited**  
**Wang Guangyuan**  
*Chairman and Executive Director*



*This appendix serves as an explanatory statement, as required under Rule 10.06(1)(b) of the Listing Rules, to provide 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 to approve the grant of the Buy-back Mandate to the Directors.*

## **1. LISTING RULES RELATING TO THE BUY-BACK OF SHARES**

The Listing Rules permit companies whose primary listings are on the Stock Exchange to buy-back their securities on the Stock Exchange and any other stock exchange on which securities of the company are listed and such exchange is recognised by the Securities and Futures Commission of Hong Kong subject to certain restrictions. Among such restrictions, the Listing Rules provide that the shares of such company must be fully paid up and all buy-back of shares by such company must be approved in advance by an ordinary resolution of shareholders, either by way of a general mandate or by specific approval of a particular transaction.

## **2. SHARE CAPITAL**

As at the Latest Practicable Date, there were a total of 2,940,548,000 Shares in issue.

Subject to the passing of the proposed resolution granting the Buy-back Mandate and on the basis that no new Shares are issued and no Shares are bought back for the period from the Latest Practicable Date up to and including the date of the Annual General Meeting, the Company will be allowed under the Buy-back Mandate to buy-back up to a maximum of 294,054,800 Shares, representing 10% of the aggregate number of Shares in issue as at the Latest Practicable Date.

## **3. REASONS FOR THE BUY-BACKS**

The Directors believe that the Buy-back Mandate is in the best interests of the Company and the Shareholders as a whole to seek a general authority from the Shareholders to enable the Company to buy back Shares on the Stock Exchange or any other stock exchange on which the Shares are listed. Such buy-backs may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made when the Directors believe that such buy-backs will benefit the Company and the Shareholders as a whole.

## **4. FUNDING OF BUY-BACKS**

In making buy-backs, the Company may only apply funds legally available for such purposes in accordance with the Bye-laws and the laws of Bermuda. The laws of Bermuda provide that the amount of capital repaid in connection with a share buy-back may only be paid out of either the capital paid up on the relevant shares, or the funds of the Company that would otherwise be available for dividend or distribution or the proceeds of a fresh issue of shares made for the purpose. The premium payable on buy-back may only be paid out of either the funds of the Company that would otherwise be available for dividend or distribution or out of the

Company's share premium before the Shares are bought back. In accordance with the laws of Bermuda, the Shares so bought back would be treated as cancelled but the aggregate amount of authorised share capital would not be reduced.

## 5. MATERIAL ADVERSE IMPACT IN THE EVENT OF BUY-BACK IN FULL

Taking into account the current working capital position of the Group, the Directors consider that, if the Buy-back Mandate were to be carried out in full at any time during the proposed buy-back period, it might have a material adverse impact on the working capital and/or gearing position of the Company as compared with the position as at 31 December 2022, being the date on which its latest published audited consolidated financial statements were made up. However, the Directors do not intend to exercise the Buy-back Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements or the gearing position of the Company 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 traded on the Stock Exchange in the previous twelve months and up to the Latest Practicable Date were as follows:

	<b>Highest</b>	<b>Lowest</b>
	<i>HK\$</i>	<i>HK\$</i>
<b>2022</b>		
March	0.100	0.094
April	0.109	0.074
May	0.109	0.099
June	0.098	0.093
July	0.090	0.086
August	0.100	0.091
September	0.088	0.082
October	0.086	0.080
November	0.080	0.077
December	0.105	0.098
<b>2023</b>		
January	0.103	0.098
February	0.088	0.083
March	0.083	0.083
April (up to the Latest Practicable Date)	0.094	0.085

**7. UNDERTAKING**

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the power of the Company to make buy-backs pursuant to the Buy-back Mandate in accordance with the Listing Rules and the laws of Bermuda and in accordance with the regulations set out in the memorandum of association of the Company and the Bye-laws.

**8. CORE CONNECTED PERSON**

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their close associates, has any present intention to sell any Shares to the Company under the Buy-back Mandate if the same is approved by the Shareholders at the Annual General Meeting.

No core connected persons of the Company have notified the Company that they have a present intention to sell Shares to the Company, or have undertaken not to do so, in the event that the grant of the Buy-back Mandate is approved by the Shareholders at the Annual General Meeting.

**9. THE TAKEOVERS CODE AND MINIMUM PUBLIC HOLDING**

If a Shareholder's proportionate interest in the voting rights of the Company increases on the Company exercising its powers to buy-back securities pursuant to the Buy-back Mandate, 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 (as defined in the Takeovers Code) 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, according to the register of interests kept by the Company pursuant to section 336 of the SFO and so far as is known to, or can be ascertained after reasonable enquiry by the Directors, the following persons were directly or indirectly interested in 5% or more of the issued Shares:

<b>Name</b>	<b>Capacity/Nature of interest</b>	<b>Number of Shares held</b>	<b>Approximate percentage of shareholding</b>
Sky Source International Investments Limited	Interest in a controlled corporation	495,178,720 (Note 1)	16.84%
	Beneficial owner	200,000,000 (Note 2)	6.80%
Mr. Li Jerry Y.	Interest in a controlled corporation	495,178,720 (Note 1)	16.84%
	Interest in a controlled corporation	200,000,000 (Note 2)	6.80%
Mr. Zhu Minghui	Interest in a controlled corporation	495,178,720 (Note 1)	16.84%
	Interest in a controlled corporation	200,000,000 (Note 2)	6.80%
Up Mount International Limited	Beneficial owner	495,178,720 (Note 1)	16.84%
Mr. Wang Guangyuan	Interest in a controlled corporation	495,178,720 (Note 1)	16.84%
Ms. Zhang Min (Note 3)	Interest of Spouse	495,178,720 (Note 3)	16.84%
Bon Voyage Development Limited	Beneficial owner	400,000,000	13.60%
Mr. Yu Xinxin	Beneficial owner	277,530,000	9.44%
Mr. Yan Shaohua	Beneficial owner	237,582,000	8.08%

*Notes:*

- (1) These Shares are held by Up Mount International Limited (“**Up Mount**”) (a company incorporated in the BVI) whose issued shares were beneficially owned by Mr. Wang Guangyuan (“**Mr. Wang**”) (51%) and Sky Source International Investments Limited (49%). Sky Source International Investments Limited (“**Sky Source**”) (a company incorporated in the Samoa) whose issued shares were beneficially owned by Mr. Li Jerry Y. (“**Mr. Li**”) (50%) and Mr. Zhu Minghui (“**Mr. Zhu**”) (50%), who are non-executive directors of the Company. Mr. Li, Mr. Zhu, Sky Source and Mr. Wang are deemed to be interested in the Shares held by Up Mount under Part XV of the SFO.
- (2) Sky Source, as beneficial owner, holds 200,000,000 Shares, representing 6.80% of total number of issued Shares. Mr. Li and Mr. Zhu are deemed to be interested in the Shares held by Sky Source under Part XV of the SFO.
- (3) Ms. Zhang Min is the spouse of Mr Wang and is deemed to be interested in all the Shares held or taken to be interested by Mr Wang under Part XV of the SFO.

On the basis of 2,940,548,000 Shares in issue as at the Latest Practicable Date and assuming there is no further issue or buy-back of Shares during the period from the Latest Practicable Date up to and including the date of the Annual General Meeting, if the Buy-back Mandate were exercised in full, the shareholding in the Company of Mr. Li, Mr. Zhu and Mr. Wang, being the Directors as well as the parties acting in concert (as defined in the Takeovers Code) would be collectively increased from approximately 23.64% to approximately 26.27% of the issued share capital of the Company. Such increase would not give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code.

The Directors have no intention to exercise the Buy-back Mandate to such an extent that would result in the number of Shares in the hands of public falling below the prescribed percentage of 25%.

## **10. SHARE BUY-BACKS MADE BY THE COMPANY**

The Company did not buy-back any Shares in the six months prior to the Latest Practicable Date (whether on the Stock Exchange or otherwise).

*Set out below are the biographical details and other information of the retiring Directors, who being eligible, would offer themselves for re-election at the Annual General Meeting.*

### **Executive Directors**

**Mr. Zhang Hebin**, aged 62, has been an executive Director since 8 September 2008. He is one of the founding management team members of Tonghua Tongtian Winery Co., Ltd., a major operating subsidiary of the Company in the PRC, since its establishment in 2001. Prior to May 2011, he was primarily responsible for sales, marketing and products promotion of the Group. Since May 2011, he has assumed responsibility for and is in charge of the merger and acquisition activities of the Group. Prior to joining the Group, from April 1984 to August 2000, he worked with Tonhwa Winery Limited (通化葡萄酒股份有限公司), a wine company currently listed on the Shanghai Stock Exchange, and in February 1986, he was promoted as a district sales manager. He obtained a junior college diploma of economic management from the Party School of Jilin Province Government (吉林省黨委校) and graduated in July 1991.

Mr. Zhang has entered into a service agreement with the Company for an initial term of three years commencing from 1 November 2009, which is renewable automatically for successive terms of one year upon expiry of the then current term of his appointment, unless terminated in accordance with its terms. He is subject to retirement by rotation and re-election at annual general meeting in accordance with the Bye-laws.

Mr. Zhang is entitled to a director's emolument of HK\$600,000 (equivalent to RMB505,080) per annum (which was determined by the Board (upon the recommendation of the remuneration committee of the Board) with reference to his experience, qualification, duties and responsibilities within the Group and the prevailing market condition) and a discretionary management bonus and/or such other benefits as may be determined by, and at the discretion of, the Board from time to time. For the financial year ended 31 December 2022, Mr. Zhang received by way of director's emolument the amount of RMB505,080.

As at the Latest Practicable Date and save as disclosed above, Mr. Zhang (i) did not hold any position with the Company or other members of the Group; (ii) had not been a director in any listed public companies in Hong Kong or overseas in the last three years; (iii) did not have any relationships with any directors, senior management, substantial or controlling shareholders of the Company; and (iv) did not, directly or indirectly, have any interests in any shares or underlying shares in the Company pursuant to Part XV of the SFO.

Save as disclosed above, there are no other matters that need to be brought to the attention of the Shareholders nor other information required to be disclosed pursuant to the requirements of Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules in connection with Mr. Zhang's re-election at the Annual General Meeting.

**Ms. Wang Lijun**, aged 55, was appointed as our executive Director on 2 May 2017. She joined our Group in January 2010 as executive manager. In December 2010, she was promoted to deputy general manager and is responsible for administration and human resources matters of all the Company's subsidiaries in the PRC. Prior to joining our Company, from August 2006 to September 2009, she worked in Dubon Property and Casualty Insurance Company Limited Jilin branch (都邦財產保險股份有限公司吉林分公司) as business general manager and was responsible for business management. From July 1994 to August 2006, she was the deputy general manager in China Pacific Life Insurance Company Limited Tonghua branch (中國太平洋人壽保險股份有限公司通化中心支公司) and responsible for administration matters. Ms. Wang graduated from Jilin Industry University (吉林工業大學) with a bachelor's degree in accounting in July 1998. Ms. Wang is the sister of Mr. Wang Guangyuan, the chairman of our Board, the chief executive officer and an executive Director of our Company.

Ms. Wang has entered into a service agreement with the Company for an initial term of three years commencing from 2 May 2017, which is renewable automatically for successive terms of one year each commencing from the day immediately after the expiry of the then current term of her appointment, unless terminated in accordance with the terms of the service agreement. She is also subject to retirement by rotation and re-election at annual general meeting in accordance with the Bye-laws.

Ms. Wang is entitled to a director's emolument of HK\$600,000 (equivalent to RMB505,080) per annum (which was determined by the Board with reference to Ms. Wang's experience, qualifications, duties and responsibilities and the prevailing market condition) and a discretionary management bonus provided that the aggregate amount of the bonuses payable to all the executive Directors in respect of any financial year of the Company may not exceed 5% of the audited combined or, as the case may be, consolidated net profit of the Group (after taxation and minority interests and the payment of such bonuses but before extraordinary or exceptional items) for that financial year of the Company. For the financial year ended 31 December 2022, Ms. Wang received by way of director's emolument the amount of RMB505,080 in her capacity as executive Director.

As at the Latest Practicable Date, Ms. Wang was interested in 20,000,000 Shares, representing approximately 0.68% of the issued share capital of the Company.

As at the Latest Practicable Date and save as disclosed above, Ms. Wang (i) did not hold any position with the Company or other members of the Group; (ii) had not been a director in any listed public companies in Hong Kong or overseas in the last three years; (iii) did not have any relationships with any directors, senior management, substantial or controlling shareholders of the Company; and (iv) did not, directly or indirectly, have any interests in any shares or underlying shares in the Company pursuant to Part XV of the SFO.

Save as disclosed above, there are no other matters that need to be brought to the attention of the Shareholders nor other information required to be disclosed pursuant to the requirements of Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules in connection with Ms. Wang's re-election at the Annual General Meeting.

**Non-executive Directors**

**Mr. Li Jerry Y.**, aged 24, was appointed as non-executive director of the Company on 31 August 2022. He graduated from the University of Sydney in Australia with a Bachelor degree of Science, majoring in Nutrition and Metabolism. From September 2021, Mr. Li served as the vice general manager of Shenzhen Sanshun Pharmaceutical Limited\* (深圳三順製藥有限公司).

Except for a letter of appointment from the Company confirming his appointment as non-executive Director for a term of two years commencing from 31 August 2022, which is renewable automatically for successive terms of one year each commencing from the day immediately after the expiry of the then current term of his appointment, unless terminated in accordance with its terms, there is no service agreement entered into between the Company and Mr. Li. He is subject to retirement by rotation and re-election at annual general meeting in accordance with the Bye-laws.

Mr. Li is entitled to a director's emolument of RMB Nil per annum (which was determined by the Board with reference to Mr. Li's experience, qualifications, duties and responsibilities and the prevailing market condition) and such other benefits as may be determined by and at the discretion of the Board from time to time. For the financial year ended 31 December 2022, Mr. Li received by way of any director's emolument the amount of RMB Nil in his capacity as non-executive Director.

As at the Latest Practicable Date, Mr. Li was interested in 695,178,720 Shares, representing approximately 23.64% of the issued share capital of the Company.

Save as disclosed above, Mr. Li (i) did not hold any position with the Company or other members of the Group; (ii) had not been a director in any listed public companies in Hong Kong or overseas in the last three years; (iii) did not have any relationships with any directors, senior management, substantial or controlling shareholders of the Company; and (iv) did not, directly or indirectly, have any interests in any shares or underlying shares in the Company pursuant to Part XV of the SFO.

Save as disclosed above, there are no other matters that need to be brought to the attention of the Shareholders nor other information required to be disclosed pursuant to the requirements of Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules in connection with Mr. Li's re-election at the Annual General Meeting.



**Mr. Zhu Minghui**, aged 24, was appointed as non-executive director of the Company on 31 August 2022. He graduated from Bryant University in the United States of America, with a Bachelor degree of Science in Business Administration, majoring in Finance and Economics. Mr. Zhu is currently the Investment Manager in Shenzhen Maoanyuan Investments Company Limited\* (深圳市茂安源投資有限公司).

Except for a letter of appointment from the Company confirming his appointment as non-executive Director for a term of two years commencing from 31 August 2022, which is renewable automatically for successive terms of one year each commencing from the day immediately after the expiry of the then current term of his appointment, unless terminated in accordance with its terms, there is no service agreement entered into between the Company and Mr. Zhu. He is subject to retirement by rotation and re-election at annual general meeting in accordance with the Bye-laws.

Mr. Zhu is entitled to a director's emolument of RMB Nil per annum (which was determined by the Board with reference to Mr. Zhu's experience, qualifications, duties and responsibilities and the prevailing market condition) and such other benefits as may be determined by and at the discretion of the Board from time to time. For the financial year ended 31 December 2022, Mr. Zhu received by way of any director's emolument the amount of RMB Nil in his capacity as non-executive Director.

As at the Latest Practicable Date Mr. Zhu was interested in 695,178,720 Shares, representing approximately 23.64% of the issued share capital of the Company.

Save as disclosed above, Mr. Zhu (i) did not hold any position with the Company or other members of the Group; (ii) had not been a director in any listed public companies in Hong Kong or overseas in the last three years; (iii) did not have any relationships with any directors, senior management, substantial or controlling shareholders of the Company; and (iv) did not, directly or indirectly, have any interests in any shares or underlying shares in the Company pursuant to Part XV of the SFO.

Save as disclosed above, there are no other matters that need to be brought to the attention of the Shareholders nor other information required to be disclosed pursuant to the requirements of Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules in connection with Mr. Zhu's re-election at the Annual General Meeting.

**Independent Non-executive Director**

**Mr. Yang Qiang**, aged 62, was appointed as our independent non-executive Director on 15 January 2016. He is also a member of the audit committee, the remuneration committee and the nomination committee of our Board. Mr. Yang holds a bachelor's degree in mechanical engineering from Beijing Institute of Technology (北京理工大學). He is experienced in the wine industry in the PRC and has been serving as the secretary of the expert committee of the Grape and Fruit Wine of the China National Food Industry Association (中國食品工業協會葡萄酒、果酒專家委員會) for many years.

Except for a letter of appointment from the Company confirming his appointment as independent non-executive Director for a term of two years commencing from 1 January 2019, which is renewable automatically for successive terms of one year upon expiry of the then current term of his appointment, unless terminated in accordance with its terms, there is no service agreement entered into between the Company and Mr. Yang. He is subject to retirement by rotation and re-election at annual general meeting in accordance with the Bye-laws.

Mr. Yang is entitled to a director's emolument of RMB120,000 per annum (which was determined by the Board with reference to Mr. Yang's experience, qualifications, duties and responsibilities and the prevailing market condition) and such other benefits as may be determined by and at the discretion of the Board from time to time. For the financial year ended 31 December 2022, Mr. Yang received by way of any director's emolument the amount of RMB120,000 in his capacity as independent non-executive Director.

As at the Latest Practicable Date and save as disclosed above, Mr. Yang:

- (i) did not hold any position with the Company or other members of the Group;
- (ii) had not been a director in any listed public companies in Hong Kong or overseas in the last three years;
- (iii) did not have any relationships with any directors, senior management, substantial or controlling shareholders of the Company; and
- (iv) did not, directly or indirectly, have any interests in any shares or underlying shares in the Company pursuant to Part XV of the SFO.

Save as disclosed above, there are no other matters that need to be brought to the attention of the Shareholders nor other information required to be disclosed pursuant to the requirements of Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules in connection with Mr. Yang's re-election at the Annual General Meeting.

*The following is a summary of the principal terms of the rules of the 2023 Share Option Scheme. It does not form part of, nor is it intended to be part of the rules of the 2023 Share Option Scheme and it should not be taken as affecting the interpretation of the rules of the 2023 Share Option Scheme. The Directors reserve the right at any time prior to the Annual General Meeting to make such amendments to the 2023 Share Option Scheme as they may consider necessary or appropriate provided that such amendments do not conflict in any material aspects with the summary in this Appendix.*

## **1. PURPOSE OF THE 2023 SHARE OPTION SCHEME**

The purpose of the 2023 Share Option Scheme is to provide incentives or rewards to the Participants for their contribution to the Group and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group.

## **2. PARTICIPANTS AND ELIGIBILITY**

Participants include (a) Employee Participants; (b) Related Entity Participants; and (c) Service Providers.

The basis of eligibility of any of the class of Participants to the grant of any Option(s) shall be determined by the Board from time to time on the basis of their contribution to the development and growth of the Group set out below:

- (a) For Employee Participants, the Board will generally consider their general working performance, time commitment (full-time or part-time), length of their service within the Group, working experience, responsibilities and/or employment conditions with reference to the prevailing market practice and industry standard.
- (b) For Related Entity Participants, the Board will generally consider their participation and contribution to the development of the Group and/or the extent of benefits and synergies brought to the Group.
- (c) Service Providers include those distributors that provide e-platform services and supply chain management services using blockchain technology. For Service Providers, the Board will generally consider their experience and expertise, continuity and frequency of their services to the Group, their involvement in promoting the business of the Group, or where appropriate, contribution or potential contribution to the long-term growth of the Group. Set out below is the identification of each category of Service Providers and the criteria for determining a person's eligibility under each category:
  - (i) In assessing whether the Service Provider provides services to the Group on a continuing and recurring basis, the Board shall take into consideration the length (over twelve (12) months' of contractual relationship with the Group) and type of services provided and the recurrences and regularity of such services, and will benchmark such metrics against the performance of the employees, officers and

Directors of the Group to whom the Group provides equity incentives, while taking into account the purpose of the 2023 Share Option Scheme and the objectives in engaging the Service Provider.

- (ii) In assessing whether the Service Provider provides services to the Group in the Company's ordinary and usual course of business, the Board or the committee of the Board shall take into consideration the nature of the services provided to the Group by the Service Provider, and whether such services form part of or are directly ancillary to the businesses conducted by the Group, as disclosed in the Company's financial reports.

### 3. SCHEME MANDATE LIMIT AND SERVICE PROVIDER SUBLIMIT

The total number of Shares which may be issued in respect of all Option(s) and Award(s) to be granted under the 2023 Share Option Scheme and any Other Schemes (excluding for this purpose Option(s) or Award(s) which have lapsed in accordance with the terms and conditions of the 2023 Share Option Scheme and any Other Schemes) (the "**Scheme Mandate Limit**") shall not exceed 10% of the total number of Shares in issue on the Adoption Date.

Within the Scheme Mandate Limit, the sublimit on the total number of Shares that may be issued in respect of all Option(s) and Award(s) to be granted to Service Providers under the 2023 Share Option Scheme and any Other Schemes (excluding for this purpose Option(s) or Award(s) which have lapsed in accordance with the terms and conditions of the 2023 Share Option Scheme and any Other Schemes) (the "**Service Provider Sublimit**") shall not exceed 1% of the number of total issued Shares on the Adoption Date. The Service Provider Limit shall not be valid unless:

- (a) the Service Provider Sublimit is separately approved by the Shareholders in general meeting; and
- (b) a circular regarding the Service Provider Sublimit has been despatched to the Shareholders in a manner complying with, and containing the matters specified in, the relevant provisions of Chapter 17 of the Listing Rules (including, among others, the basis for determining the Service Provider Sublimit and an explanation as to why the Service Provider Sublimit is appropriate and reasonable).

Subject to the provisions of the 2023 Share Option Scheme, the Scheme Mandate Limit and the Service Provider Sublimit may be refreshed by ordinary resolution of the Shareholders in general meeting after three (3) years from the date of Shareholders' approval for the last refreshment (or the Adoption Date).

Subject to the provisions of the 2023 Share Option Scheme, any refreshment of the Scheme Mandate Limit and the Service Provider Sublimit within three (3) years from the date of the Shareholders' approval for the last refreshment (or the Adoption Date) must be approved by Shareholders in general meeting, provided that:

- (a) any controlling Shareholders and their associates (or if there is no controlling Shareholder, Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates) must abstain from voting in favour of the relevant resolution at the general meeting;
- (b) the Company must comply with the requirements under Rules 13.39(6), 13.39(7), 13.40, 13.41 and 13.42 of the Listing Rules; and
- (c) the requirements concerning refreshment of the Scheme Mandate Limit and the Service Provider Sublimit within three (3) years from the date of the Shareholders' approval for the last refreshment (or the Adoption Date) 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 Mandate Limit (as a percentage of the total issued Shares) upon refreshment is the same as the unused part of the Scheme Mandate Limit immediately before the issue of securities, rounded to the nearest whole Share.

The total number of Shares which may be issued in respect of all Option(s) and Award(s) to be granted under the 2023 Share Option Scheme and all Other Schemes under the scheme mandate as refreshed shall not exceed 10% of the total issued Shares as at the date of approval of the refreshed scheme mandate. The Company shall send to the Shareholders a circular in a manner complying with, and containing the matters specified in, the relevant provisions of Chapter 17 of the Listing Rules.

#### **4. MAXIMUM ENTITLEMENT OF EACH PARTICIPANT**

Where any grants of Option(s) to a Participant would result in the Shares issued and to be issued in respect of all Option(s) and Award(s) granted to such Participant (excluding any Option(s) and Award(s) lapsed in accordance with the terms of the 2023 Share Option Scheme) in the twelve (12)-month period up to and including the date of such grant representing in aggregate over 1% of the Shares of the Company in issue, such grant must be separately approved by Shareholders of the Company in general meeting with such Participant and his close associates (or associates if the Participant is a connected person) abstaining from voting. The Company shall send a circular to the Shareholders containing the details and information required under the rules of the 2023 Share Option Scheme and the Listing Rules.

**5. EXERCISE PERIOD**

In respect of an Option, the Option Period is the period during which an Option is exercisable as the Board may in its absolute discretion determine, save that such period shall not be more than ten (10) years commencing from the date of grant of such Option and that the Board may at its discretion determine the minimum period for which the Option has to be held before the exercise of the Option.

Subject to the provisions of the 2023 Share Option Scheme, Option(s) may be exercised in whole or in part by the Grantee (or, as the case may be, such Grantee's legal personal representative(s)) at any time during the Option Period and, other than where it is exercised to the full extent outstanding, shall be exercised in integral multiples of such number of Shares as shall represent one board lot for dealing in Shares on the Stock Exchange for the time being, by the Grantee (or, as the case may be, such Grantee's legal personal representative(s)) by giving notice in writing to the Company stating that the Option is thereby exercised and the number of Shares in respect of which it is exercised. Each such notice must be accompanied by a remittance for the full amount of the Subscription Price for the Shares in respect of which the notice is given.

**6. VESTING PERIOD OF OPTION(S)**

The Option(s) to be granted under the 2023 Share Option Scheme shall be subject to a minimum vesting period of Option(s) to be granted under the 2023 Share Option Scheme shall be twelve (12) months. Any shorter vesting period in respect of Option(s) granted to Employee Participants must be approved by the Board and/or the Remuneration Committee (where the arrangements relate to grants of Option(s) to Directors and senior managers of the Company) at the Directors' discretion in any of the following circumstances:

- (a) grants of "make-whole" Option(s) to new Employee Participants to replace share option(s) or award(s) they forfeited when leaving their previous employers;
- (b) grants to an Employee Participant whose employment is terminated due to death or disability or event of force majeure;
- (c) grants of Option(s) which are subject to the fulfilment of performance targets (if any);
- (d) grants with a mixed or accelerated vesting schedule such as where the Option(s) may vest evenly over a period of twelve (12) months; or

- (e) grants of Option(s) that are made in batches during a year due to administrative or compliance reasons, which include Option(s) that should have been granted earlier if not for such administrative or compliance reasons but had to wait for subsequent batch, in which case the vesting date may be shortened to reflect the time from which the Option(s) would have been granted.

## 7. PERFORMANCE TARGETS

Except otherwise imposed by the Board pursuant to the provisions of the 2023 Share Option Scheme and stated in the offer of the grant of the Option(s), there is no performance target that has to be achieved before the exercise of any Option(s).

## 8. AMOUNT PAYABLE ON ACCEPTANCE OF THE OPTION AND PAYMENT PERIOD

An offer of the grant of Option(s) shall be made to a Participant by letter in such form as the Board may from time to time determine requiring the Participant to undertake to hold the Option(s) on the terms on which it is to be granted and to be bound by the provisions of the 2023 Share Option Scheme. The offer shall remain open for acceptance by the Participant concerned for a period of twenty-one (21) days from the date upon which the offer is made (the last day of said twenty-one (21) days period being the “**Last Acceptance Date**”) provided that no such offer shall be open for acceptance after the Scheme Period or after the 2023 Share Option Scheme has been terminated.

An offer of the grant of Option(s) shall be deemed to have been accepted and the Option(s) shall be deemed to have been granted and to have taken effect (with retrospective effect from the Offer Date) when the duplicate letter of grant of such Option(s) comprising acceptance of the Option(s) duly signed by the Grantee with the number of Shares in respect of which the offer is accepted clearly stated therein, together with a remittance in favour of the Company of HK\$1.00 as consideration for the grant thereof is received by the Company before or on the Last Acceptance Date. Such remittance shall in no circumstances be refundable.

Any offer of the grant of Option(s) may be accepted in respect of less than the number of Shares in respect of which it is offered provided that it is accepted in respect of such number of Shares as represents a board lot for the time being for the purposes of trading on the Stock Exchange or an integral multiple thereof. To the extent that the offer of the grant of Option(s) is not accepted on or before the Last Acceptance Date in the manner indicated in the sub-paragraph above, it will be deemed to have been irrevocably rejected by the Participant and will lapse automatically.

**9. SUBSCRIPTION PRICE**

The Subscription Price in respect of any particular Option(s) shall be such price as determined by the Board in its absolute discretion at the time of the grant of the relevant Option(s) (and shall be stated in the letter containing the offer of the grant of the Option(s)) and in any case the Subscription Price must be at least the higher of:

- (a) the closing price of the Shares as stated in the Stock Exchange's daily quotation sheet on the date of the grant of the Option(s), which must be a Business Day;
- (b) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five (5) Business days immediately preceding the date of the grant of the Option(s); and
- (c) the nominal value of a Share,

provided that the Subscription Price shall be subject to adjustment in accordance with paragraph 14 below.

**10. CERTAIN RIGHTS ATTACHING TO THE SHARES AND THE OPTIONS**

No Grantee shall enjoy any rights of a Shareholder by virtue of the grant of Option(s) pursuant to the 2023 Share Option Scheme, unless and until the Shares are actually issued to the Grantee pursuant to the exercise of the Option(s). The Option(s) do not carry any right to vote in general meeting of the Company, or the right to dividend and other rights, including those arising on a liquidation of the Company. A Share issued upon the exercise of Option(s) shall not carry rights until the registration of the Grantee (or any other person so permitted pursuant to the 2023 Share Option Scheme) as the holder thereof.

**11. RANKING OF SHARES**

The Shares to be allotted and issued upon the exercise of Option(s) will be subject to all the provisions of the bye-laws of the Company for the time being in force and will rank *pari passu* in all respects with the fully paid Shares in issue as from the day when the name of the Grantee is registered on the register of members of the Company and accordingly will entitle the holders to participate in all dividends or other distributions paid or made on or after the date when the name of the Grantee is registered on the register of members of the Company other than any dividend or other distribution previously declared or recommended or resolved to be paid or made with respect to a record date which shall be before the date when the name of the Grantee is registered on the register of members of the Company, provided always that when the date of exercise of the Option(s) falls on a day upon which the register of members of the Company is closed then the exercise of the Option(s) shall become effective on the first Business Day in Hong Kong on which the register of members of the Company is re-opened.



A Share allotted and issued upon the exercise of an Option shall not carry any voting rights until the completion of registration of the Grantee (or any other person) as the holder thereof.

## 12. LIFE OF THE 2023 SHARE OPTION SCHEME

Subject to any early termination provisions pursuant to the 2023 Share Option Scheme, the 2023 Share Option Scheme shall be valid and effective for the Scheme Period, which is the period commencing on the Adoption Date and ending on the tenth anniversary of the Adoption Date (both dates inclusive), after which no further Option(s) will be granted but the provisions of the 2023 Share Option Scheme shall remain in full force and effect in all other respects to the extent necessary to give effect to the exercise of any Option(s) granted prior thereto or otherwise as may be required in accordance with the provisions of the 2023 Share Option Scheme. Option(s) complying with the provisions of the Listing Rules which are granted during this Scheme Period and remain unexercised immediately prior to the end of the Scheme Period shall continue to be exercisable in accordance with their terms of grant within the Option Period for which such Option(s) are granted, notwithstanding the expiry of the 2023 Share Option Scheme.

## 13. LAPSE OF OPTIONS

The right to exercise an Option (to the extent not already exercised) shall lapse automatically on the earliest of:

- (a) the expiry of the Option Period (subject to the provisions of the 2023 Share Option Scheme);
- (b) the expiry of any of the periods referred to in sub-paragraphs (i), (ii), (v), and (viii) below;
- (c) subject to the scheme of arrangement becoming effective, the expiry of the period referred to in sub-paragraph (vii) below of the 2023 Share Option Scheme;
- (d) subject to paragraph sub-paragraph (viii) below, the date of the commencement of the winding-up of the Company;
- (e) the date on which the Grantee ceases to be a Participant by reason of summary dismissal of such Grantee, or on any one or more of the grounds that such Grantee has been guilty of misconduct, or other breach of the terms of his employment contract or other contract constituting him a Participant (including, among others, causing material misstatement of the financial statements of the Company), or the date on which he begins to appear to be unable to pay or has no reasonable prospect of being able to pay his debts or has become insolvent or has made any arrangement or composition with such Grantee's creditors generally, or has been convicted of any criminal offence involving such Grantee's integrity or honesty or (if so determined by

the Board) on any other ground on which an employer would be entitled to terminate such Grantee's employment summarily at common law or pursuant to any applicable laws or under such Grantee's service contract with the Company or the relevant subsidiary. The Board or the board of directors of the relevant subsidiary, or any person delegated by the Board or the board of directors of the relevant subsidiary shall determine whether the employment or other relevant contract of a Grantee has or has not been terminated on one or more of the grounds specified in this paragraph 13(e). Such decision shall be final, conclusive and binding;

- (f) subject to sub-paragraph (ix) below, the date when the proposed compromise or arrangement becomes effective; or
- (g) the date on which the Grantee commits a breach of paragraph 17.

The Company shall owe no liability to a Grantee for the lapse of any Option under this paragraph 13.

The Option(s) lapsed in accordance with terms of the 2023 Share Option Scheme will not be regarded as utilised for the purpose of calculating the Scheme Mandate Limit and the Service Provider Sublimit.

Subject as thereafter provided in the 2023 Share Option Scheme, the Option(s) may be exercised by the Grantee (or as the case may be, such Grantee's legal personal representative(s)) at any time during the Option Period provided that:

- (i) subject to paragraph 13(e), where the Grantee ceases to be a Participant for any reason except for those stated in sub-paragraphs (ii), (iii), (iv) and (v) below, Option(s) held by such Grantee shall lapse on the date of cessation and not be exercisable unless the Board otherwise determines in which event the Option(s) shall be exercisable to the extent and within such period as the Board may determine. The date of such cessation shall be (i) if he was an Employee Participant, his last actual working day whether salary is paid in lieu of notice or not; or (ii) if he is not an Employee Participant, the date on which his relationship with the Group which has constituted him a Participant ceases;
- (ii) in the event that the Grantee ceases to be a Participant by reason of death (provided that none of the events which would be a ground for termination of such Grantee's employment under paragraph 13(e) arises prior to such Grantee's death, in the case such Grantee is an Eligible Employee at the date of the grant of the Option(s)), the legal personal representative(s) of such Grantee shall be entitled within a period of twelve (12) months from the date of death (or such longer period as the Board may determine) to exercise the Option(s) in whole or in part (to the extent which has become exercisable and not already exercised prior to such date of death);

- (iii) in the event that the Grantee ceases to be a Participant by reason of his retirement in accordance with his contract of employment or service, such Grantee shall be entitled to exercise the Option(s) (to the extent which has become exercisable and not already exercised) during the Option Period;
- (iv) in the event that the Grantee is re-employed after retirement or has changed in position(s) but still be a Participant before exercising the Option(s) in full or at all, the Option(s) (to the extent which has become exercisable and not already exercised) may continue to be exercised by the Grantee;
- (v) in the event that the Grantee ceases to be a Participant because the Related Entity to which the Participant is employed, holds directorship in or is a consultant therewith ceases to be a Related Entity, then he may exercise all his Option(s) (to the extent which has become exercisable and not already exercised) within twelve (12) months after he so ceases;
- (vi) in the event of a general or partial offer by way of take-over being made to all Shareholders, or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert (as defined in the Takeovers Code) with the offeror, and such offer becomes or is declared unconditional, the Company shall give notice thereof to the Grantee and the Grantee (or his personal representatives) may exercise the Option(s) to its full extent or to the extent specified in such notice;
- (vii) in the event of a general offer or partial offer by way of a scheme of arrangement being made to all Shareholders and the scheme of arrangement has been approved by the necessary number of Shareholders at the requisite meetings, the Company shall give notice thereof to the Grantee and the Grantee (or his personal representatives) may, by delivering a notice in writing to the Company within seven (7) days of such Shareholders' approval, exercise the Option(s) to its full extent or to the extent specified in such notice;
- (viii) in the event a notice is given by the Company to the Shareholders to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date as or soon after it despatches such notice to each Shareholder give notice thereof to all Grantees (together with a notice of the existence of this Clause) and thereupon, each Grantee, subject to the provisions of all applicable laws (or, where permitted under sub-paragraph (ii) above and such Grantee's legal personal representative(s)) shall be entitled to exercise all or any of such Grantee's Option(s) (to the extent which has become exercisable and not already exercised) at any time not later than two (2) Business Days prior to the proposed general meeting of the Company by giving notice

in writing to the Company, accompanied by a remittance for the full amount of the aggregate Subscription Price for the Shares in respect of which the notice is given whereupon the Company shall as soon as possible and, in any event, no later than the Business Day immediately prior to the date of the proposed general meeting referred to above, allot and issue the relevant Shares to the Grantee credited as fully paid, which Shares shall rank *pari passu* with all other Shares in issue on the date prior to the passing of the resolution to wind-up the Company to participate in the distribution of assets of the Company available in liquidation;

- (ix) in the event of a compromise or arrangement, other than a scheme of arrangement contemplated in sub-paragraph (vii) above, between the Company and its creditors (or any class of them) or between the Company and its members (or any class of them), being proposed in connection with a scheme for the restructuring, reconstruction or amalgamation of the Company, the Company shall give notice thereof to all Grantees on the same day as it gives notice of the meeting to its members or creditors to consider such compromise or arrangement, and thereupon any Grantee (or, where permitted under sub-paragraph (ii) above such Grantee's legal personal representative(s)) may at any time thereafter, but before such time as shall be notified by the Company, be entitled to exercise all or any of such Grantee's Option(s) (to the extent which has become exercisable and not already exercised), and the Company shall as soon as possible and in any event no later than the Business Day immediately prior to the date of the proposed meeting, issue, allot and register in the name of the Grantee such number of fully paid Shares which fall to be issued on exercise of such Option(s). In the event that the Grantees do not exercise all or any of his Option(s) before the specified timing, and provided that the then market price of the Option(s) is higher than the Subscription Price of the Option(s), the Board may in its sole discretion, sell the Option on behalf of the Grantee, whereby the Grantee will be entitled to receive the cash equivalent from such sale (less any costs incurred by the Company (if any)). In the event that the market price of the Option(s) is lower than the Subscription Price of the Option(s) or the Board in its sole discretion decides not to sell the Option(s) on the market, the Option(s) will automatically lapse; and
- (x) notwithstanding the scenarios described in sub-paragraphs (i) to (ix) above, the vesting period for the Option(s) granted to Participants other than Employee Participants shall not be less than 12 months.

**14. ADJUSTMENT IN ALTERATION OF CAPITAL STRUCTURE**

In the event of any alteration in the capital structure of the Company whether by way of capitalisation issue, rights issue, consolidation or subdivision of Shares or reduction of the capital of the Company (other than an issue of Shares as consideration in respect of a transaction), such corresponding adjustments (if any) shall be made to:

- (a) the number or nominal amount of Shares subject to the Option(s) granted under the 2023 Share Option Scheme so far as unexercised; and/or
- (b) the Subscription Price per Share as the independent financial adviser of the Company for the time being or the Auditors shall at the request of the Company or any Grantee certify in writing to be in their opinion fair and reasonable,

provided that any adjustments required under this paragraph 14 must give a Participant the same proportion of the issued Shares of the Company, rounded to the nearest whole Share, to which he was entitled before such adjustment, but no adjustments may be made to the extent that a Share would be issued at less than its nominal value. The issue of securities as consideration in a transaction may not be regarded as a circumstance requiring adjustment. Save in the case of a capitalisation issue, an independent financial adviser of the Company for the time being or the Auditors must confirm to the Directors in writing that such adjustment(s) satisfy the aforesaid requirements and/or such other requirement prescribed under the Listing Rules from time to time.

**15. CANCELLATION OF SHARE OPTION(S)**

The Board may at its sole discretion cancel any Option(s) granted but not exercised with the approval of the Grantee of such Option(s) in certain circumstances, including where it is necessary to comply with the laws in the jurisdictions in which the Participants and the Company are subject to, or in order to comply with the requirements of the Stock Exchange.

Where the Company cancels Option(s) granted to a Grantee and makes a new grant to the same Grantee, such new grant may only be made under the 2023 Share Option Scheme with available Scheme Mandate Limit approved by the Shareholders. The Option(s) cancelled will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit and the Service Provider Sublimit.

**16. TERMINATION**

The Company, by ordinary resolution in general meeting, or the Board may at any time terminate the operation of the 2023 Share Option Scheme before the expiry of the Scheme Period and in such event no further Option(s) will be offered. On termination, the provisions of the 2023 Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of the Option(s) (to the extent not already exercised) granted prior to the termination or otherwise as may be required in accordance with the provisions of the 2023 Share Option Scheme. Option(s) (to the extent not already exercised) granted prior to such termination shall continue to be valid and exercisable in accordance with the 2023 Share Option Scheme.

**17. TRANSFERABILITY OF OPTIONS**

Option(s) granted shall be personal to the Grantee and shall not be transferred or assigned and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or otherwise dispose of or create any interest in favour of any third party over or in relation to any Option(s) or enter into any agreement so to do, unless a waiver is granted by the Stock Exchange to allow a transfer to a vehicle (such as a trust or a private company) for the benefit of the Participant and any family members of such Participant that would continue to meet the purpose of the 2023 Share Option Scheme and comply with other requirements of Chapter 17 of the Listing Rules, or such transfer or assignment is otherwise permitted or required under the applicable laws and regulations. Any breach of the foregoing shall entitle the Company to cancel any outstanding Option(s) or part thereof granted to such Grantee without incurring any liability on the part of the Company.

**18. ALTERATION TO THE 2023 SHARE OPTION SCHEME**

The Directors may from time to time in their absolute discretion waive or alter such provisions of the 2023 Share Option Scheme as they deem desirable, provided that, except with the prior approval of Shareholders in general meeting, no alteration shall be made to the definitions of “Participants”, “Grantee” and “Option Period”, the provisions which are of a material nature or provisions relating to the matters set out in Rule 17.03 of the Listing Rules to the advantage of Grantees or prospective Grantees. Save for the above, the Board or a committee of the Board may alter the terms of the 2023 Share Option Scheme without the approval of the Shareholders in a general meeting. No such alteration shall operate to affect adversely the terms of issue of any Option(s) granted or agreed to be granted prior to such alteration except with the consent or sanction in writing of such majority of the Grantees as would be required of the Shareholders under the bye-laws for the time being of the Company for a variation of the rights attached to the Shares.

Any alterations to the terms and conditions of Option(s) granted to a Grantee must be approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders in general meeting (as the case may be) if the initial grant of the Option(s) was so approved, except where the alterations take effect automatically under the existing terms and conditions of the 2023 Share Option Scheme.

Any change to the authority of the Board or scheme administrators to alter the terms and conditions of the 2023 Share Option Scheme shall be approved by the Shareholders in general meeting.

The amended terms and conditions of this Scheme or the Option(s) must still comply with the relevant requirements of Chapter 17 of the Listing Rules.

The Company must provide to all Grantees all details relating to changes in the terms and conditions of the 2023 Share Option Scheme during the life of the 2023 Share Option Scheme immediately upon such changes taking effect.

#### **19. CLAWBACK MECHANISM**

The right to exercise an Option (to the extent not already exercised) shall lapse automatically where the Grantee ceases to be a Participant by reason of summary dismissal of such Grantee, or on any one or more of the grounds that such Grantee has been guilty of misconduct, or other breach of the terms of his employment contract or other contract constituting him a Participant (including, among others, causing material misstatement of the financial statements of the Company), or the date on which he begins to appear to be unable to pay or has no reasonable prospect of being able to pay his debts or has become insolvent or has made any arrangement or composition with such Grantee's creditors generally, or has been convicted of any criminal offence involving such Grantee's integrity or honesty or (if so determined by the Board) on any other ground on which an employer would be entitled to terminate such Grantee's employment summarily at common law or pursuant to any applicable laws or under such Grantee's service contract with the Company or the relevant subsidiary. The Board or the board of directors of the relevant subsidiary, or any person delegated by the Board or the board of directors of the relevant subsidiary shall determine whether the employment or other relevant contract of a Grantee has or has not been terminated on one or more of the grounds specified in this paragraph 19. Such decision shall be final, conclusive and binding.

**20. CONDITIONS OF THE 2023 SHARE OPTION SCHEME**

The 2023 Share Option Scheme is conditional upon:

- (a) the passing of ordinary resolution(s) by the Shareholders at a general meeting of the Company (i) to approve and adopt the 2023 Share Option Scheme; (ii) to authorise the Board to grant Option(s) under the 2023 Share Option Scheme; and (iii) to authorise the Board to allot and issue Shares pursuant to the exercise of any Option(s) to be granted pursuant to the 2023 Share Option Scheme;
- (b) termination of the Existing Share Option Scheme of the Company adopted on 10 May 2019; and
- (c) the Listing Committee (as defined in the Listing Rules) of the Stock Exchange granting approval for the listing of, and permission to deal in, the Shares which fall to be issued in respect of the Option(s) granted under the 2023 Share Option Scheme.

**21. GRANT OF OPTION(S) TO DIRECTORS, CHIEF EXECUTIVE AND SUBSTANTIAL SHAREHOLDERS**

Any grant of Option(s) to a Director, chief executive or substantial shareholder of the Company, or any of their respective associates, under the 2023 Share Option Scheme must be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the Grantee of the Option(s)).

Where any grant of Option(s) to an independent non-executive Director or a substantial shareholder or of the Company, or any of their respective associates, would result in the Shares issued and to be issued in respect of all Option(s) and Award(s) granted (excluding any Option(s) and Award(s) lapsed in accordance with the terms of the 2023 Share Option Scheme or any Other Schemes) to such person in the twelve (12)-month period up to and including the date of such grant representing in aggregate over 0.1% (or such other percentage as may be specified by the Stock Exchange) of the Shares in issue, such further grant of Option(s) must be approved by the Shareholders in general meeting in the manner set out in the sub-paragraph below.

In the circumstance described in the sub-paragraph above, the Company must send a circular to all Shareholders in a manner complying with, and containing the matters specified in Rule 17.04(5) of the Listing Rules (including, in particular, a recommendation from the independent non-executive Director (excluding the independent non-executive Director who is the prospective Grantee of the Option(s)) to the independent Shareholders as to voting). The proposed Grantee of the Option(s), his associates and all core connected persons of the Company must abstain from voting in favour at such general meeting. The Company must comply with Rules 13.40, 13.41 and 13.42 of the Listing Rules.



In case of any change in the terms of Option(s) granted to a substantial shareholder, Director or chief executive of the Company, or any of their respective associates, such change must also be approved by the Shareholders in the manner as set out under the sub-paragraph above if the initial grant of the Option(s) requires such approval (except where the changes take effect automatically under the existing terms of the 2023 Share Option Scheme).

Requirements regarding grant of Option(s) to a Director, chief executive or substantial shareholder of the Company, or any of their respective associates do not apply where the Participant is only a proposed Director or proposed chief executive of the Company.

## **22. DEALING RESTRICTIONS**

No offer of grant of Option(s) shall be made after any inside information (as defined in the SFO) has come to the knowledge of the Company until (and including) the trading day after it has announced the information in accordance with the Listing Rules and the SFO. In particular, no Option(s) shall be granted 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 in accordance with the Listing Rules) for approval of the results of the Company for any year, half-year 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, half-year, or any other interim period (whether or not required under the Listing Rules),

and ending on the date of the announcement of the results.

NEW BYE-LAWS

OF

CHINA TONTINE WINES GROUP LIMITED

(中國通天酒業集團有限公司)

(adopted pursuant to a ~~s~~Special rResolution passed by ~~all~~ the shareholders of the  
Company at the annual general meeting of the Company held on  
3 May 2012~~16 June 2023~~)

Signed

\_\_\_\_\_  
Name: Wang Guangyuan

Title: Director

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## NEW BYE-LAWS

## OF

## CHINA TONTINE WINES GROUP LIMITED

(中國通天酒業集團有限公司)

**(adopted pursuant to a Special Resolution passed by the shareholder of the Company at the annual general meeting held on 16 June 2023)**

## PRELIMINARY

1. (A) Headings and marginal notes to, and the index of, these Bye-Laws do not form part of these Bye-Laws and shall not affect their interpretation and, in the interpretation of these Bye-Laws, unless there be something in the subject or context inconsistent therewith: Marginal notes etc

“appointed stock exchange” shall have the meaning as defined in the Companies Act;

“appointor” shall mean, in relation to an alternate Director, the Director who appointed the alternate to act as his alternate; General

“associates”, ~~in relation to any Director, shall have the meaning as ascribed to it in the Listing Rules;~~

“Auditors” shall mean the persons for the time being performing the duties of that office;

“Bermuda” shall mean the Islands of Bermuda;

“the Board” or “the Directors” shall mean the Directors from time to time of the Company or (as the context may require) the majority of Directors present and voting at a meeting of the Directors;

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

“these Bye-Laws” or “these presents” shall mean these Bye-Laws in their present form and all supplementary, amended or substituted Bye-Laws for the time being in force;

“call” shall include any instalment of a call;

“capital” shall mean the share capital from time to time of the Company;

“clear days” in relation to the period of notice that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect;

“the Chairman” shall mean, except in Bye-Law 132, the Chairman presiding at any meeting of shareholders or of the Directors;

“clearing house” shall mean a clearing house recognised by the laws of the jurisdiction in which the shares of the Company are listed or quoted with the permission of the Company on a stock exchange in such jurisdiction;

“close associate” shall mean, 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 107 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.

“the Companies Act” shall mean the Companies Act 1981 of Bermuda;

“the Company” or “this Company” shall mean China Tontine Wines Group Limited (中國通天酒業集團有限公司) in Bermuda incorporated on 21 August 2008;

“Company’s website” shall mean the website of the Company to which any shareholder may have access, the address or domain name of which has been notified to the shareholders at the time the Company seeks the relevant shareholder’s consent for the purposes of Bye-Law 180(B) or, as subsequently amended by notice given to the shareholders in accordance with Bye-Law 180;

“debenture” and “debenture holder” shall respectively include “debenture stock” and “debenture stockholder”;

“Director” shall mean a director of the Company and includes an alternate in his capacity as a director of the Company;

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

“dividend” shall include scrip dividends, distributions in specie or in kind, capital distributions and capitalisation issues;

“Head Office” shall mean such office of the Company as the Directors may from time to time determine to be the principal office of the Company;

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

“HK\$” shall mean Hong Kong dollars;

“holding company” and “subsidiary” shall have the meanings ascribed to them by the Companies Act;

“Listing Rules” shall mean the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;

“month” shall mean a calendar month;

“Newspapers”, in relation to the publication in newspapers of any notice, shall mean in English in one leading English language daily newspaper and (unless unavailable) in Chinese in one leading Chinese language daily newspaper, in each case published and circulating generally in the Relevant Territory and specified or not excluded for this purpose by the stock exchange in the Relevant Territory;

“Notice” shall mean written notice unless otherwise specifically stated and as further defined in these Bye-Laws.

“paid” in relation to a share, shall mean paid or credited as paid;

“the Principal Register” shall mean the register of shareholders of the Company maintained in Bermuda;

“the register” shall mean the principal register and any branch register of shareholders of the Company to be kept pursuant to the provisions of the Statutes or these Bye-Laws;

“Registered Office” shall mean the registered office of the Company for the time being;

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

“Relevant Period” shall mean the period commencing from the date on which any of the securities of the Company become listed on a stock exchange in the Relevant Territory with the consent of the Company to and including the date immediately before the day on which none of the securities is so listed (and so that if at any time listing of any such securities is suspended, they shall nevertheless be treated, for the purpose of this definition, as listed);

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

“Seal” shall mean any one or more common seals from time to time of the Company for use in Bermuda or in any place outside Bermuda;

“Secretary” shall mean the person or corporation for the time being performing the duties of that office and includes any assistant, deputy, acting or temporary secretary;

“Securities Seal” shall mean a seal for use for sealing certificates for shares or other securities issued by the Company which is a facsimile of the Seal of the Company with the addition on its face of the words “Securities Seal” or such other form as the Directors may approve;

“share” shall mean share in the capital of the Company and includes stock except where a distinction between stock and shares is expressed or implied;

“shareholder” shall mean the duly registered holder from time to time of the shares in the capital of the Company;

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

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

“Transfer Office” shall mean the place where the principal register is situate for the time being;

“writing” or “printing” shall include writing, printing, lithography, photography, typewriting and every other mode of representing words or figures in a legible and non-transitory form and including where the representation takes the form of electronic display, provided that the same is available for download onto a user’s computer or for printing through conventional small office equipment or is placed on the Company’s website and, in each case, the shareholder concerned (where the relevant provision of these Bye-Laws require the delivery of service of any document or notice on him in his capacity as shareholder) has elected for the receipt of the relevant download or notice through electronic means and both the mode of service of the relevant document or notice and the shareholder’s election comply with all applicable laws and regulations and the requirements of the stock exchange of the Relevant Territory.

- (B) In these Bye-Laws, unless there be something in the subject or context inconsistent herewith:

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

words importing any gender shall include partnership, firms, companies and corporations;

subject to the foregoing provisions of this Bye-Law, any words or expressions defined in the Companies Act (except any statutory modification thereof not in force when these Bye-Laws become binding on the Company) shall bear the same meaning in these Bye-Laws, save that “company” shall where the context permits include any company incorporated in Bermuda or elsewhere; and

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

- (C) A resolution shall be a Special Resolution when it has been passed by a majority of not less than three-fourths of the votes cast by such shareholders as, being entitled so to do, vote in person or by proxy or in the cases of shareholders which are corporations, by their respective duly authorised representatives at a general meeting of which Notice has been given in accordance with Bye-Law 66. Special Resolution
- (D) A resolution shall be an Ordinary Resolution when it has been passed by a simple majority of the votes cast by such shareholders as, being entitled so to do, vote in person or, in the case of any shareholder being a corporation, by its 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 66. Ordinary Resolution



- (E) 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 66; Extraordinary  
Resolution
- ~~(E)~~(F) A resolution in writing signed (in such manner as to indicate, expressly or impliedly, unconditional approval) by or on behalf of the persons for the time being entitled to receive notice of and to attend and vote at general meetings of the Company shall, for the purpose of these Bye-Laws, be treated as an Ordinary Resolution duly passed at a general meeting of the Company duly convened and held and, where relevant as a Special Resolution so passed. Any such resolution shall be deemed to have been passed at a meeting held on the date on which it was signed by the last person to sign, and where the resolution states a date as being the date of his signature thereof by any shareholder 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, and signed by one or more relevant shareholders. 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 114 or in relation to the removal and appointment of the Auditors pursuant to section 89(5) of the Companies Act. Written  
Resolutions of  
shareholders
- ~~(F)~~(G) 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. Special Resolution  
effective as  
Ordinary  
Resolution
2. Without prejudice to any other requirements of the Statutes, a Special Resolution shall be required to alter the memorandum of association of the Company, to approve any amendment of these presents or to change the name of the Company. When Special  
Resolution is  
required
- 2A. No Bye-Law shall be rescinded, altered or amended and no new Bye-law shall be made until the same has been approved by a resolution of the Directors and confirmed by a Special Resolution of the shareholders.

### SHARES, WARRANTS AND MODIFICATION OF RIGHTS

3. Without prejudice to any special rights or restrictions for the time being attaching to any shares or any class of shares, any share may be issued upon such terms and conditions and with such preferred, deferred or other special rights, or such restrictions, whether in regard to dividend, voting, return of capital or otherwise, as the Company may from time to time by Ordinary Resolution determine (or, in the absence of any such determination or so far as the same may not make specific provision, as the Directors may determine) and any preference share may, subject to the Companies Act and with the sanction of an Ordinary Resolution, be issued on the terms that it is liable to be redeemed upon the happening of a specified event or upon a given date and either at the option of the Company or, if so authorised by the memorandum of association of the Company, at the option of the holder. Issue of shares

4. The Directors may issue warrants to subscribe for any class of shares or securities of the Company, which warrants may be issued on such terms as the Directors may from time to time determine. Where warrants are issued to bearer, no certificate thereof shall be issued to replace one that has been lost unless the Directors are satisfied beyond reasonable doubt that the original certificate thereof has been destroyed and the Company has received an indemnity in such form as the Directors shall think fit with regard to the issue of any such replacement certificate. Subscription Warrants
5. (A) ~~For the purposes of section 47 of Subject to the Companies Act, if at any time the capital is divided into different classes of shares,~~ all or any of the special rights for the time being attached to the shares or any class of shares may (unless otherwise provided for by the terms of issue of the shares of that class) ~~may, subject to the provisions of the Companies Act 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: How rights of shares may be modified (where more than one class of shares)
- (a) ~~the necessary quorum (other than including at an adjourned meeting) shall be not less than two persons holding~~ (or, in the case of a shareholder being a corporation, ~~by its duly authorised representative) holding~~ or representing by proxy not less than one-third in nominal value of the issued shares of that class, ~~that the quorum for any meeting adjourned for want of quorum shall be two shareholders present in person (or, in the case of a shareholder being a corporation, by its duly authorised representative) or by proxy (whatever the number of shares held by them) ; and~~
- (b) every holder of shares of the class shall be entitled to one vote for every such share held by him.
- (B) The provisions of this Bye-Law shall apply to the variation or abrogation of the rights attached to the shares of any class as if each group of shares of the class differently treated formed a separate class the rights whereof are to be varied or abrogated. Where shares are of same class
- (C) The special rights conferred upon the holders of any shares or class of shares shall not, unless otherwise expressly provided in the rights attaching to or the terms of issue of such shares, be deemed to be altered by the creation or issue of further shares ranking pari passu therewith or in priority thereto. Issue of shares not an abrogation

#### INITIAL AND ALTERATIONS OF CAPITAL

6. The authorised share capital of the Company on the date of its incorporation is HK\$1,000,000,000 divided into 10,000,000,000 shares of HK\$0.10 each. Initial capital Structure

7. The Company in general meeting may from time to time, whether or not all the shares for the time being authorised shall have been issued and whether or not all the shares for the time being issued shall have been fully paid up, by Ordinary Resolution increase its share capital by the creation of new shares, such new capital to be of such amount and to be divided into shares of such class or classes and of such amounts in Hong Kong dollars or United States dollars or such other currency as the shareholders may think fit and as the resolution may prescribe. Power to increase Capital
8. Any new shares shall be issued upon such terms and conditions and with such rights, privileges or restrictions attached thereto as the general meeting subject to the provisions of the Statutes and of these Bye-Laws, as the Directors shall determine; and in particular such shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with a special right or without any right of voting. The Company may, subject to the provisions of the Statutes, issue shares which are, or at the option of the Company or the holders are liable, to be redeemed. On what conditions new shares may be issued
9. The Directors may, before the issue of any new shares, determine that the same, or any of them, shall be offered in the first instance, and either at par or at a premium, to all the existing holders of any class of shares in proportion as nearly as may be to the number of shares of such class held by them respectively, or make any other provisions as to the allotment and issue of such shares, but in default of any such determination or so far as the same shall not extend, such shares may be dealt with as if they formed part of the capital of the Company existing prior to the issue of the same. When to be offered to existing shareholders
10. Except so far as otherwise provided by the conditions of issue or by these Bye-Laws, any capital raised by the creation of new shares shall be treated as if it formed part of the original capital of the Company and such shares shall be subject to the provisions contained in these Bye-Laws with reference to the payment of calls and instalments, transfer and transmission, forfeiture, lien, cancellation, surrender, voting and otherwise. New shares to form part of original capital
11. (A) All unissued shares and other securities of the Company shall be at the disposal of the Directors and they may offer, allot (with or without conferring a right of renunciation), grant options over or otherwise dispose of them to such persons, at such times, for such consideration and generally on such terms as they in their absolute discretion think fit, but so that no shares shall be issued at a discount. The Directors shall, as regards any offer or allotment of shares, comply with the provisions of the Companies Act, if and so far as such provisions may be applicable thereto. Shares at disposal of Directors

- (B) Neither the Company nor the Directors shall be obliged, when making or granting any allotment of, offer of, option over or disposal of shares or other securities of the Company, to make, or make available, and may resolve not to make, or make available, any such offer, option or shares or other securities to shareholders or others with registered addresses in any jurisdiction outside of the Relevant Territory, or 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 Directors, be unlawful or impracticable, or the existence or extent of the requirement for such registration statement or special formalities might be expensive (whether in absolute terms or in relation to the rights of the shareholder(s) who may be affected) or time consuming to determine. The Directors shall be entitled to make such arrangements to deal with fractional entitlements arising on an offer of any unissued shares or other securities as they think fit, including the aggregation and the sale thereof for the benefit of the Company. Shareholders who may be affected as a result of any of the matters referred to in this paragraph (B) shall not be, and shall be deemed not to be, a separate class of shareholders for any purposes whatsoever.
12. (A) The Company may at any time pay commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares in the Company or procuring or agreeing to procure subscriptions (whether absolute or conditional) for any shares in the Company, but so that the conditions and requirements of the Companies Act shall be observed and complied with, and in each case the commission shall not exceed ten (10) per cent. of the price at which the shares are issued. Company may pay commission
- (B) If any shares of the Company are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings or the provision of any plant which cannot be made profitable within a period of one year, the Company may pay interest on so much of that share capital as is for the time being paid up for the period and, subject to any conditions and restrictions mentioned in the Companies Act, may charge the sum so paid by way of interest to capital as part of the cost of construction of the works or buildings, or the provision of the plant. Power to charge interest to capital
13. The Company may from time to time by Ordinary Resolution:
- (i) increase its share capital as provided by Bye-Law 7; Increase, consolidation and division of capital sub-division and cancellation of shares and re-denomination etc.

- (ii) consolidate or divide all or any of its share capital into shares of larger or smaller amount than its existing shares; and on any consolidation of fully paid shares into shares of larger amount, the Directors may settle any difficulty which may arise as it thinks expedient and in particular (but without prejudice to the generality of the foregoing) may as between the holders of shares to be consolidated determine which particular shares are to be consolidated into a consolidated share, and if it shall happen that any person shall become entitled to fractions of a consolidated share or shares, such fractions may be sold by some person appointed by the Directors for that purpose and the person so appointed may transfer the shares so sold to the purchaser thereof and the validity of such transfer shall not be questioned, and so that the net proceeds of such sale (after deduction of the expenses of such sale) may either be distributed among the persons who would otherwise be entitled to a fraction or fractions of a consolidated share or shares rateably in accordance with their rights and interest or may be paid to the Company for the Company's benefit;
  - (iii) divide its shares into several classes and attach thereto respectively any preferential, deferred, qualified or special rights, privileges or conditions;
  - (iv) sub-divide its shares or any of them into shares of smaller amount than is fixed by the Memorandum of Association, subject nevertheless to the provisions of the Companies Act, and so that the resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may have any such preferred or other special rights over, or may have such deferred rights or be subject to any such restrictions as compared with the others as the Company has power to attach to unissued or new shares;
  - (v) cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled;
  - (vi) make provision for the issue and allotment of shares which do not carry any voting rights; and
  - (vii) change the currency of denomination of its share capital.
14. The Company may by Special Resolution reduce its share capital or any share premium account or other undistributable reserve in any manner authorised and subject to any conditions prescribed by law. Reduction of capital

## PURCHASE OF OWN SECURITIES

15. Subject to the Statutes, the power of the Company to purchase or otherwise acquire its shares (including its redeemable shares) (as contained in its memorandum of association), and warrants or other securities for the subscription or purchase of its own shares (including redeemable shares) shall be exercise by the Directors upon such terms and subject to such conditions as they think fit provided that, in respect of a purchase of redeemable shares:
- (i) the price per share for purchases proposed to be made otherwise than by tender in the manner prescribed in (ii) below or on or through a stock exchange on which such shares are listed with the consent of the Company shall not exceed 100 per cent. of the average closing prices for dealings in one or more board lots of such shares on the principal stock exchange on which the shares are traded for the five trading days immediately before the date on which the purchase is made (whether conditionally or otherwise); and
- (ii) where any such purchase is proposed to be made by tender, tenders shall be made available to all holders of such shares on the same terms.

Company may purchase its own shares and warrants

## FINANCIAL ASSISTANCE

16. (A) Subject to the Statutes, and without prejudice to paragraph (D) of this Bye-Law, the Company may in accordance with an employees' share scheme provide money on such terms as the Directors think fit for the acquisition of fully or partly paid shares in the Company or its holding company. For the purposes of this Bye-Law, an employees' share scheme is a scheme for encouraging or facilitating the holding of shares or debentures in the Company by or for the benefit of bona fide employees or former employees of the Company (including any such bona fide employee or former employee who is or was a Director), the Company's subsidiary or holding company or a subsidiary of the Company's holding company, or the wives, husbands, widows, widowers or children or step-children under the age of twenty-one of such employees or former employees (including as aforesaid).
- (B) Subject to the Statutes, the Company may make loans to persons (including directors) employed or formerly employed in good faith by the Company with a view to enabling those persons to acquire fully or partly paid shares in the Company or its holding company to be held by them by way of beneficial ownership.
- (C) The conditions subject to which money and loans are provided under paragraphs (A) and (B) of this Bye-Law may include a provision to the effect that when an employee ceases to be employed by the Company, a subsidiary or holding company of the Company or a subsidiary of the holding company of the Company, the shares bought with such financial assistance shall or may be sold to the Company on such terms as the Directors think fit.

Company may provide financial assistance in accordance with employees Share Scheme

Loans for acquisition

Re-sale condition of assistance

- (D) The Company may otherwise in accordance with the Statutes give such financial assistance for the purpose of an acquisition of its shares and other securities and any derivative securities on the Company's securities in such manner and on such terms as the Directors shall think fit. General power to give assistance

#### REGISTER OF SHAREHOLDERS AND SHARE CERTIFICATES

17. Except as otherwise expressly provided by these Bye-Laws or as required by law or as ordered by a court of competent jurisdiction, no person shall be recognised by the Company as holding any share upon any trust and, except as aforesaid, the Company shall not be bound by or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share or any other right or claim to or in respect of any shares except an absolute right to the entirety thereof of the registered holder. Trusts of shares not recognized
18. (A) The Directors shall cause to be kept the Principal Register and there shall be entered therein the particulars required under the Companies Act. Share register
- (B) Subject to the provisions of the Companies Act, if the Directors consider it necessary or appropriate, the Company may establish and maintain a local or branch register of shareholders at such location outside Bermuda as the Directors think fit and, while the issued share capital of the Company is, with the consent of the Directors, listed on any stock exchange in Hong Kong, the Company shall keep a branch register of shareholders in Hong Kong. Local or branch register
- (C) The register and branch register of shareholders, as the case may be, shall be open to inspection between 10 a.m. and 12 noon during business hours by members of the public without charge at the Office or such other place at which the register is kept in accordance with the Companies Act. The register including any overseas or local or other branch register of shareholders may, after notice has been given by advertisement in an appointed newspaper and where applicable, any other newspapers in accordance with the requirements of any Designated Stock Exchange or by any means (electronic or otherwise) in such manner as may be accepted by the Designated Stock Exchange to that effect, be closed at such times or for such periods not exceeding in the whole thirty (30) days in each year as the Board may determine and either generally or in respect of any class of shares.



19. (A) Every person whose name is entered as a shareholder in the register shall be entitled Share certificates without payment to receive within two months after allotment or lodgement of a transfer (or within such other period as the conditions of issue shall provide) one certificate for all his shares, or, if he shall so request, in a case where the allotment or transfer is of a number of shares in excess of the number for the time being forming a stock exchange board lot for the purposes of the stock exchange on which the shares are listed, upon payment, in the case of a transfer, of such sum (not exceeding in the case of any share capital listed on a stock exchange in Hong Kong, HK\$2.50 or such higher sum as may from time to time be allowed or not prohibited under the rules of the relevant stock exchange in Hong Kong, and in the case of any other shares, such sum in such currency as the Director may from time to time determine to be reasonable in the territory in which the relevant register is situate, or otherwise such other sum as the Company may by Ordinary Resolution determine) for every certificate after the first as the Director may from time to time determine, such number of certificates for shares in stock exchange board lots or multiples thereof as he shall request and one for the balance (if any) of the shares in question, provided that in respect of a share or shares held jointly by several persons the Company shall not be bound to issue a certificate or certificates to each such person, and the issue and delivery of a certificate or certificates to one of the joint holders shall be sufficient delivery to all such holders.
- (B) The Company may, in the event of a change in the form of definitive share certificates adopted by the Directors, issue new definitive share certificates to all holders of shares appearing on the register in replacement of old definitive certificates issued to such holders. The Directors may resolve whether or not to require the return of the old certificates as a condition precedent to the issue of replacement certificates as a condition precedent to the issue of replacement certificates and, as regards any old certificates which have been lost or defaced, to impose such conditions (including as to indemnity) as the Directors shall see fit. If the Directors elect not to require the return of the old certificates, the same shall be deemed to have been cancelled and of no further effect for all purposes.
20. Every certificate for shares, warrants or debentures or representing any other form of securities Share certificates to be sealed of the Company shall be issued under the Seal of the Company or a facsimile thereof or with the Seal printed thereon, which for this purpose may be a Securities Seal.
21. Every share certificate hereafter issued shall specify the number and class of shares in respect Certificate to specify number and class of shares of which it is issued and the amount paid thereon and may otherwise be in such form as the Directors may from time to time prescribe. A share certificate shall relate to only one class of shares, and where the capital of the Company includes shares with different voting rights, the designation of each class of shares, other than those which carry the general right to vote at general meetings, must include the words “voting” or “restricted voting” or “limited voting” or some other appropriate designation which commensurates with the rights attaching to the relevant class of shares.



22. (A) The Company shall not be bound to register more than four persons as joint holders of any share. Joint holders
- (B) If any share shall stand in the names of two or more persons, the person first named in the register shall be deemed the sole holder thereof as regards service of notice and, subject to the provisions of these Bye-Laws, all or any other matter connected with the Company, except the transfer of the share.
23. If a share certificate is defaced, lost or destroyed, it may be replaced on payment of such fee, if any, (not exceeding, in the case of any share capital listed on a stock exchange in Hong Kong, HK\$2.50 or such higher sum as may from time to time be allowed or not prohibited under the rules of the relevant stock exchange in Hong Kong, and, in the case of any other capital, such sum in such currency as the Directors may from time to time determine to be reasonable in the territory in which the relevant register is situate, or such other sum as the Company may by Ordinary Resolution determine) as the Directors shall from time to time determine and on such terms and conditions, if any, as to publication of notices, evidence and indemnity as the Directors think fit and in the case of wearing out or defacement, after delivery up of the old certificate. In the case of destruction or loss, the person to whom such replacement certificate is given shall also bear and pay to the Company all costs and out-of-pocket expenses incidental to the investigation by the Company of the evidence of such destruction or loss and of such indemnity. Replacement of  
share certificates

#### LIEN

24. 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 such share; and the Company shall also have a first and paramount lien and charge on all shares (other than fully paid shares) standing registered in the name of a shareholder, whether singly or jointly with any other person or persons, for all the debts and liabilities of such shareholder or his estate to the Company and whether the same shall have been incurred before or after notice to the Company of any equitable or other interest of any person other than such shareholder, 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 shareholder or his estate and any other person, whether a shareholder of the Company or not. The Company's lien (if any) on a share shall extend to all dividends and bonuses declared in respect thereof. The Directors may at any time either generally or in any particular case waive any lien that has arisen, or declare any share to be exempt wholly or partially from the provisions of this Bye-Law. Company's lien

25. The Company may sell, in such manner as the Directors think fit, any shares on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable or the liability or engagement in respect of which such lien exists is liable to be presently fulfilled or discharged, nor until the expiration of fourteen days after a notice in writing, stating and demanding payment of the sum presently payable or specifying the liability or engagement and demanding fulfilment or discharge thereof and giving notice of intention to sell in default, shall have been given, in the manner in which notices may be sent to shareholders of the Company as provided in these Bye-Laws, to the registered holder for the time being of the shares or the person entitled by reason of such holder's death, bankruptcy or winding-up to the shares. Sale of shares subject to lien
26. The net proceeds of such sale after the payment of the costs of such sale shall be applied in or towards payment or satisfaction of the debt or liability or engagement in respect whereof the lien exists, so far as the same is presently payable, and any residue shall (subject to a like lien for debts or liabilities not presently payable as existed upon the shares prior to the sale) be paid to the person entitled to the shares at the time of the sale. For the purpose of giving effect to any such sale, the Directors may authorise some person to transfer the shares sold to the purchaser thereof and may enter the purchaser's name in the register as holder of the shares, and the purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale. Application of proceeds of sale
- CALLS ON SHARES**
27. The Directors may from time to time make such calls as they may think fit upon the shareholders in respect of any moneys unpaid on the shares held by them respectively (whether on account of the nominal value of shares or by way of premiums) and not by the conditions of allotment thereof made payable at a fixed time. A call may be made payable either in one sum or by instalments. Calls/instalments
28. Fourteen days' notice at least of any call shall be given specifying the time and place of payment and to whom such call shall be paid. Notice of call
29. A copy of the notice referred to in Bye-Law 28 shall be sent to shareholders in the manner in which notices may be sent to shareholders by the Company as herein provided. Copy of notice to be sent to shareholders
30. In addition to the giving of notice in accordance with Bye-Law 29, notice of the person appointed to receive payment of every call and of the times and places appointed for payment may be given to the shareholders by notice to be inserted at least once in the Newspapers. Notice supplemental to call may be given
31. Every shareholder upon whom a call is made shall pay the amount of every call so made on him to the person and at the time or times and place or places as the Directors shall appoint. Time and place for payment of calls
32. A call shall be deemed to have been made at the time when the resolution of the Directors authorising such call was passed. When call deemed to have been made

33. The joint holders of a share shall be severally as well as jointly liable for the payment of all calls and instalments due in respect of such share or other moneys due in respect thereof. Liability of joint Holders
34. The Directors may from time to time at its discretion extend the time fixed for any call, and may extend such time as regards all or any of the shareholders, whom due to residence outside the Relevant Territory or other cause the Directors may deem entitled to any such extension but no shareholder shall be entitled to any such extension except as a matter of grace and favour. Directors may extend time fixed for call
35. If the sum payable in respect of any call or instalment is not paid on or before the day appointed for payment thereof, the person or persons from whom the sum is due shall pay interest on the same at such rate not exceeding twenty per cent. per annum as the Directors shall fix from the day appointed for the payment thereof to the time of the actual payment, but the Directors may waive payment of such interest wholly or in part. Interest on unpaid calls
36. No shareholder shall be entitled to receive any dividend or bonus or to be present or vote (save as proxy for another shareholder) at any general meeting, either personally, or (save as proxy for another shareholder) by proxy, or be reckoned in a quorum, or to exercise any other privilege as a shareholder until all calls or instalments due from him to the Company, whether alone or jointly or jointly and severally with any other person, together with interest and expenses (if any) shall have been paid. Suspension of privileges while call unpaid
37. On the trial or hearing of any action or other proceedings for the recovery of any money due for any call, it shall be sufficient to prove that the name of the shareholder sued is entered in the register as the holder, or one of the holders, of the shares in respect of which such debt accrued; that the resolution of the Directors making the call has been duly recorded in the minute book of the Directors; and that notice of such call was duly given to the shareholder sued, in pursuance of these Bye-Laws; and it shall not be necessary to prove the appointment of the Directors who made such call, nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt. Evidence in action for call
38. (A) Any sum which by the terms of allotment of a share is made payable upon allotment or at any fixed date, whether on account of the nominal value of the share and/or by way of premium, shall for all purposes of these Bye-Laws be deemed to be a call duly made and notified and payable on the date fixed for payment, and in case of non-payment all the relevant provisions of these Bye-Laws as to payment of interest and expenses, forfeiture and the like, shall apply as if such sums had become payable by virtue of a call duly made and notified. Sums payable on allotment deemed a call
- (B) The Directors may on the issue of shares differentiate between the allottees or holders as to the amount of calls to be paid and the time of payment. Shares may be issued subject to different conditions as to calls, etc.

39. The Directors may, if they think fit, receive from any shareholder willing to advance the same, and either in money or money's worth, all or any part of the money uncalled and unpaid or instalments payable upon any shares held by him, and in respect of all or any of the moneys so advanced the Company may pay interest at such rate (if any) not exceeding twenty per cent. per annum as the Directors may decide but a payment in advance of a call shall not entitle the shareholder to receive any dividend or to exercise any other rights or privileges as a shareholder in respect of the share or the due portion of the shares upon which payment has been advanced by such shareholder before it is called up. The Directors may at any time repay the amount so advanced upon giving to such shareholder not less than one month's 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.
- Payment of calls  
in advance

#### **TRANSFER OF SHARES**

40. Subject to the Companies Act, all transfers of shares shall be effected by transfer in writing in the usual or common form or (during the Relevant Period) in such standard form prescribed by the stock exchange in the Relevant Territory or in such other form as the Directors may accept 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 means of execution as the Directors may approve from time to time.
- Form of transfer
41. The instrument of transfer of any share shall be executed by or on behalf of the transferor and the transferee provided that the Directors may dispense with the execution of the instrument of transfer by the transferor or the transferee or accept mechanically executed transfers in any case in which they in their absolute discretion think fit to do so. 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 Directors from recognising a renunciation of the allotment or provisional allotment of any share by the allottee in favour of some other person.
- Execution of  
transfer
42. (A) The Directors may, in their absolute discretion, at any time and from time to time transfer any share on the principal register to any branch register of shareholders or any share on any branch register of shareholders to the Principal Register or any other branch register of shareholders.
- Shares registered  
on principal  
register, branch  
register, etc.
- (B) Unless the Directors otherwise agree (which agreement may be on such terms and subject to such conditions as the Directors in their absolute discretion may from time to time stipulate, and which agreement they shall, without giving any reason therefor, be entitled in their absolute discretion to give or withhold) no shares on the Principal Register shall be transferred to any branch register nor shall shares on any branch register be transferred to the Principal Register or any other branch register and all transfers and other documents of title shall be lodged for registration, and registered, in the case of any shares on a branch register, at the relevant Registration Office, and, in the case of any shares on the Principal Register, at the Transfer Office. Unless the Directors otherwise agree, all transfers and other documents of title shall be lodged for registration with, and registered at, the relevant Registration Office.

- (C) Notwithstanding anything contained in this Bye-Law, the Company shall as soon as practicable and on a regular basis record in the Principal Register all transfers of shares effected on any branch register and shall at all times maintain the principal register and all branch registers in all respects in accordance with the Companies Act.
43. The Directors may, in their absolute discretion, refuse to register a transfer of any share (not being a fully paid up share) to a person of whom they do not approve or any share issued under any share option scheme for employees upon which a restriction on transfer imposed thereby still subsists, and they may also refuse to register a transfer of any share (whether fully paid up or not) to more than four joint holders or a transfer of any shares (not being a fully paid up share) on which the Company has a lien. Directors may refuse to register a transfer
44. The Directors may also decline to recognise any instrument of transfer unless: Requirements as to transfer
- (i) such sum, if any, (not exceeding, in the case of any share capital listed on a stock exchange in Hong Kong, HK\$2.50 or such higher sum as may from time to time be allowed or not prohibited under the rules of the relevant stock exchange in Hong Kong, and, in the case of any other capital, such sum in such currency as the Directors may from time to time determine to be reasonable in the territory in which the relevant register is situate, or such other sum as the Company may by Ordinary Resolution determine) as the Directors shall from time to time determine has been paid;
  - (ii) the instrument of transfer is lodged at the relevant Registration Office or, as the case may be, the Transfer Office accompanied by the certificate of the shares to which it relates, and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer (and, if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do);
  - (iii) the instrument of transfer is in respect of only one class of share;
  - (iv) the shares concerned are free of any lien in favour of the Company;
  - (v) if applicable, the instrument of transfer is properly stamped; and
  - (vi) where applicable, the permission of the Bermuda Monetary Authority with respect thereto has been obtained.
45. The Directors may refuse to register a transfer of any share to an infant or to a person of unsound mind or under other legal disability. Transfers to an infant, etc.

46. If the Directors shall refuse to register a transfer of any share, they shall, within two months after the date on which the transfer was lodged with the Company, send to each of the transferor and the transferee notice of such refusal and, except where the subject share is not a fully paid share, the reason(s) for such refusal. Notice of refusal
47. Upon every transfer of shares the certificate held by the transferor shall be given up to be cancelled, and shall forthwith be cancelled accordingly, and a new certificate shall be issued to the transferee in respect of the shares transferred to him as provided in Bye-Law 19, and if any of the shares included in the certificate so given up shall be retained by the transferor a new certificate in respect thereof shall be issued to him as provided in Bye-Law 19. The Company shall retain the instrument of transfer. Certificate to be given up on transfer
48. The registration of transfers may be suspended and the register closed, on giving notice by advertisement in any newspaper and, where applicable, in the Newspapers or by any electronic means in such manner as may be accepted by the stock exchange in the Relevant Territory, at such times and for such periods as the Directors may from time to time determine and either generally or in respect of any class of shares, provided that the register shall not be closed for periods exceeding in the whole thirty days in any year. When transfer books and register may be closed

#### TRANSMISSION OF SHARES

49. In the case of the death of a shareholder, the survivor or survivors where the deceased was a joint holder, and the legal personal representatives of the deceased where he was a sole or only surviving holder, shall be the only persons recognised by the Company as having any title to his interest in the shares; but nothing herein contained shall release the estate of a deceased holder (whether sole or joint) from any liability in respect of any share solely or jointly held by him. Deaths of registered holder or of joint holder of shares
50. Any person becoming entitled to a share in consequence of the death or bankruptcy or winding-up of a shareholder may, upon such evidence as to his title being produced as may from time to time be required by the Directors, and subject as hereinafter provided, elect either to be registered himself as holder of the share or to have some person nominated by him registered as the transferee thereof. Registration of personal representatives and trustees in bankruptcy
51. If the person becoming entitled to a share pursuant to Bye-Law 50 shall elect to be registered himself as the holder of such share, he shall deliver or send to otherwise agrees) the Registration Office, stating that he so elects. If he shall elect to have his nominee registered, he shall testify his election by executing a transfer of such share to his nominee. All the limitations, restrictions and provisions of these presents relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death, bankruptcy or winding-up of the shareholder had not occurred and the notice or transfer were a transfer executed by such shareholder. Notice of election to be registered and registration of nominee

52. A person becoming entitled to a share by reason of the death, bankruptcy or winding-up of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share. However, the Directors may, if they think fit, withhold the payment of any dividend payable or other advantages in respect of such share until such person shall become the registered holder of the share or shall have effectually transferred such share, but, subject to the requirements of Bye-Law 79 being met, such a person may vote at general meetings of the Company. Retention of dividends, etc. pending transfer of shares of a deceased or bankrupt shareholder
- FORFEITURE OF SHARES**
53. If a shareholder fails to pay any call or instalment of a call on the day appointed for payment thereof, the Directors may, at any time thereafter during such time as any part of the call or instalment remains unpaid, without prejudice to the provisions of Bye-Law 36, serve notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued and which may still accrue up to the date of actual payment. If call or instalment not paid notice may be given
54. The notice shall name a further day (not earlier than the expiration of fourteen days from the date of the notice) on or before which the payment required by the notice is to be made, and it shall also name the place where payment is to be made such place being the Registered Office or a Registration Office or another place within the Relevant Territory. The notice shall also state that, in the event of non-payment at or before the time appointed, the shares in respect of which the call was made will be liable to be forfeited. Contents of notice of call
55. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends and bonuses declared in respect of the forfeited share and not actually paid before the forfeiture. The Directors may accept the surrender of any share liable to be forfeited hereunder and in such cases references in these Bye-Laws to forfeiture shall include surrender. If notice not complied with shares may be forfeited
56. Any share so forfeited shall be deemed to be the property of the Company, and may be re-allotted, sold or otherwise disposed of on such terms and in such manner as the Directors think fit and at any time before a sale or disposition, the forfeiture may be cancelled on such terms as the Directors think fit. Forfeited shares to become property of Company
57. A person whose shares have been forfeited shall cease to be a shareholder in respect of the forfeited shares, but shall, notwithstanding, remain liable to pay to the Company all moneys which, at the date of forfeiture, were payable by him to the Company in respect of the forfeited shares, together with (if the Directors shall in their discretion so require) interest thereon from the date of forfeiture until the date of actual payment (including the payment of such interest) at such rate not exceeding twenty per cent. per annum as the Directors may prescribe, and the Directors may enforce the payment thereof if they think fit, and without any deduction or allowance for the Arrears to be paid notwithstanding forfeiture



value of the 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 such time has not yet arrived be deemed to be payable on 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.

58. A statutory declaration in writing that the declarant is a Director or the Secretary, and that a share in the Company has been duly forfeited or surrendered on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. The Company may receive the consideration, if any, given for the share on any re-allotment, sale or disposition thereof and may execute a transfer of the share in favour of the person to whom the share is re-allotted, sold or disposed of and such person shall thereupon be registered as the holder of the share, and shall not be bound to see to the application of the subscription or purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, re-allotment, sale or disposal of the share. Evidence of forfeiture and transfer of forfeited share
59. When any share shall have been forfeited, notice of the forfeiture shall be given to the shareholder in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the register, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or make any such entry. Notice after forfeiture
60. Notwithstanding any such forfeiture as aforesaid the Directors may at any time, before any shares so forfeited shall have been sold, re-allotted or otherwise disposed of, cancel the forfeiture on such terms as the Directors think fit or permit the shares so forfeited to be bought back or redeemed upon the terms of payment of all calls and interest due upon and expenses incurred in respect of the shares, and upon such further terms (if any) as they think fit. Power to redeem forfeited shares
61. The forfeiture of a share shall not prejudice the right of the Company to any call already made or any instalment payment thereon. Forfeiture no prejudice to right to call or instalment
62. (A) The provisions of these Bye-Laws as to forfeiture shall apply in the case of non-payment of any sum which, by terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified. Forfeiture for non-payment of any sum due on shares
- (B) In the event of a forfeiture of shares the shareholder shall be bound to deliver and shall forthwith deliver to the Company the certificate or certificates held by him for the shares so forfeited and in any event the certificates representing shares so forfeited shall be void and of no further effect.



## GENERAL MEETINGS

63. ~~Subject to t~~he Companies Act, an annual general meeting of the Company shall ~~be held forin~~ <sup>When annual general meeting to be held</sup> each financial year other than the financial year in which its statutory meeting is convened ~~hold~~ a general meeting as its annual general meeting in addition to any other meeting in that year and shall specify the meeting as such in the notice calling it; and not more than fifteen months ~~(or and~~ such annual general meeting must be held within six (6) months after the end of the Company's financial year (unless a longer period as ~~may be permitted~~ would not infringe by the rules of the stock exchange on which any securities of the Company are listed with the permission of the ~~Company~~Designated Stock Exchange, if any) at such time and place shall elapse between the date of one annual general meeting of the Company and that of the next. The annual general meeting shall be held in the Relevant Territory or elsewhere as may be determined by the ~~Directors~~Board and at such time and place as the ~~Directors~~ shall appoint. A meeting of the shareholders or any class thereof may be held by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting.
64. All general meetings other than annual general meetings shall be called special general meetings. <sup>Extraordinary general meeting</sup>
65. The ~~Directors~~Board may, whenever ~~they~~it thinks fit, ~~convene~~call a special general meetings, <sup>Convening of extraordinary general meeting</sup> and shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company, on a one vote per share basis, shall at all times have the right, by written requisition to the Board or the Secretary of the Company, to require a special general meetings to be called by the Board for the transaction of any business or resolution specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting the requisitionists themselves may do so in accordance with the provisions of Section 74(3) of shall also be convened on requisition, as provided by the Companies Act, and, in default, may be convened by the requisitionists.

66. An annual general meeting shall be called by Notice of not less than twenty-one (21) clear days ~~and not less than twenty (20) clear business days 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 and not less than ten (10) clear business days.~~ All other general meetings (including a special general meeting)s ~~may~~ must be called by Notice of not less than fourteen (14) clear days ~~and not less than ten (10) clear business days.~~ The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the place, the day and the hour of meeting and particulars of the resolutions to be considered at the meeting, in case of special business, the general nature of that business and shall be given, in manner hereinafter mentioned or in such other manner, if any, as may be prescribed by the Company in general meeting, to such persons as are, under these Bye-Laws, entitled to receive such notices from the Company, provided that subject to the provisions of the Companies Act and the rules of the Designated Stock Exchange, a meeting of the Company shall notwithstanding that it is called by shorter notice than that specified in this Bye-Law be deemed to have been duly called if it is so agreed:
- (i) in the case of a meeting called as the annual general meeting, by all the shareholders entitled to attend and vote thereat; and
- (ii) in the case of any other meeting, by a majority in number of the shareholders having a right to attend and vote at the meeting, being a majority together ~~holding~~ representing not less than ninety-five per cent: of the total voting rights at the meeting of all the shareholders in nominal value of the shares giving that right.
67. (A) The accidental omission to give any notice to, or the non-receipt of any notice by, any person entitled to receive notice shall not invalidate any resolution passed or any proceedings at any such meeting.
- (B) In the case where forms of proxy or notice of appointment of corporate representative are sent out with any notice, the accidental omission to send such forms of proxy or notice of appointment of corporate representative to, or the non-receipt of such forms by, any person entitled to receive notice of the relevant meeting shall not invalidate any resolution passed or any proceeding at any such meeting.

#### PROCEEDINGS AT GENERAL MEETINGS

68. All business shall be deemed special that is transacted at a special extraordinary general meeting, and also all business that is transacted at an annual general meeting with the exception of sanctioning dividends, the reading, considering and adopting of the accounts and balance sheet and the reports of the Directors and Auditors and other documents required to be annexed to the balance sheet, the election of Directors and appointment of Auditors and other officers in the place of those retiring, the fixing of or delegation of power to the Directors to fix the remuneration of the Auditors, and the voting of or delegation of power to the Directors to fix the ordinary or extra or special remuneration to the Directors.

69. For all purposes the quorum for a general meeting shall be two shareholders present in person (or, in the case of a shareholder being a corporation, by its duly authorised representative) or by proxy and entitled to vote. No business shall be transacted at any general meeting unless the requisite quorum shall be present at the commencement of the meeting. Quorum
70. If within fifteen minutes from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of shareholders, shall be dissolved, but in any other case it shall stand adjourned to the same day in the next week and at such time and place as shall be decided by the Directors, and if at such adjourned meeting a quorum is not present within fifteen minutes from the time appointed for holding the meeting, the shareholder or his representative or proxy present (if the Company has only one shareholder), or the shareholders present in person (or, in the case of a shareholder being a corporation, by its duly authorised representative) or by proxy and entitled to vote shall be a quorum and may transact the business for which the meeting was called. When if quorum not present meeting to be dissolved and when to be adjourned
71. The Chairman (if any) of the Board or, if he is absent or declines to take the chair at such meeting, the Deputy Chairman (if any) shall take the chair at every general meeting, or, if there be no such Chairman or Deputy Chairman, or, if at any general meeting neither of such Chairman or Deputy Chairman is present within fifteen minutes after the time appointed for holding such meeting, or both such persons decline to take the chair at such meeting, the Directors present shall choose one of their number as Chairman of the meeting, and if no Director be present or if all the Directors present decline to take the chair or if the Chairman chosen shall retire from the chair, then the shareholders present in person or (in the case of a shareholder being a corporation) by its duly authorised representative shall choose one of their number to be Chairman. Chairman of general meeting
72. The Chairman may, with the consent of any general meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn any meeting from time to time and from place to place as the meeting shall determine. Whenever a meeting is adjourned for fourteen days or more, at least seven clear days' notice, specifying the place, the day and the hour of the adjourned meeting shall be given in the same manner as in the case of an original meeting but it shall not be necessary to specify in such notice the nature of the business to be transacted at the adjourned meeting. Save as aforesaid, no notice of an adjournment or of the business to be transacted at any adjourned meeting needs to be given nor shall any shareholder be entitled to any such notice. No business shall be transacted at an adjourned meeting other than the business which might have been transacted at the meeting from which the adjournment took place. Power to adjourn general meeting, notice and business of adjourned meeting

73. (1) At any general meeting a resolution put to the vote of the meeting shall be decided by a poll save that the chairman of the meeting may in good faith, allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands in which case every shareholder 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 shareholder 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 shareholders; 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 shareholders a reasonable opportunity to express their views. Voting by poll only
- (2) Where a show of hands is allowed, before or on the declaration of the result of the show of hands, a poll may be demanded:
- (a) by at least three shareholders present in person or in the case of a shareholder being a corporation by its duly authorised representative or by proxy for the time being entitled to vote at the meeting; or
  - (b) by a shareholder or shareholders present in person or in the case of a shareholder 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 shareholders having the right to vote at the meeting; or
  - (c) by a shareholder or shareholders present in person or in the case of a shareholder being a corporation by its duly authorised representative or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all shares conferring that right.

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

- 73A. Where a resolution is voted on by a show of hands, a declaration by the chairman that a resolution has been carried, or carried unanimously, or by a particular majority, or not carried by a particular majority, or lost, and an entry to that effect made in the minute book of the Company, shall be conclusive evidence of the facts without proof of the number or proportion of the votes recorded for or against the resolution.

74. The poll shall be taken in such manner (including the use of ballot or voting papers or tickets) and at such time and place, not being more than thirty days from the date of the meeting or adjourned meeting, as the Chairman directs. No notice need be given of a poll not taken immediately. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. Poll
75. In the case of an equality of votes, the Chairman of the meeting at which the poll is conducted, shall be entitled to a second or casting vote. In case of any dispute as to the admission or rejection of any vote the Chairman shall determine the same, and such determination shall be final and conclusive. Chairman to have casting vote
76. For the purpose of section 106 of the Companies Act, a Special Resolution of the Company, and of any relevant class of shareholders, shall be required to approve any amalgamation agreement as referred to in that section. Approval of amalgamation agreement
77. If an amendment shall be proposed to any resolution under consideration but shall in good faith be ruled out of order by the Chairman, the proceedings 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. Amendment to Resolutions

#### **VOTES OF SHAREHOLDERS**

78. Subject to any special rights, privileges or restrictions as to voting for the time being attached to any class or classes of shares, at any general meeting on a poll every shareholder present in person (or, in the case of a shareholder being a corporation, by its duly authorised representative) or by proxy, shall have one vote for every share of which he is the holder which is fully paid or credited as fully paid (but so that no amount paid or credited as paid on a share in advance of calls or instalments shall be treated for the purposes of this Bye-Law as paid on the share). On a poll a shareholder entitled to more than one vote need not use all his votes or cast all his votes in the same way. Votes of Shareholders
79. Any person entitled under Bye-Law 52 to be registered as the holder of any shares may vote at any general meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that at least 48 hours before the time of the holding of the meeting or adjourned meeting (as the case may be) at which he proposes to vote, he shall satisfy the Directors of his right to be registered as the holder of such shares or the Directors shall have previously admitted his right to vote at such meeting in respect thereof. Votes in respect of deceased and bankrupt shareholders

80. Where there are joint registered holders of any share, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at any meeting personally or by proxy, that one of the said persons so present whose name stands first on the register in respect of such share shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased shareholder, and several trustees in bankruptcy or liquidators of a shareholder in whose name any share stands shall for the purposes of this Bye-Law be deemed joint holders thereof. Joint holders
81. A shareholder of unsound mind or in respect of whom an order has been made by any court having jurisdiction in lunacy may vote on a poll, by his committee, receiver, curator bonis or other person in the nature of a committee, receiver or curator bonis appointed by that court, and any such committee, receiver, curator bonis or other person may on a poll vote by proxy. Evidence to the satisfaction of the Directors of the authority of the person claiming to exercise the right to vote shall be delivered to such place or one of such places (if any) as is specified in accordance with these Bye-Laws for the deposit of instruments of proxy or, if no place is specified, at the Registration Office, not later than the latest time at which an instrument of proxy must, if it is to be valid for the meeting, be delivered. Votes of shareholder of unsound mind
82. Save as expressly provided in these Bye-Laws, no person other than a shareholder duly registered and who shall have paid everything for the time being due from him payable to the Company in respect of his shares shall be entitled to be present or to vote (save as proxy for another shareholder) whether personally, by proxy or by attorney or to be reckoned in the quorum, at any general meeting. Qualification for voting
83. (A) Subject to paragraph (B) of this Bye-Law 83, no objection shall be raised to the qualification of any person exercising or purporting to exercise a vote or the admissibility of any vote except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made shall be referred to the Chairman, whose decision shall be final and conclusive. Admissibility of votes
- (B) At all times during the Relevant Period (but not otherwise), where the Company has knowledge that any shareholder is, under the Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution of the Company, any votes cast by or on behalf of such shareholder (whether by way of proxy or, as the case may be, corporate representative) in contravention of such requirement or restriction shall not be counted.
- (C) All shareholders shall have the right to (a) speak at a general meeting; and (b) vote at a general meeting except where a shareholder is required, by the Listing Rules, to abstain from voting to approve the matter under consideration.

84. Any shareholder entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person as his proxy to attend and vote instead of him. A shareholder who is the holder of two or more shares may appoint more than one proxy to represent him and (subject to the provisions of Bye-Law 78) to vote on his behalf at a general meeting of the Company or at a class meeting. A proxy need not be a shareholder of the Company. On a poll votes may be given either personally (or, in the case of a shareholder being a corporation, by its duly authorised representative) or by proxy. A proxy or proxies representing either a shareholder who is an individual or a shareholder which is a ~~corporate corporation~~ shareholder shall be entitled to exercise the same powers on behalf of a shareholder whom he or they represent as such shareholder could exercise. Proxies
85. No appointment of a proxy shall be valid unless it names the person appointed and his appointor. The Directors may, unless they are satisfied that the person purporting to act as proxy is the person named in the relevant instrument for his appointment and the validity and authenticity of the signature of his appointor, decline such person's admission to the relevant meeting, reject his vote or demand for a poll and no shareholder who may be affected by any exercise by the Directors of their power in this connection shall have any claim against the Directors or any of them nor may any such exercise by the Directors of their powers invalidate the proceedings of the meeting in respect of which they were exercised or any resolution passed or defeated at such meeting. Admissibility of proxy votes
86. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised. Instrument appointing proxy to be in writing
87. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at such place or one of such places (if any) as is specified in the notice of meeting or in the instrument of proxy issued by the Company (or, if no place is specified, at the Registration Office) not less than forty-eight hours before the time for holding the meeting or adjourned meeting or poll (as the case may be) at which the person named in such instrument proposes to vote, 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 months from the date of its execution, except at an adjourned meeting or on a poll demanded at a meeting or an adjourned meeting in a case where the meeting was originally held within twelve months from such date. Delivery of an instrument appointing a proxy shall not preclude a shareholder from attending and voting in person at the meeting or upon the poll concerned and, in such event, the instrument appointing a proxy shall be deemed to be revoked. Appointment of proxy must be deposited



88. Every instrument of proxy, whether for a specified meeting or otherwise, shall be in such form as the Directors may from time to time approve, provided that any form issued to a shareholder for use by him for appointing a proxy to attend and vote at a special general meeting or at an annual general meeting at which any business is to be transacted shall be such as to enable the shareholder, according to his intentions, to instruct the proxy to vote in favour of or against (or, in default of instructions, to exercise his discretion in respect of) each resolution dealing with any such business. Form of proxy
89. The instrument appointing a proxy to vote at a general meeting shall: (i) be deemed to confer authority upon the proxy to vote on any resolution (or amendment thereto) put to the meeting for which it is given as the proxy thinks fit; and (ii) unless the contrary is stated therein, be valid as well for any adjournment of the meeting as for the meeting to which it relates. Authority under instrument appointing proxy
90. A vote given in accordance with the terms of an instrument of proxy or by the duly authorised representative of a corporation shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or power of attorney or other authority under which the proxy was executed or the transfer of the share in respect of which the proxy is given, provided that no intimation in writing of such death, insanity, revocation or transfer as aforesaid shall have been received by the Company at its Registration Office, or at such other place as is referred to in Bye-Law 87, at least two hours before the commencement of the meeting or adjourned meeting at which the proxy is used. When vote by proxy valid though authority revoked
91. (A) Any corporation which is a shareholder of the Company may, by resolution of its directors or other governing body or by power of attorney, authorise any person as it thinks fit to act as its representative at any meeting of the Company or of any class of shareholders of the Company, and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual shareholder of the Company. References in these Bye-Laws to a shareholder present in person at a meeting shall, unless the context otherwise requires, include a corporation which is a shareholder represented at the meeting by such duly authorised representative. Corporations acting by representative at meetings
- (B) Where a shareholder is a clearing house (or its nominee(s) and, in each case, being a corporation), it may authorise such persons as it thinks fit to act as its representatives at any meeting of the Company or at any meeting of any class of shareholders provided that the authorisation shall specify the number and class of shares in respect of which each such representative is so authorised. Each person so authorised under the provisions of this Bye-Law shall be deemed to have been duly authorised without further evidence of the facts and be entitled to exercise the same rights and powers on behalf of the clearing house (or its nominee(s)) as if such person was the registered holder of the shares of the Company held by the clearing house (or its nominee(s)) in respect of the number and class of shares specified in the relevant authorisation including, the right to speak and, where a show of hands is allowed, the right to vote individually on a show of hands.



92. Unless the Directors agree otherwise, an appointment of a corporate representative shall not be valid as against the Company unless:-
- Notice of  
appointment  
of corporate  
representative  
must be delivered
- (A) in the case of such an appointment by a shareholder which is a clearing house (or its nominee), a written notification of the appointment issued by any director, the secretary or any authorised officer(s) of such shareholder shall have been delivered at such place or one of such places (if any) in Hong Kong as is specified in the notice of meeting or in the form of notice issued by the Company or if no place is specified, at the principal place of business maintained by the Company in the Relevant Territory from time to time before the time of holding the meeting or adjourned meeting at which the person so authorised proposes to vote, and,
- (B) in the case of such an appointment by any other corporate shareholder, a copy of the resolution of the governing body of the shareholder authorising the appointment of the corporate representative or a form of notice of appointment of corporate representative issued by the Company for such purpose or a copy of the relevant power of attorney, together with an up-to-date copy of the shareholder's constitutive documents and a list of directors or members of the governing body of the shareholder as at the date of such resolution (or, as the case may be, power of attorney), in each case certified by a director, secretary or a member of the governing body of that shareholder and notarised (or, in the case of a form of notice of appointment issued by the Company as aforesaid, completed and signed in accordance with the instructions thereon or in the case of a power of attorney a notarised copy of the relevant authority under which it was signed), shall have been deposited at such place or one of such places (if any) as is specified in the notice of meeting or in the form of notice issued by the Company as aforesaid (or, if no place is specified, at the Registration Office) not less than forty-eight hours before the time for holding the meeting or adjourned meeting or poll (as the case may be) at which the corporate representative proposes to vote.
93. No appointment of a corporate representative shall be valid unless it names the person authorised to act as the appointor's representative and the appointor is also named. The Directors may, unless they are satisfied that a person purporting to act as a corporate representative is the person named in the relevant instrument for his appointment, decline such person's admission to the relevant meeting and no shareholder who may be affected by any exercise by the Directors of their power in this connection shall have any claim against the Directors or any of them nor may any such exercise by the Directors of their powers invalidate the proceedings of the meeting in respect of which they were exercised or any resolution passed or defeated at such meeting.
- Admissibility  
of corporate  
representative  
vote
94. The provisions of Bye-Laws 92 and 93 shall have effect subject to the provisions of the Statutes.

**REGISTERED OFFICE**

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

**BOARD OF DIRECTORS**

96. The number of Directors shall not be fewer than two. The Company shall keep at its Registered Office a register of its directors and officers in accordance with the Statutes. Constitution of Board
97. A Director may at any time, by notice in writing signed by him delivered to the Registered Office or at the Head Office or at a meeting of the Directors, appoint any person (including another Director) to act as alternate Director in his place during his absence and may in like manner at any time determine such appointment. If such person is not another Director such appointment unless previously approved by the Directors shall have effect only upon and subject to being so approved. The appointment of an alternate Director shall determine on the happening of any event which were he a Director, would cause him to vacate such office or if his appointor ceases to be a Director. An alternate Director may act as alternate to more than one Director. Alternate Directors
98. (A) An alternate Director shall (subject to his giving to the Company an address, telephone and facsimile number within the territory of the Head Office for the time being for the giving of notices on him and except when absent from the territory in which the Head Office is for the time being situate) be entitled (in addition to his appointor) to receive notices of meetings of the Directors and of any committee of the Directors of which his appointor is a member and shall be entitled to attend and vote as a Director at any such meeting at which the Director appointing him is not personally present and generally at such meeting to perform all the functions of his appointor as a Director and for the purposes of the proceedings at such meeting the provisions of these presents shall apply as if he (instead of his appointor) were a Director. If he shall be himself a Director or shall attend any such meeting as an alternate for more than one Director his voting rights shall be cumulative. If his appointor is for the time being absent from the territory in which the Head Office is for the time being situate or otherwise not available or unable to act, his signature to any resolution in writing of the Directors or any such committee shall be as effective as the signature of his appointor. His attestation of the affixing of the Seal shall be as effective as the signature and attestation of his appointor. An alternate Director shall not, save as aforesaid, have power to act as a Director nor shall he be deemed to be a Director for the purposes of these Bye-Laws. Powers of alternate Directors
- (B) An alternate Director shall be entitled to contract and be interested in and benefit from contracts or arrangements or transactions and to be repaid expenses and to be indemnified to the same extent mutatis mutandis as if he were a Director, but he shall not be entitled to receive from the Company in respect of his appointment as alternate Director any remuneration except only such part (if any) of the ordinary remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct.

- (C) A certificate by a Director (including for the purpose of this paragraph (C) an alternate Director) or the Secretary that a Director (who may be the one signing the certificate) was at the time of a resolution of the Directors or any committee thereof absent from the territory of the Head Office or otherwise not available or unable to act or has not supplied an address, telephone and facsimile number within the territory of the Head Office for the purposes of giving of notice to him shall in favour of all persons without express notice to the contrary, be conclusive of the matter so certified.
99. A Director or an alternate Director shall not be required to hold any qualification shares but shall nevertheless be entitled to attend and speak at all general meetings of the Company and all meetings of any class of shareholders of the Company. No qualification shares for Directors
100. The Directors shall be entitled to receive by way of ordinary remuneration for their services as Directors such sum as shall from time to time be determined by the Company in general meeting, such sum (unless otherwise directed by the resolution by which it is voted) to be divided amongst the Directors in such proportions and in such manner as they may agree, or failing agreement, equally, except that in such event any Director holding office for less than the whole of the relevant period in respect of which the ordinary remuneration is paid shall only rank in such division in proportion to the time during such period for which he has held office. The foregoing provisions shall not apply to a Director who holds any salaried employment or office in the Company except in the case of sums paid or payable in respect of Directors' fees. Directors' ordinary remuneration
101. The Directors shall also be entitled to be repaid all travelling, hotel and other expenses reasonably incurred by them respectively in or about the performance of their duties as Directors, including their expenses of travelling to and from Directors' meetings, committee meetings or general meetings or otherwise incurred whilst engaged on the business of the Company or in the discharge of their duties as Directors. Directors' expenses
102. The Directors may grant special remuneration to any Director who shall perform or has performed any special or extra services to or at the request of the Company. Such special remuneration may be made payable to such Director in addition to or in substitution for his ordinary remuneration as a Director, and may be made payable by way of salary, commission or participation in profits or otherwise as may be arranged. Special remuneration
103. Notwithstanding Bye-Laws 100, 101 and 102, the remuneration of a chairman, deputy chairman, Managing Director, Joint Managing Director, Deputy Managing Director or an Executive Director or a Director appointed to any other office in the management of the Company may from time to time be fixed by the Directors and may be by way of salary, commission, or participation in profits or otherwise or by all or any of those modes and with such other benefits (including pension and/or gratuity and/or other benefits on retirement) and allowances as the Directors may from time to time decide. Such remuneration shall be in addition to his ordinary remuneration as a Director. Remuneration of Managing Directors, etc

104. Payments to any Director or past Director of any sum by way of compensation for loss of office or as consideration for or in connection with his retirement from office (not being a payment to which the Director or past Director is contractually or statutorily entitled) must be approved by the Company in general meeting. Payments for compensation for loss of office
105. A Director shall vacate his office: When office of Director to be vacated
- (i) if he becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors generally;
  - (ii) if he becomes a lunatic or of unsound mind;
  - (iii) if he absents himself from the meetings of the Directors during a continuous period of six months, without special leave of absence from the Directors, and his alternate Director (if any) shall not during such period have attended in his stead, and the Directors pass a resolution that he has by reason of such absence vacated his office;
  - (iv) if he becomes prohibited by law from acting as a Director;
  - (v) if he has been validly required by the stock exchange of the Relevant Territory to cease to be a Director and the relevant time period for application for review of or appeal against such requirement has lapsed and no application for review or appeal has been filed or is underway against such requirement;
  - (vi) if by notice in writing delivered to the Company at its Registered Office or at the Head Office he resigns his office; or
  - (vii) if he shall be removed from office by an Ordinary Resolution of the Company under Bye-Law 114.
106. No Director shall be required to vacate office or be ineligible for re-election or re-appointment as a Director, and no person shall be ineligible for appointment as a Director by reason only of his having attained any particular age. No automatic retirement on ground of age
107. (A) Subject to the Companies Act, a Director may hold any other office or place of profit with the Company (except that of Auditors) in conjunction with his office of Director for such period and upon such terms as the Directors may determine, and may be paid such extra remuneration therefor (whether by way of salary, commission, participation in profits or otherwise) as the Directors may determine, and such extra remuneration shall be in addition to any remuneration provided for, by or pursuant to any other Bye-Law. Director's interests

- (B) A Director may act by himself or his firm in a professional capacity for the Company (otherwise than as Auditors) and he or his firm shall be entitled to remuneration for professional services as if he were not a Director.
- (C) A Director may be or become a director or other officer of, or otherwise interested in, any company promoted by the Company or any other company in which the Company may be interested, and shall not be liable to account to the Company or the shareholders for any remuneration, profit or other benefit received by him as a director or officer of or from his interest in such other company. The Directors may also cause the voting power conferred by the shares in any other company held or owned by the Company to be exercised in such manner in all respects as they think fit, including the exercise thereof in favour of any resolution appointing the Directors or any of them to be directors or officers of such other company, or voting or providing for the payment of remuneration to the directors or officers of such other company.
- (D) A Director shall not vote or be counted in the quorum on any resolution of the Directors concerning his own appointment or the appointment of any of his associates as the holder of any office or place of profit with the Company or any other company in which the Company is interested (including the arrangement or variation of the terms thereof, or the termination thereof).
- (E) Where arrangements are under consideration concerning the appointment (including the arrangement or variation of the terms thereof, or the termination thereof) of two or more Directors or any of the associate(s) of any such Director(s) to offices or places of profit with the Company or any other company in which the Company is interested, a separate resolution may be put in relation to each Director or, as the case may be, the associate(s) of such Director and in such case each of the Directors concerned shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment or the appointment of any of his associates (or the arrangement or variation of the terms thereof, or the termination thereof) and (in the case of an office or place of profit with any such other company as aforesaid) where the other company is a company in which the Director and his associates in aggregate own five (5) per cent. or more of the issued shares of any class of the voting equity share capital of such company or of the voting rights of any class of shares of such company (other than shares which carry no voting rights at general meetings and no or nugatory dividend and return of capital rights).
- (F) Subject to the Companies Act and the next paragraph of this Bye-Law, no Director or proposed or intended 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 whatever, nor shall any contract with regard thereto 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 shareholders for any remuneration, profit or other benefits realised by any such contract or arrangement, by reason only of such Director holding that office or the fiduciary relationship thereby established.

- (G) If to the knowledge of a Director, he or any of his associates, 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 or, as the case may be, his associate(s)' interest at the meeting of the Directors at which the question of entering into the contract or arrangement is first taken into consideration, if he knows his interest or that of his associate(s) then exists, or in any other case at the first meeting of the Directors after he knows that he or his associate(s) is or has become so interested. For the purposes of this Bye-Law, a general notice to the Directors by a Director to the effect that (a) he or his associate(s) is a shareholder of a specified company or firm and is to be regarded as interested in any contract or arrangement which may after the date of the notice be made with that company or firm or (b) he or his associate(s) is to be regarded as interested in any contract or arrangement which may after the date of the notice be made with a specified person who is connected with him, shall be deemed to be a sufficient declaration of interest under this Bye-Law in relation to any such contract or arrangement; provided that no such notice shall be effective unless either it is given at a meeting of the Directors or the Director takes reasonable steps to secure that it is brought up and read at the next meeting of the Directors after it is given.
- (H) A Director shall not vote (nor be counted in the quorum) on any resolution of the ~~Directors~~ Board approving any contract or arrangement or any other proposal in which he or any of his close associates is ~~to his knowledge~~ materially interested, ~~and if he shall do so his vote shall not be counted (nor is he counted in the quorum for that resolution)~~, but this prohibition shall not apply to any of the following matters namely:
- (i) ~~any contract or arrangement for the giving by the Company of any security or indemnity either:-~~
- (a) to the Director or his close associate(s) in respect of money lent or obligations incurred or undertaken by him or any of them at the request of or for the benefit of the Company or any of its subsidiaries~~company in which the Company has interest; or~~
- (ii) ~~any contract or arrangement for the giving by the Company of any security~~
- (b) to a third party in respect of a debt or obligation of the Company or any ~~company in~~ of its subsidiaries for which the Company has an interest which the Director or his close associate(s) has himself/themselves ~~guaranteed or secured or otherwise~~ assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;

- ~~(iii) any contract or arrangement by the Director or his associates to subscribe for shares or debentures or other securities of the Company to be issued pursuant to any offer or invitation to the shareholders or debenture or securities holders of the Company or to the public which does not provide the Director or his associates any privilege not accorded to any other shareholders or debenture or securities holders of the Company or to the public;~~
- ~~(iv)(ii) any contract or arrangement proposal concerning an offer of the shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase where the Director or his close associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer and/or for the purposes of making any representations, the giving of any covenants, undertakings or warranties or assuming any other obligations in connection with such offer;~~
- (iii) any proposal or arrangement concerning the benefit of employees of the Company or its subsidiaries including:
- (a) the adoption, modification or operation of any employees' share scheme or any share incentive or share option scheme under which the Director or his close associate(s) may benefit; or
- (b) the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates to the Director, his close associate(s) and employee(s) of the Company or any of its subsidiaries and does not provide in respect of any Director, or his close associate(s), as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates;
- ~~(v)(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 respective interest in shares or debentures or other securities of the Company and/or his/their being the offeror or one of the offerors or is interested in one of the offerors for the purchase or effective acquisition of such shares, debentures or other securities;~~

~~(vi) any proposal or arrangement for the benefit of employees of the Company or its subsidiaries including the adoption, modification or operation of a pension fund or retirement, death or disability benefit scheme or personal pension plan under which a Director or his associates and employees of the Company or of any of its subsidiaries may benefit and which has been approved by or is subject to and conditional on approval by the relevant taxing authorities for taxation purposes or relates to Directors, associate(s) of Directors and employees of the Company or of any of its subsidiaries and does not give the Director or his associates any privilege not accorded to the class of persons to whom such scheme or fund relates;~~

~~(vii) any proposal or arrangement concerning the adoption, modification or operation of any employees' share scheme involving the issue or grant of options over shares or other securities by the Company to, or for the benefit of the employees of the Company or its subsidiaries under which the Director or his associates may benefit; and~~

~~(viii) any contract, arrangement, transaction or proposal concerning the purchase and/or maintenance of any insurance policy for the benefit of any Director, his associate(s), officer or employee pursuant to these Bye-Laws.~~

~~[Intentionally deleted]~~

~~[Intentionally deleted]~~

(K) If any question shall arise at any meeting of the ~~Directors Board~~ as to the materiality of the interest of a Director ~~or any of his associates (other than the chairman of the meeting)~~ or as to the entitlement of any Director ~~(other than such chairman)~~ to vote ~~or be counted in the quorum~~ and such question is not resolved by his voluntarily agreeing to abstain from voting ~~or not to be counted in the quorum~~, such question ~~(unless it relates to the Chairman)~~ 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 ~~or his associate(s)~~ as known to such Director has not been fairly disclosed to the ~~other Directors 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 ~~Directors Board~~ (for which purpose ~~the such Chairman shall not be counted in the quorum and 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 ~~the such Chairman or his associates~~ as known to ~~him such chairman~~ has not been fairly disclosed to the ~~other Directors Board~~.



- (L) The provisions of paragraphs (D), (E), (H) and (K) of this Bye-Law 107 shall apply during the Relevant Period but not otherwise. In respect of all periods other than the Relevant Period, a Director may vote in respect of any contract, arrangement or transaction or proposed contract, arrangement or transaction notwithstanding that he or any of his associates is or may be interested therein and, if he does so, his vote shall be counted and he may be counted in the quorum at any meeting of the Directors at which any such contract, arrangement or transaction or proposed contract, arrangement or transaction shall come before the meeting for consideration provided that he has, where relevant, first disclosed his interest in accordance with paragraph (G).
- (M) The Company may by Ordinary Resolution suspend or relax the provisions of this Bye-Law to any extent or ratify any transaction not duly authorised by reason of a contravention of this Bye-Law.

#### **APPOINTMENT AND ROTATION OF DIRECTORS**

108. (A) At each annual general meeting one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation provided that every Director shall be subject to retirement at least once every three years. 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 Company at the general meeting at which a Director retires may fill the vacated office. Rotation and retirement of Directors
- (B) The Directors to retire by rotation shall include (so far as necessary to obtain the number required) any Director who wishes to retire and not to offer himself for re-election. Any further Directors so to retire shall be those 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.
- (C) A Director is not required to retire upon reaching any particular age.
109. If at any general meeting at which an election of Directors ought to take place, the places of the retiring Directors are not filled, the retiring Directors or such of them as have not had their places filled shall be deemed to have been re-elected and shall, if willing, continue in office until the next annual general meeting and so on from year to year until their places are filled, unless: Retiring Directors to remain in office until successors appointed
- (i) it shall be determined at such meeting to reduce the number of Directors; or
- (ii) it is expressly resolved at such meeting not to fill such vacated offices; or

- (iii) in any such case the resolution for re-election of a Director is put to the meeting and lost;  
or
- (iv) such Director has given notice in writing to the Company that he is not willing to be re-elected.
110. The Company in general meeting shall from time to time fix and may from time to time by Ordinary Resolution increase or reduce the maximum and minimum number of Directors but so that the number of Directors shall not be fewer than two. Power of general meeting to increase or reduce number of Directors
111. The Company may from time to time in general meeting by Ordinary Resolution elect any person to be a Director either to fill a casual vacancy or as an additional Director. Any Director so appointed shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election at the meeting but shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at such meeting. Appointment of Directors by shareholders
112. ~~Subject to authorisation by the shareholders in a general meeting, the~~ The Directors shall until and unless such authorization shall be revoked, 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 the provisions of the Companies Act) as an additional Director ~~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 the any maximum number determined from time to time by the shareholders in general meeting. Any Director so appointed by the Board to fill a casual vacancy shall hold office until the first general meeting of Shareholders after his appointment and be subject to re-election at such meeting and any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following first annual general meeting of the Company after his or her appointment and shall then be eligible for re-election.~~ Appointment of Directors by Directors
113. No person, other than a retiring Director, shall, unless recommended by the Directors for election, be eligible for election to the office of Director at any general meeting, unless notice in writing of the intention to propose that person for election as a Director and notice in writing by that person of his willingness to be elected shall have been lodged at the Head Office or at the Registration Office for at least seven (7) clear days before the date of the general meeting and the period for lodgement of such notices shall commence no earlier than the day immediately after the despatch of the notice of the general meeting appointed for such election and shall be at least seven (7) clear days in length. Notice of proposed Director to be given

114. The ~~Company~~ Shareholder may by Ordinary Resolution remove any Director (including a Managing Director or other Executive Director) before the expiration of his ~~period~~ term of office notwithstanding anything in these Bye-Laws or in any agreement between the Company and such Director (but without prejudice to any claim which such Director may have for damages for any breach of any contract between him and the Company) and may elect another person in his stead provided that the notice of any general meeting convened for the purpose of removing a director shall contain a statement of the intention so to do and be served on such director 14 days before the meeting and at such meeting, the Director shall be entitled to be heard on the motion for his removal. Any person so elected shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election, but shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at such meeting.

Power to  
remove Director  
by Ordinary  
Resolution

### BORROWING POWERS

115. The Directors may from time to time at their discretion exercise all the powers of the Company to raise or borrow or to secure the payment of any sum or sums of money for the purposes of the Company and to mortgage or charge its undertaking, property and uncalled capital or any part thereof.
116. The Directors may raise or secure the payment or repayment of such sum or sums in such manner and upon such terms and conditions in all respects as they think fit and in particular but subject to the provisions of the Companies Act, by the issue of debentures, debenture stock, bonds or other securities of the Company, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.
117. Debentures, debenture stock, bonds and other securities (other than shares which are not fully paid) may be made assignable free from any equities between the Company and the person to whom the same may be issued.
118. Any debentures, debenture stock, bonds or other securities (other than shares) may be issued at a discount, premium or otherwise and with any special privileges as to redemption, surrender, drawings, allotment or subscription of or conversion into shares, attending and voting at general meetings of the Company, appointment of Directors and otherwise.
119. The Directors shall cause a proper register to be kept, in accordance with the provisions of the Companies Act of all mortgages and charges specifically affecting the property of the Company and shall duly comply with such provisions of the Companies Act with regard to the registration of mortgages and charges as may be specified or required.
120. If the Company issues a series of debentures or debenture stock not transferable by delivery, the Directors shall cause a proper register to be kept of the holders of such debentures.

Power to borrow

Conditions on  
which money  
may be borrowed

Assignment of  
debentures etc.

Special privileges  
of debentures etc.

Register of  
charges to be  
kept

Register of  
debentures or  
debenture stock

121. 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 shareholders or otherwise, to obtain priority over such prior charge. Mortgage of uncalled capital

**MANAGING DIRECTORS, ETC.**

122. The Directors may from time to time appoint any one or more of its body to the office of Managing Director, Joint Managing Director, Deputy Managing Director or other Executive Director and/or such other office in the management of the business of the Company as they may decide for such period and upon such terms as they think fit and upon such terms as to remuneration as they may decide in accordance with Bye-Law 103. Powers to appoint Managing Directors, etc.
123. Every Director appointed to an office under Bye-Law 122 hereof shall, but without prejudice to any claim for damages for breach of any contract of service between himself and the Company, be liable to be dismissed or removed therefrom by the Directors. Removal of Managing Director, etc.
124. Subject to Bye-Law 108(A), a Director appointed to an office under Bye-Law 122 shall be subject to the same provisions as to rotation, resignation and removal as the other Directors of the Company, and he shall ipso facto and immediately cease to hold such office if he shall cease to hold the office of Director for any cause. Cessation of appointment
125. The Directors may from time to time entrust to and confer upon a Chairman, Deputy Chairman, Managing Director, Joint Managing Director, Deputy Managing Director or Executive Director all or any of the powers of the Directors that they may think fit provided that the exercise of all powers by such Director shall be subject to such regulations and restrictions as the Directors may from time to time make and impose, and, the said powers may at any time be withdrawn, revoked or varied, but no person dealing in good faith and without notice of such withdrawal, revocation or variation shall be affected thereby. Powers may be delegated
126. The Directors may from time to time appoint any person to an office or employment having a designation or title including the word “Director” or attach to any existing office or employment with the Company such a designation or title. The inclusion of the word “Director” in the designation or title of any office or employment with the Company (other than the office of Managing Director or Joint Managing Director or Deputy Managing Director or Executive Director) shall not imply that the holder thereof is a Director nor shall such holder be empowered in any respect to act as a Director or be deemed to be a Director for any of the purposes of these Bye-Laws. Inclusion of “Director” in title

## MANAGEMENT

127. The management of the business of the Company shall be vested in the Directors who, in addition to the powers and authorities by these Bye-Laws expressly conferred upon them, may exercise all such powers and do all such acts and things as may be exercised or done or approved by the Company and are not hereby or by the Statutes expressly directed or required to be exercised or done by the Company in general meeting, but subject nevertheless to the provisions of the Statutes and of these Bye-Laws and to any regulations from time to time made by the Company in general meeting not being inconsistent with such provisions or these Bye-Laws, provided that no regulation so made shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made. General powers of Company vested in Directors
128. Without prejudice to the general powers conferred by these Bye-Laws, it is hereby expressly declared that the Directors shall have the following powers: Specific powers of management
- (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 and on such other terms as may be agreed; and
  - (b) to give to any Directors, officers or employees 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.
129. The Directors may from time to time appoint a general manager, manager or managers of the business of the Company and may fix his or their remuneration either by way of salary or commission or by conferring the right to participation in the profits of the Company or by a combination of two or more of these modes and pay the working expenses of any of the staff of the general manager, manager or managers who may be employed by him or them upon the business of the Company. Appointment and remuneration of managers
130. The appointment of such general manager, manager or managers may be for such period as the Directors may decide and the Directors may confer upon him or them all or any of the powers of the Directors and such title or titles as they may think fit. Tenure of office and powers
131. The Directors may enter into such agreement or agreements with any such general manager, manager or managers upon such terms and conditions in all respects as they may in their absolute discretion think fit, including a power for such general manager, manager or managers to appoint an assistant manager or managers or other employees whatsoever under them for the purpose of carrying on the business of the Company. Terms and conditions of appointment

**CHAIRMAN AND OTHER OFFICERS**

132. The Directors may from time to time elect or otherwise appoint one of them to the office of Chairman of the Company and another to be the Deputy Chairman (or two or more Deputy Chairmen) and determine the period for which each of them is to hold office. The Chairman or, in his absence, the Deputy Chairman shall preside as chairman at meetings of the Directors, but if no such Chairman or Deputy Chairman be elected or appointed, or if at any meeting the Chairman or Deputy Chairman is not present within five minutes after the time appointed for holding the same and willing to act, the Directors present shall choose one of their number to be chairman of such meeting. All the provisions of Bye-Laws 103, 123, 124 and 125 shall mutatis mutandis apply to any Directors elected or otherwise appointed to any office in accordance with the provisions of this Bye-Law.
- Chairman and  
Deputy Chairman

**PROCEEDINGS OF THE DIRECTORS**

133. The Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings and proceedings as they think fit and may determine the quorum necessary for the transaction of business. Unless otherwise determined two Directors shall be a quorum. For the purpose of this Bye-Law an alternate Director shall be counted in a quorum separately in respect of himself (if a Director) and in respect of each Director for whom he is an alternate (but so that nothing in this provision shall enable a meeting to be constituted when only one person is physically present) and his voting rights shall be cumulative and he need not use all his votes or cast all his votes in the same way. A meeting of the Directors or any committee of the Directors may be held by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting.
- Meeting of  
the Directors,  
quorum, etc
134. A Director may, and on the request of a Director the Secretary shall, at any time summon a meeting of the Directors which may be held in any part of the world but no such meeting shall be summoned to be held outside the territory in which the Head Office is for the time being situate without the prior approval of the Directors. Notice thereof shall be given to each Director and alternate Director in person orally or in writing or by telephone or by telex or telegram or facsimile transmission at the telephone or facsimile number or address from time to time notified to the Company by such Director or in such other manner as the Directors may from time to time determine. A Director absent or intending to be absent from the territory in which the Head Office is for the time being situate may request the Directors or the Secretary that notices of Directors' meetings shall during his absence be sent in writing to him at his last known address, facsimile or telex number or any other address, facsimile or telex number given by him to the Company for this purpose, but such notices need not be given any earlier than notices given to Directors not so absent. A Director or alternate Director who fails to supply to the Company an address in the territory of the Head Office, or a telephone, facsimile or telex number for the purposes of giving notices to him shall not be entitled to receive any notice to him as Director or alternate Director for so long as the failure subsists.
- Convening  
of Directors'  
meetings

135. Questions arising at any meeting of the Directors shall be decided by a majority of votes, and in case of an equality of votes the chairman of the meeting shall have a second or casting vote. How questions to be decided
136. A meeting of the Directors for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under these Bye-Laws for the time being vested in or exercisable by the Directors generally. Powers of meeting
137. The Directors may delegate any of their powers to committees consisting of such member(s) of its body and such other person(s) as they think fit, and they may from time to time revoke such delegation or revoke the appointment of and discharge any such committees either wholly or in part, and either as to persons or purposes, but every committee so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed upon it by the Directors. Power to appoint committee and to delegate
138. All acts done by any such committee in conformity with such regulations and in fulfilment of the purposes for which it is appointed, but not otherwise, shall have the like force and effect as if done by the Directors, and the Directors shall have power, with the consent of the Company in general meeting, to remunerate the members of any special committee, and charge such remuneration to the current expenses of the Company. Act of committee to be of same effect as acts of Directors
139. The meetings and proceedings of any such committee consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors so far as the same are applicable thereto and are not replaced by any regulations imposed by the Directors pursuant to Bye-Law 137. Proceedings of committee
140. All acts bona fide done by any meeting of the Directors or by any such committee or by any person acting as a Director shall, notwithstanding that it shall be afterwards discovered that there was some defect in the appointment of such Director or persons acting as aforesaid or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Director or member of such committee. When acts of Directors or committee to be valid notwithstanding defects
141. The continuing Directors may act notwithstanding any vacancy in their body, but, if and so long as their number is reduced below the number fixed by or pursuant to these Bye-Laws as the necessary quorum of Directors, the continuing Director or Directors may act for the purpose of increasing the number of Directors to that number or of summoning a general meeting of the Company but for no other purpose. Directors' powers where vacancies exist



142. (A) A resolution in writing signed by all the Directors except such as are absent from the territory in which the Head Office is for the time being situate or temporarily unable to act through ill-health or disability (or their alternate Directors) shall (so long as such a resolution shall be signed by at least two Directors or their alternates entitled to vote thereon or such other number of Directors as shall form a quorum and provided that a copy of such resolution has been given or the contents thereof communicated to all the Directors (or their alternates) for the time being entitled to receive notices of meetings of the Directors and provided further that no Director is aware of or has received any objection to the resolution from any Director, be as valid and effectual as if it had been passed at a meeting of the Directors duly convened and held. Any such resolutions in writing may consist of several documents in like form each signed by one or more of the Directors or alternate Directors. 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. Directors' written resolutions
- (B) A certificate signed by a Director (who may be one of the signatories to the relevant resolution in writing) or the Secretary as to any of the matters referred to in paragraph (A) of this Bye-Law shall in the absence of express notice to the contrary of the person relying thereon, be conclusive of the matters stated on such certificate.

#### **MINUTES AND CORPORATE RECORDS**

143. (A) The Directors shall cause minutes to be made of: Minutes of proceedings of meetings and Directors
- (i) all appointments of officers made by them;
  - (ii) the names of the Directors present at each meeting of the Directors and the names of the members present at each meeting of managers and committees appointed pursuant to Bye-Laws 129 and 137; and
  - (iii) all resolutions and proceedings at all meetings of the Company and of the Directors and of such managers and committees.
- (B) Any such minutes shall be conclusive evidence of any such proceedings if they purport to be signed by the chairman of the meeting at which the proceedings were held or by the chairman of the next succeeding meeting and shall be kept at the Registered Office.
- (C) The Directors shall duly comply with the provisions of the Companies Act in regard to keeping a register of shareholders and to the production and furnishing of copies of or extracts from such register.



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

### SECRETARY

144. The Secretary shall be appointed by the Directors for such term, at such remuneration and upon such conditions as they may think fit, and any Secretary so appointed may, without prejudice to his right under any contract with the Company, be removed by the Directors. Anything by the Statutes or these Bye-Laws required or authorised to be done by or to the Secretary, if the office is vacant or there is for any other reason no Secretary capable of acting, may be done by or to any assistant or deputy Secretary, or if there is no assistant or deputy Secretary capable of acting, by or to any officer of the Company authorised generally or specially on behalf of the Directors. If the Secretary appointed is a corporation or other body, it may act and sign by the hand of any one or more of its directors or officers duly authorised. Appointment of Secretary
145. The Secretary shall attend all meetings of the shareholders and shall keep correct minutes of such meetings and enter the same in the proper books provided for the purpose. He shall perform such other duties as are prescribed by the Companies Act and these Bye-Laws, together with such other duties as may from time to time be prescribed by the Directors. Duties of Secretary
146. A provision of the Statutes or of these Bye-Laws requiring or authorising a thing to be done by or to a Director and the Secretary shall not be satisfied by its being done by or to the same person acting both as Director and as, or in place of, the Secretary. Same person not to act in two capacities at once

### GENERAL MANAGEMENT AND USE OF THE SEAL

147. (A) Subject to the Statutes, the Company shall have one or more Seals as the Directors may determine, and may have a Seal for use outside Bermuda. The Directors shall provide for the safe custody of each Seal, and no Seal shall be used without the authority of the Directors or a committee authorised by the Directors in that behalf. Custody of Seal
- (B) Every instrument to which a Seal shall be affixed shall be signed autographically by one Director and the Secretary, or by two Directors, or by some other person(s) appointed by the Directors for the purpose (including a Director), provided that as regards any certificates for shares or debentures or other securities of the Company the Directors may by resolution determine that such signatures or either of them shall be dispensed with or affixed by some method or system of mechanical signature other than autographic as specified in such resolution or that such certificates need not be signed by any person. Use of Seal

- (C) The Company may have a Securities Seal for use for sealing certificates for shares or other securities issued by the Company and no signature of any Director, officer or other person and no mechanical reproduction thereof shall be required on any such certificates or other document and any such certificates or other document to which such Securities Seal is affixed shall be valid and deemed to have been sealed and executed with the authority of the Directors notwithstanding the absence of any such signature or mechanical reproduction as aforesaid.
148. All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments, and all receipts for moneys paid to the Company shall be signed, drawn, accepted, indorsed or otherwise executed, as the case may be, in such manner as the Directors shall from time to time by resolution determine. The Company's banking accounts shall be kept with such banker or bankers as the Directors shall from time to time determine. Cheques and banking arrangements
149. (A) The Directors may from time to time and at any time, by power of attorney under the Seal, appoint any company, firm or person or any fluctuating body of persons, whether nominated directly or indirectly by the Directors, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these Bye-Laws) and for such period and subject to such conditions as they may think fit, and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Directors may think fit, and may also authorise any such attorney to subdelegate all or any of the powers, authorities and discretions vested in him. Power to appoint attorney
- (B) The Company may, by writing under its Seal, empower any person, either generally or in respect of any specified matter, as its attorney to execute deeds and instruments on its behalf and to enter into contracts and sign the same on its behalf and every deed signed by such attorney on behalf of the Company and under his seal shall bind the Company and have the same effect as if it were under the Seal duly affixed by the Company. Execution of deeds by attorney
150. The Directors may establish any committees, regional or local boards or agencies for managing any of the affairs of the Company, either in the Relevant Territory or elsewhere, and may appoint any persons to be members of such committees, regional or local boards or agencies and may fix their remuneration, and may delegate to any committee, regional or local board or agent any of the powers, authorities and discretions vested in the Directors (other than its powers to make calls and forfeit shares), with power to sub-delegate, and may authorise the members of any regional or local board or any of them to fill any vacancies therein and to act notwithstanding vacancies, and any such appointment or delegation may be upon such terms and subject to such conditions as the Directors may think fit, and the Directors may remove any person so appointed and may annul or vary any such delegation, but no person dealing in good faith and without notice of any such annulment or variation shall be affected thereby. Regional or local boards and agents

151. The Directors may establish and maintain or procure the establishment and maintenance of any contributory or non-contributory pension or superannuation funds or personal pension plans for the benefit of, or give or procure the giving of donations, gratuities, pensions, allowances or emoluments to, any persons who are or were at any time in the employment or service of the Company, or of any company which is a subsidiary of the Company, or is allied or associated with the Company or with any such subsidiary company, or who are or were at any time directors or officers of the Company or of any such other company as aforesaid, and holding or who have held any salaried employment or office in the Company or such other company, and the spouses, widows, widowers, families and dependants of any such persons. The Directors may also establish and subsidise or subscribe to any institutions, associations, clubs or funds calculated to be for the benefit of or to advance the interests and well-being of the Company or of any such other company as aforesaid or of any such persons as aforesaid, and may make payments for or towards the insurance of any such persons as aforesaid, and subscribe or guarantee money for charitable or benevolent objects or for any exhibition or for any public, general or useful object. The Directors may do any of the matters aforesaid, either alone or in conjunction with any such other company as aforesaid. Any Director holding any such employment or office shall be entitled to participate in and retain for his own benefit any such donation, gratuity, pension, allowance or emolument.
- Power to  
establish pension  
funds

#### **AUTHENTICATION OF DOCUMENTS**

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

## CAPITALISATION OF RESERVES

153. (A) The Company in general meeting may, upon the recommendation of the Directors, resolve to capitalise any sum standing to the Company's reserves (including any contributed surplus account and also including any share premium account or undistributable reserve, but subject to the provisions of the law with regard to unrealised profits) or any undivided profits not required for the payment or provision of the dividend on any shares with a preferential right to dividend, by appropriating such sum or profits to the holders of shares on the register at the close of business on the date of the relevant resolution (or such other date as may be specified therein or determined as provided therein) in the proportion in which such sum would have been divisible amongst them had the same been a distribution of profits by way of dividend on shares either in or towards paying up any amounts for the time being unpaid on any shares held by such shareholders respectively or paying up in full unissued shares or debentures or other securities of the Company to be allotted and distributed credited as fully paid to and amongst such shareholders in the proportion aforesaid, or partly in one way and partly in the other provided that for the purpose of this Bye-Law, any amount standing to the credit of any share premium account may only be applied in the paying up of unissued shares to be issued to shareholders of the Company as fully paid shares and other purposes allowed or not prohibited under the Statutes. Power to capitalise
- (B) Whenever such a resolution as aforesaid shall have been passed the Directors shall make all appropriations and applications of the reserves or profits and undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares, debentures, or other securities and generally shall do all acts and things required to give effect thereto. For the purpose of giving effect to any resolution under this Bye-Law, the Directors may settle any difficulty which may arise in regard to a capitalisation issue as they think fit, and in particular may disregard fractional entitlements or round the same up or down and may determine that cash payments shall be made to any shareholders in lieu of fractional entitlements or that fractions of such value as the Directors may determine may be disregarded in order to adjust the rights of all parties or that fractional entitlements shall be aggregated and sold and the benefit shall accrue to the Company rather than to the shareholders concerned, and no shareholders who are affected thereby shall be deemed to be, and they shall be deemed not to be, a separate class of shareholders for any purposes whatsoever. The Directors may authorise any person to enter on behalf of all shareholders interested in a capitalisation issue any agreement with the Company or other(s) providing for such capitalisation and matters in connection therewith and any agreement made under such authority shall be effective and binding upon all concerned. Without limiting the generality of the foregoing, any such agreement may provide for the acceptance by such persons of the shares, debentures or other securities to be allotted and distributed to them respectively in satisfaction of their claims in respect of the sum so capitalised.

- (C) The provisions of paragraph (E) of Bye-Law 160 shall apply to the power of the Company to capitalise under this Bye-Law as it applies to the grant of election thereunder mutatis mutandis and no shareholder who may be affected thereby shall, and they shall be deemed not to be, a separate class of shareholders for any purpose whatsoever.

#### **DIVIDENDS CONTRIBUTED SURPLUS AND RESERVES**

154. The Company in general meeting may declare dividends in any currency but no dividends shall exceed the amount recommended by the Directors. Power to declare dividends
155. (A) The Directors may subject to Bye-Law 156 from time to time pay to the shareholders such interim dividends as appear to the Directors to be justified by the financial conditions and the net realisable value of the assets of the Company and, in particular (but without prejudice to the generality of the foregoing), if at any time the share capital of the Company is divided into different classes, the Directors may pay such interim dividends in respect of those shares in the capital of the Company which confer to the holders thereof deferred or non-preferential rights as well as in respect of those shares which confer on the holders thereof preferential rights with regard to dividend and provided that the Directors act bona fide they shall not incur any responsibility to the holders of shares conferring any preference for any damage that they may suffer by reason of the payment of an interim dividend on any shares having deferred or non-preferential rights. Directors' power to pay interim and special dividends
- (B) The Directors may also pay half-yearly or at other suitable intervals to be settled by them any dividend which may be payable at a fixed rate if the Directors are of the opinion that the financial conditions and the net realisable value of the assets of the Company justify the payment.
- (C) The Directors may in addition from time to time declare and pay special dividends of such amounts and on such dates and out of such distributable funds of the Company and as they think fit, and the provisions of paragraph (A) of this Bye-Law as regards the power and exemption from liability of the Directors as relate to the declaration and payment of interim dividends shall apply, mutatis mutandis, to the declaration and payment of any such special dividends.
156. (A) No dividend shall be declared or paid and no distribution of contributed surplus as ascertained in accordance with the Companies Act shall be made otherwise than in accordance with the Statutes. Restrictions on payments of the dividends and distributions

- (B) Subject to the provisions of the Companies Act (but without prejudice to paragraph (A) of this Bye-Law), where any asset, business or property is bought by the Company as from a past date (whether such date be before or after the incorporation of the Company) the profits and losses thereof as from such date may at the discretion of the Directors in whole or in part be carried to revenue account and treated for all purposes as profits or losses of the Company, and be available for dividend accordingly. Subject as aforesaid, if any shares or securities are purchased cum dividend or interest, such dividend or interest may at the discretion of the Directors be treated as revenue, and it shall not be obligatory to capitalise the same or any part thereof or to apply the same towards reduction of or writing down the book cost of the asset, business or property acquired.
- (C) Subject to paragraph (D) of this Bye-Law all dividends and other distributions in respect of shares in the Company shall be stated and discharged, in the case of shares denominated in Hong Kong dollars, in Hong Kong dollars, and in the case of shares denominated in United States dollars, in United States dollars, provided that, in the case of shares denominated in Hong Kong dollars, the Directors may determine in the case of any distribution that shareholders may elect to receive the same in United States dollars or any other currency selected by the Directors, converted at such rate of exchange as the Directors may determine.
- (D) If, in the opinion of the Directors, any dividend or other distribution in respect of shares or any other payment to be made by the Company to any shareholder is of such a small amount as to make payment to that shareholder in the relevant currency impracticable or unduly expensive either for the Company or the shareholder then such dividend or other distribution or other payment may, at the absolute discretion of the Directors, be, if this be practicable, converted at such rate of exchange as the Directors may determine and paid or made in the currency of the country of the relevant shareholder (as indicated by the address of such shareholder on the register).
157. Notice of the declaration of an interim dividend shall be given by advertisement in the Relevant Territory and in such other territory or territories and in such manner as the Directors shall determine. Notice of interim dividend
158. No dividend or other moneys payable on or in respect of a share shall bear interest as against the Company. No interest on dividends

159. Whenever the Directors have or the Company in general meeting has resolved that a dividend <sup>Dividend in specie</sup> be paid or declared, the Directors may further resolve that such dividend be satisfied wholly or in part by the distribution of specific assets of any kind and in particular of paid up shares, debentures or warrants to subscribe securities of the Company or any other company, or in any one or more of such ways, with or without offering any rights to shareholders to elect to receive such dividend in cash, and where any difficulty arises in regard to the distribution the Directors may settle the same as they think expedient, and in particular may 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 shareholders upon the footing of the value so fixed in order to adjust the rights of all parties and may determine that fractional entitlements shall be aggregated and sold and the benefit shall accrue to the Company rather than to the shareholders concerned, and may vest any such specific assets in trustees as may seem expedient to the Directors and may authorise any person to sign any requisite instruments of transfer and other documents on behalf of all shareholders interested in the dividend and such instrument and document shall be effective. The Directors may further authorise any person to enter into on behalf of all shareholders having an interest in any agreement with the Company or other(s) providing for such dividend and matters in connection therewith and any such agreement made under such authority shall be effective. The Directors may resolve that no such assets shall be made available or made to shareholders with registered addresses in any particular territory or territories being a territory or territories where, in the absence of a registration statement or other special formalities, this would or might, in the opinion of the Directors, be unlawful or impracticable or the legality or practicality of which may be time consuming or expensive to ascertain whether in absolute terms or in relation to the value of the holding of shares of the shareholder concerned and in any such event the only entitlement of the shareholders aforesaid shall be to receive cash payments as aforesaid. Shareholders affected as a result of exercise by the Directors of their discretion under this Bye-Law shall not be, and shall be deemed not to be, a separate class of shareholders for any purposes whatsoever.
160. (A) Whenever the Directors or the Company in general meeting has resolved that a dividend <sup>Scrip dividend</sup> be paid or declared on the share capital of the Company, the Directors may further resolve:
- either
- (i) that such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid on the basis that the shares so allotted shall be of the same class or classes as the class or classes already held by the allottee, provided that the shareholders entitled thereto will be entitled to elect to receive such dividend (or part thereof) in cash in lieu of such allotment. In such case, the following provisions shall apply:
- (a) the basis of any such allotment shall be determined by the Directors;



- (b) the Directors, after determining the basis of allotment, shall give not less than fourteen (14) clear days' notice in writing to the shareholders of the right of election accorded to them and shall send with such notice forms of election and specify the procedure to be followed and the place at which and the latest date and time by which duly completed forms of election must be lodged in order to be effective;
- (c) the right of election may be exercised in respect of the whole or part of that portion of the dividend in respect of which the right of election has been accorded; and
- (d) the dividend (or that part of the dividend to be satisfied by the allotment of shares as aforesaid) shall not be payable in cash in respect whereof the cash election has not been duly exercised ("the non-elected shares") and in lieu and in satisfaction thereof shares shall be allotted credited as fully paid to the holders of the non-elected shares on the basis of allotment determined as aforesaid and for such purpose the Directors shall capitalise and apply out of any part of the undivided profits of the Company or any part of any of the Company's reserve accounts (including any special account, contributed surplus account, or share premium account (if there be any such reserve)) as the Directors may determine, a sum equal to the aggregate nominal amount of the shares to be allotted on such basis and apply the same in paying up in full the appropriate number of shares for allotment and distribution to and amongst the holders of the non-elected shares on such basis;

or

- (ii) that shareholders entitled to such dividend will be entitled to elect to receive an allotment of shares credited as fully paid in lieu of the whole or such part of the dividend as the Directors may think fit on the basis that the shares so allotted shall be of the same class or classes as the class or classes of shares already held by the allottee. In such case, the following provisions shall apply:
  - (a) the basis of any such allotment shall be determined by the Directors;
  - (b) the Directors, after determining the basis of allotment, shall give not less than fourteen (14) clear days' notice in writing to the shareholders of the right of election accorded to them and shall send with such notice forms of election and specify the procedure to be followed and the place at which and the latest date and time by which duly completed forms of election must be lodged in order to be effective;



- (c) the right of election may be exercised in respect of the whole or part of that portion of the dividend in respect of which the right of election has been accorded; and
  - (d) the dividend (or that part of the dividend in respect of which a right of election has been accorded) shall not be payable on shares in respect whereof the share election has been duly exercised (“the elected shares”) and in lieu thereof shares shall be allotted credited as fully paid to the holders of the elected shares on the basis of allotment determined as aforesaid and for such purpose the Directors shall capitalise and apply out of any part of the undivided profits of the Company or any part of any of the Company’s reserve accounts (including any special account, contributed surplus account, share premium account and capital redemption reserve fund (if there be any such reserve)) as the Directors may determine, a sum equal to the aggregate nominal amount of the shares to be allotted on such basis and apply the same in paying up in full the appropriate number of shares for allotment and distribution to and amongst the holders of the elected shares on such basis.
- (B) The shares allotted pursuant to the provisions of paragraph (A) of this Bye-Law shall rank *pari passu* in all respects with the shares then in issue and held by the allottee in respect of which they were allotted, save only as regards participation:
  - (i) in the relevant dividend (or the right to receive or to elect to receive an allotment of shares in lieu thereof as aforesaid); or
  - (ii) in any other distributions, bonuses or rights paid, made, declared or announced prior to or contemporaneously with the payment or declaration of the relevant dividend unless, contemporaneously with the announcement by the Directors of their proposal to apply the provisions of sub-paragraph (i) or (ii) of paragraph (A) of this Bye-Law in relation to the relevant dividend or contemporaneously with their announcement of the distribution, bonus or rights in question, the Directors shall have specified that the shares to be allotted pursuant to the provisions of paragraph (A) of this Bye-Law shall rank for participation in such distribution, bonus or rights.

- (C) The Directors may do all acts and things considered necessary or expedient to give effect to any capitalisation pursuant to the provisions of paragraph (A) of this Bye-Law with full power to the Directors to make such provisions as they think fit in the case of shares becoming distributable in fractions (including provisions whereby, in whole or in part, fractional entitlements are aggregated and sold and the net proceeds distributed to those entitled, or are disregarded or rounded up or down or whereby the benefit of fractional entitlements accrues to the Company rather than to the shareholders concerned), and no shareholders who will be affected thereby shall be, and they shall be deemed not to be, a separate class of shareholders for any purposes whatsoever. The Directors may authorise any person to enter into on behalf of all shareholders interested, an agreement with the Company providing for such capitalisation and matters incidental thereto and any agreement made pursuant to such authority shall be effective and binding on all concerned.
- (D) The Company may upon the recommendation of the Directors by Ordinary Resolution resolve in respect of any one particular dividend of the Company that notwithstanding the provisions of paragraph (A) of this Bye-Law a dividend may be satisfied wholly in the form of an allotment of shares credited as fully paid without offering any right to shareholders to elect to receive such dividend in cash in lieu of such allotment.
- (E) The Directors may on any occasion determine that rights of election and the allotment of shares under paragraph (A) of this Bye-Law shall not be made available or made to any shareholders with registered addresses in any territory where in the absence of a registration statement or other special formalities the circulation of an offer of such rights of election or the allotment of shares would or might be unlawful or impracticable or the legality or practicability of which may be time consuming or expensive to ascertain whether in absolute terms or in relation to the value of the holding of shares of the shareholder concerned, and in such event the provisions aforesaid shall be read and construed subject to such determination and no shareholder who may be affected by any such determination shall be, and they shall be deemed not to be, a separate class of shareholders for any purposes whatsoever.
161. The Directors may, before recommending any dividend, set aside out of the profits of the Company such sums as they think fit as a reserve or reserves which shall, at the discretion of the Directors, be applicable for meeting claims on or liabilities of the Company or contingencies or for paying off any loan capital or for equalising dividends or for any other purpose to which the profits of the Company may be properly applied, and pending such application may, at the like discretion, either be employed in the business of the Company or be invested in such investments (including in the repurchase by the Company of its own securities or the giving of any financial assistance for the acquisition of its own securities) as the Directors may from time to time think fit, and so that it shall not be necessary to keep any investments constituting the reserve or reserves separate or distinct from any other investments of the Company. The Directors may also without placing the same to reserve carry forward any profits which they may think prudent not to distribute by way of dividend. Reserves

162. Unless and to the extent that the rights attached to any shares or the terms of issue thereof otherwise provide, all dividends shall (as regards any shares not fully paid throughout the period in respect of which the dividend is paid) be apportioned and paid pro rata according to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid. For the purposes of this Bye-Law no amount paid on a share in advance of calls shall be treated as paid on the share. Dividends to be paid in proportion to paid up capital
163. (A) The Directors may retain any dividends or other moneys payable on or in respect of a share upon which the Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists. Retention of dividends etc.
- (B) The Directors may deduct from any dividend or other money payable to any shareholder all sums of money (if any) presently payable by him to the Company on account of calls, instalments or otherwise. Deduction for debts
164. Any general meeting sanctioning a dividend may make a call on the shareholders of such amount as the meeting fixes, but so that the call on each shareholder shall not exceed the dividend payable to him, and so that the call shall be made payable at the same time as the dividend, and the dividend may, if so arranged between the Company and the shareholder, be set off against the call. Dividend and call together
165. A transfer of shares shall not, as against the Company but without prejudice to the rights of the transferor and transferee inter se, pass the right to any dividend or bonus declared thereon before the registration of the transfer. Effect of transfer
166. If two or more persons are registered as joint holders of any share, any one of such persons may give effectual receipts for any dividends and other moneys payable and bonuses, rights and other distributions in respect of such shares. Receipt for dividends etc. by joint holders
167. Unless otherwise directed by the Directors, any dividend or other moneys payable or bonuses, rights or other distributions in respect of any share may be paid or satisfied by cheque or warrant or certificate or other documents or evidence of title sent through the post to the registered address of the shareholder entitled, or, in the case of joint holders, to the registered address of that one whose name stands first in the register in respect of the joint holding or to such person and to such address as the holder or joint holders may in writing direct. Every cheque, warrant, certificate or other document or evidence of title so sent shall be made payable to the order of the person to whom it is sent or, in the case of certificates or other documents or evidence of title as aforesaid, in favour of the shareholder(s) entitled thereto, and the payment on any such cheque or warrant by the banker upon whom it is drawn shall operate as a good discharge to the Company in respect of the dividend and/or other moneys represented thereby, notwithstanding that it may subsequently appear that the same has been stolen or that any endorsement thereon has been forged. Every such cheque, warrant, certificate or other document or evidence of title as aforesaid shall be sent at the risk of the person entitled to the dividend, money, bonus, rights and other distributions represented thereby. Payment etc. by post

168. All dividends, bonuses or other distributions or the proceeds of the realisation of any of the foregoing unclaimed for one year after having been declared may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed and, notwithstanding any entry in any books of the Company or otherwise howsoever, the Company shall not be constituted a trustee in respect thereof. All dividends, bonuses or other distributions or the proceeds of the realisation of any of the foregoing unclaimed for six years after having been declared may be forfeited by the Directors and, upon such forfeiture, shall revert to the Company and, in the case where any of the same are securities of the Company, may be re-allotted or re-issued for such consideration as the Directors think fit and the proceeds thereof shall accrue to the benefit of the Company absolutely.

Unclaimed dividend etc.

#### **RECORD DATE**

169. Any resolution declaring a dividend or other distribution on shares of any class, whether a resolution of the Company in general meeting or a resolution of the Directors, may specify that the same shall be payable or made to the persons registered as the holder of such shares at the close of business on a particular date or at a particular time on a particular date, notwithstanding that it may be a date prior to that on which the resolution is passed, and thereupon the dividend or other distribution shall be payable or made to them in accordance with their respective holdings so registered, but without prejudice to the rights inter se in respect of such dividend or other distribution between the transferors and transferees of any such shares. The provisions of this Bye-Law shall mutatis mutandis apply to bonuses, capitalisation issues, distributions of realised and unrealised capital profits or other distributable reserves or accounts of the Company and offers or grants made by the Company to the shareholders.

Record date

#### **DISTRIBUTION OF REALISED CAPITAL PROFITS**

170. The Company in general meeting may at any time and from time to time resolve that any surplus moneys in the hands of the Company representing capital profits or contributed surplus arising from moneys received or recovered in respect of or arising from the realisation of any capital assets of the Company or any investments representing the same and not required for the payment or provision of any fixed preferential dividend instead of being applied in the purchase of any other capital assets or for other capital purposes be distributed amongst its shareholders on the footing that they receive the same as capital and in the shares and proportions in which they would have been entitled to receive the same if it had been distributed by way of dividend, provided that no such surplus moneys as aforesaid shall be so distributed unless the Company will remain solvent after the distribution, or the net realisable value of the assets of the Company will after the distribution be greater than the aggregate of its liabilities, share capital and share premium account.

Distribution of realised capital profits

**ANNUAL RETURNS**

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

**ACCOUNTS**

172. The Directors shall cause true accounts to be kept of the sums of money received and expended by the Company, and the matters in respect of which such receipts and expenditure take place; and of the property, assets, credits and liabilities of the Company and of all other matters required by the Statutes or necessary to give a true and fair view of the state of the Company's affairs and to show and explain its transactions. Accounts to be kept
173. The books of account shall be kept at the Head Office or at such other place or places as the Directors think fit and shall always be open to the inspection of the Directors provided that such records as are required by the Statutes to be kept at the Registered Office shall also be kept thereat. Where accounts to be kept
174. No shareholder (not being a Director) or other person shall have any right of inspecting any account or book or document of the Company except as conferred by the Statutes or ordered by a court of competent jurisdiction or authorised by the Directors or the Company in general meeting. Inspection by shareholders
175. (A) The Directors shall from time to time cause to be prepared and laid before the Company at its annual general meeting profit and loss accounts, balance sheets, group accounts (if any) and reports as are required by the statutes and, so long as any shares in the Company are with the consent of the Company listed on The Stock Exchange of Hong Kong Limited, the accounts of the Company shall be prepared and audited based on the generally accepted accounting principles of Hong Kong and this shall be disclosed in the financial statements and the report of the Auditors. Annual profit and loss account and balance sheet

- (B) Every balance sheet of the Company shall be signed on behalf of the Directors by two of the Directors and a copy of every balance sheet (including every document required by law to be comprised therein or annexed thereto) and profit and loss account which is to be laid before the Company at its annual general meeting, together with a copy of the Directors' report and a copy of the Auditors' report thereon, shall not less than twenty-one (21) days before the date of the meeting be sent to every shareholder of, and every holder of debentures of, the Company and every other person entitled to receive notices of general meetings of the Company under the provisions of the Companies Act and/or these Bye-Laws, provided that this Bye-Law shall not affect the operation of paragraph (C) of this Bye-Law, or require a copy of those documents to be sent to any person of whose address the Company is not aware or to more than one of the joint holders of any shares or debentures, but any shareholder or holder of debentures to whom a copy of those documents has not been sent shall be entitled to receive a copy free of charge on application at the Head Office or the Registration Office. If all or any of the shares or debentures or other securities of the Company shall for the time being be (with the consent of the Company) listed or dealt in on any stock exchange or market, there shall be forwarded to such stock exchange or market such number of copies of such documents as may for the time being be required under its regulations or practice.
- (C) Subject to due compliance with the Statutes and the rules of the stock exchange in the Relevant Territory, and to obtaining all necessary consents, if any, required thereunder and such consents being in full force and effect, the requirements of Bye-Law 175(B) shall be deemed satisfied in relation to any person by sending to the person in any manner not prohibited by the Statutes and instead of such copies, a summary financial statement derived from the Company's annual financial statements and the directors' report thereon, which shall be in the form and containing the information required by applicable laws and regulation, provided that any person who is otherwise entitled to the annual financial statements of the Company and the directors' report thereon may, if he so requires by notice in writing served on the Company, demand that the Company sends to him, in addition to a summary financial statement, a complete printed copy of the Company's annual financial statement and the directors' report thereon.

Annual report of Directors and balance sheet to be sent to shareholders

#### AUDITORS

176. (A) Subject to Section 88 of the Companies Act, at the annual general meeting or at a subsequent special general meeting in each year, the shareholders ~~Auditors shall be appointed an auditor to audit the accounts of the Company and such auditor shall hold office until the shareholders appoint another auditor. Such auditor may be a shareholder 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 and the terms and tenure of such appointment and their duties at all times regulated in accordance with the provisions of the Companies Act.~~

Appointment of auditors

- (B) The shareholders 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. The Company shall at each annual general meeting appoint one or more firms of auditors to hold office until the conclusion of the next annual general meeting on such terms and with such duties as may be agreed with the Directors, but if an appointment is not made, the Auditors in office shall continue in office until a successor is appointed. A Director, officer or employee of the Company or of any of its subsidiaries or a partner, officer or employee of any such Director, officer or employee shall not be appointed Auditors of the Company.
- (C) The remuneration of the Auditor shall by Ordinary Resolution be fixed by the Company in general meeting or in such manner as the shareholders may determine.
- (D) The Directors may fill any casual vacancy in the office of Auditors, but while any such vacancy continues the surviving or continuing Auditor or Auditors, (if any) may act. Save as otherwise provided by the Companies Act, the remuneration of the any Auditors appointed by the Directors under this Bye-Law 176(D) may be fixed by the Board. Subject to Bye-Law 176(B), an Auditor appointed under this Bye-Law 176(D) shall hold office until the next following annual general meeting of the Company and shall then be subject to appointment by the shareholders under Bye-Law 176(A) at such remuneration to be determined by the shareholders under Bye-Law 176(C). shall be fixed by or on the authority of the Company in the annual general meeting except that in any particular year the Company in general meeting may delegate the fixing of such remuneration to the Directors and the remuneration of any Auditors appointed to fill any casual vacancy may be fixed by the Directors.
177. The Auditors of the Company shall have a right of access at all times to the books and accounts and vouchers of the Company and shall be entitled to require from the Directors and officers of the Company such information as may be necessary for the performance of his or their duties, and the Auditors shall make a report to the shareholders on the accounts examined by them and on every balance sheet, consolidated balance sheet and consolidated profit and loss account intended to be laid before the Company in the annual general meeting during their tenure of office as required by the Statutes. Auditors to have right of access to books and accounts
178. No person other than the retiring Auditors shall be appointed as Auditors at an annual general meeting unless notice of an intention to nominate that person to the office of Auditors has been given to the Company not less than twenty-one (21) clear days before the annual general meeting, and the Company shall send a copy of any such notice to the retiring Auditors and shall give notice thereof to the shareholders not less than seven (7) days before the annual general meeting provided that the above requirement for sending a copy of such notice to the retiring Auditors may be waived by notice in writing by the retiring Auditors to the Secretary. Appointment of auditors other than the retiring auditors



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

#### NOTICES

180. (A) Subject to Bye-Law 180(B), any notice or document to be given or issued under these Bye-Laws shall be in writing, and may be served by the Company on any shareholder either personally or by sending it through the post in a prepaid envelope or wrapper addressed to such shareholder at his registered address as appearing in the register or by delivering or leaving it at such registered address as aforesaid or (in the case of a notice) by advertisement in the Newspapers or displaying the relevant notice conspicuously at the Registered Office and the Head Office. 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 sufficient notice to all the joint holders. Service of notices
- (B) Subject to due compliance with the rules of the stock exchange in the Relevant Territory, and to obtaining all necessary consents, if any, required and such consents being in full force and effect, any notice or document (including any document or notice issued or to be issued by the Company for the information and/or action of holders of any of its securities and whether or not given or issued under these Bye-Laws) may also be served by the Company on any shareholder or holder of other securities of the Company by electronic means:
- (i) at his electronic address or website as appearing in the Register (if any); or
  - (ii) at any other electronic address or website supplied by him to the Company for the purpose of such transmission; or
  - (iii) by placing it on the Company's website or the website of the Designated Stock Exchange provided that where the relevant documents are the Company's directors' report, annual financial statements, auditors' report, interim report (and where applicable, a summary interim report) and, where Bye-Law 175(C) applies, a summary financial statement, any service of such documents by placing on the Company's website or the website of the Designated Stock Exchange shall also be accompanied by a notice of the publication ("notice of publication") of such documents on the Company's website given to the shareholder concerned in the manner referred to in Bye-Law 180(A) or in any other manner agreed between the shareholder concerned and the Company;



provided that (aa) in the case of joint holders of share, any consent required from the shareholder concerned for the purposes of this Bye-Law 180(B) shall be given by that one of the joint holders who is entitled to receive notice pursuant to Bye-Law 180(A); and (bb) the Company may, for the purposes of this Bye-Law 180(B), propose to its shareholders any one or more or all of the above means of electronic communication.

181. (A) Any shareholder whose registered address is outside the Relevant Territory may notify the Company in writing of an address in the Relevant Territory which for the purpose of service of notice shall be deemed to be his registered address. Where the registered address of the shareholder is outside the Relevant Territory, notice, if given through the post, shall be sent by prepaid airmail letter where available. Shareholders out of the Relevant Territory
- (B) Any shareholder who fails (and, where a share is held by joint holders, where the first joint holder named on the register fails) to supply his registered address or electronic address (in the event that the shareholder concerned has elected for service of any notice or document at his electronic address or website pursuant to Bye-Law 180(B)) or a correct registered address to the Company for service of notices and documents on him shall not (and where a share is held by joint holders, none of the other joint holders whether or not they have supplied a registered address or electronic address (in the event that the shareholder concerned has elected for service of any notice or document at his electronic address or website pursuant to Bye-Law 180(B)) shall) be entitled to service of any notice or documents by the Company and any notice or document which is otherwise required to be served on him may, if the Directors in their absolute discretion so elect (and subject to them re-electing otherwise from time to time), be served, in the case of notices, by displaying a copy of such notice conspicuously at the Registered Office and the Head Office or, if the Directors see fit, by advertisement in the Newspapers, and, in the case of documents, by posting up a notice conspicuously at the Registered Office and the Head Office addressed to such shareholder which notice shall state the address within the Relevant Territory at which he may obtain a copy of the relevant document. Any notice or document served in the manner so described shall be sufficient service as regards shareholders with no registered or electronic address (in the event that the shareholder concerned has elected for service of any notice or document at his electronic address or website pursuant to Bye-Law 180(B)) or incorrect addresses, provided that nothing in this paragraph (B) shall be construed as requiring the Company to serve any notice or document on any shareholder with no or an incorrect registered address or electronic address (in the event that the shareholder concerned has elected for service of any notice or document at his electronic address or website pursuant to Bye-Law 180(B) for the service of notice or document on him or on any shareholder other than the first named on the register of members of the Company. Shareholders with no or incorrect addresses

- (C) If on three consecutive occasions notices or other documents have been sent through the post to any shareholder (or, in the case of joint holders of shares, the first holder named on the register) at his registered address or by electronic means to his electronic address or website (in the event that the shareholder concerned has elected for service of any notice or document at his electronic address or website pursuant to Bye-Law 180(B)) but have been returned undelivered, such shareholder (and, in the case of joint holders of a share, all other joint holders of the share) shall not thereafter be entitled to receive or be served (save as the Directors may elect otherwise pursuant to paragraph (B) of this Bye-Law) and shall be deemed to have waived the service of notices and other documents from the Company until he shall have communicated with the Company and supplied in writing a new registered address or electronic address (in the event that the shareholder concerned has elected for service of any notice or document at his electronic address or website pursuant to Bye-Law 180(B)) for the service of notices on him. Where previous notices etc. returned undelivered
- (D) Notwithstanding any election by a member, if the Company is advised that the sending of any notice or other document to any electronic address supplied by a shareholder may or might infringe the law of any relevant jurisdiction, or if the Company cannot verify the location of the server at which the electronic address of the member located, the Company may in lieu of the sending of any notice or other document to the electronic address supplied by the shareholder concerned, place the same on the Company's website, and any such placement shall be deemed effective service on the shareholder, and the relevant notice and document shall be deemed to be served on the shareholder on which the same is first placed on the Company's website.
- (E) Notwithstanding any election by a member from time to time to receive any notice or document through electronic means, such member may, at any time require the Company to send to him, in addition to an electronic copy thereof a printed copy of any notice or document which he, in his capacity as shareholder, is entitled to receive.
182. (A) Any notice or document sent by post shall be deemed to have been served on the day following that on which the envelope or wrapper containing the same is put into a post office situated within the Relevant Territory and in proving such service it shall be sufficient to prove that the envelope or wrapper containing notice or document was properly prepaid (and in the case of an address outside the Relevant Territory where airmail service is available, airmail postage prepaid), addressed and put into such post office and a certificate in writing signed by the Secretary or other person appointed by the Directors that the envelope or wrapper containing the notice or document was so addressed and put into such post office shall be conclusive evidence thereof. When notice by post deemed to be served
- (B) A notice served by advertisement in the Newspapers shall be deemed to have been served on the day on which the notice is first published. When Notice by advertisement deemed to be served

- (C) Any notice or document sent by electronic transmission shall be deemed to have been served on the day on which the notice is sent.
- (D) Any notice or document placed on the Company's website is deemed given by the Company to a shareholder on the day the notice or document is placed on the Company's website except where the document is the Company's directors' report, annual financial statements or auditors' report and, where applicable, summary financial statement, then such document shall be deemed to be served on the day following that on which a notice of publication is deemed served on the shareholder.
- (E) A notice served by display of the same at the Registered Office and Head Office shall be deemed to have been served 24 hours after the notice was first so displayed. When notice by display deemed to be served
- (F) Any notice or document served pursuant to Bye-Law 181(B) shall be deemed duly served 24 hours after the relevant notice was first displayed. When notice to shareholders with no or incorrect addresses deemed to be served. Notice may be given in English or Chinese
- (G) Any notice may be given to a shareholder either in the English language or the Chinese language, subject to due compliance with all applicable Statutes, rules and regulations. Notice may be given in English or Chinese
183. A notice or document may be given by the Company to the person entitled to a share in consequence of the death, mental disorder, bankruptcy or liquidation of a shareholder by sending it through the post in a prepaid envelope or wrapper addressed to him by name, or by the title of representative of the deceased, the trustee of the bankrupt or the liquidation of the shareholder, or by any like description, at the address (including electronic 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 or document in any manner in which the same might have been given if the death, mental disorder, bankruptcy or winding up had not occurred. Service of notice to persons entitled on death, mental disorder, bankruptcy or liquidation
184. Any person who by operation of law, transfer or other means whatsoever shall become entitled to any share shall be bound by every notice in respect of such share which prior to his name and address being entered on the register shall have been duly served or deemed to have been duly served to the person from whom he derives his title to such share. Transferee to be bound by prior notices
185. Any notice or document delivered or sent by post to, or left at the registered address of any shareholder in pursuance of these presents, shall notwithstanding that such shareholder be then deceased, bankrupt or wound up and whether or not the Company has notice of his death, bankruptcy or winding up, be deemed to have been duly served in respect of any registered shares whether held solely or jointly with other persons by such shareholder until some other person be registered in his stead as the holder or joint holder thereof, and such service shall for all purposes of these presents be deemed a sufficient service of such notice or document on his personal representatives and all persons (if any) jointly interested with him in any such shares. Notice valid though shareholder deceased, bankrupt or wound up
186. The signature to any notice or document to be given by the Company may be written or printed. How notice to be signed

**INFORMATION**

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

**WINDING UP**

188. A resolution that the Company be wound up by the Court or be wound up voluntarily shall be passed by way of a Special Resolution. Modes of winding up
189. If the Company shall be wound up, the surplus assets remaining after payment to all creditors shall be divided among the shareholders in proportion to the capital paid up on the shares held by them respectively, and if such surplus assets shall be insufficient to repay the whole of the paid up capital, they shall be distributed, subject to the rights of any shares which may be issued on special terms and conditions, so that, as nearly as may be, the losses shall be borne by the shareholders in proportion to the capital paid on the shares held by them respectively. Distribution of assets in winding up
190. If the Company shall be wound up (whether the liquidation is voluntary or ordered or sanctioned by the court) the liquidator may, with the sanction of a Special Resolution, divide among the shareholders in specie or kind the whole or any part of the assets of the Company whether the assets shall consist of property of one kind or shall consist of properties of different kinds and the liquidator may, for such purpose, set such value as he deems fair upon any one or more class or classes of property to be divided as aforesaid and may determine how such division shall be carried out as between the shareholders or different classes of shareholders and the shareholders within each class. The liquidator may, with the like sanction, vest any part of the assets in trustees upon such trusts for the benefit of shareholders as the liquidator, with the like sanction, shall think fit, but so that no shareholder shall be compelled to accept any shares or other assets upon which there is a liability. Assets may be distributed in specie

## INDEMNITY

191. Save and except so far as the provisions of this Bye-Law shall be avoided by any provisions of the Statutes, the Directors, Managing Directors, alternate Directors, Auditors, Secretary and other officers for the time being of the Company and the trustees (if any) for the time being acting in relation to any of the affairs of the Company, and their respective executors or administrators, shall be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them, their or any of their executors or administrators, shall or may incur or sustain by reason of any act done, concurred in or omitted in or about the execution of their duty or supposed duty in their respective offices or trusts, except such (if any) as they shall incur or sustain through their own fraud or dishonesty, and none of them shall be answerable for the acts, receipts, neglects or defaults of any other of them, or for joining in any receipt for the sake of conformity, or for any bankers or other persons with whom any moneys or effects of the Company shall be lodged or deposited for safe custody, or for the insufficiency or deficiency of any security upon which any moneys of the Company shall be placed out or invested, or for any other loss, misfortune or damage which may arise in the execution of their respective offices or trusts, or in relation thereto, except as the same shall happen by or through their own fraud or dishonesty. The Company may take out and pay the premium and other moneys for the maintenance of insurance, bonds and other instruments for the benefit either of the Company or the Directors (and/or other officers) or any of them to indemnify the Company and/or the Directors (and/or other officers) named therein for this purpose against any loss, damage, liability and claim which they may suffer or sustain in connection with any breach by the Directors (and/or other officers) or any of them of their duties to the Company.

Indemnity

## UNTRACEABLE SHAREHOLDERS

192. Without prejudice to the rights of the Company under Bye-Law 168 and the provisions of Bye-Law 193, the Company may cease sending such cheques for dividend entitlements or dividend warrants by post if such cheques or warrants have been left uncashed on two consecutive occasions. However, the Company may exercise the power to cease sending cheques for dividend entitlements or dividend warrants after the first occasion on which such a cheque or warrant is returned undelivered. The provisions of this Bye-Law shall apply to certificates of and other documents or evidence of title to, and proceeds of realisation of, distributions on shares other than money.
193. (A) The Company shall have the power to sell, in such manner as the Directors think fit, any shares of a shareholder who is untraceable, but no such sale shall be made unless:
- (i) during the period of twelve years prior to the date of publication of the advertisements referred to in sub-paragraph (bi) below (or, if published more than once, the first thereof) at least three dividends or other distributions in respect of the shares in question have become payable or been made and no dividend or other distribution in respect of the shares has been claimed;

Company cease sending dividend warrants etc.

Company may sell shares of untraceable shareholders

- (ii) the Company has caused an advertisement to be inserted in the Newspapers of its intention to sell such shares and a period of three months has elapsed since the date of such advertisement (or, if published more than once, the first thereof);
  - (iii) the Company has not at any time during the said periods of twelve years and three months received any indication of the existence of the shareholder who is the holder of such shares or of a person entitled to such shares by death, bankruptcy or operation of law; and
  - (iv) the Company has notified the stock exchange in the Relevant Territory of its intention of such sale.
- (B) To give effect to any such sale the Directors may authorise any person to transfer the said shares and the instrument of transfer signed or otherwise executed by or on behalf of such person shall be as effective as if it had been executed by the registered holder or the person entitled by transmission to such shares, and the purchaser shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale. The net proceeds of the sale will belong to the Company and upon receipt by the Company of such proceeds it shall become indebted to the former shareholder for an amount equal to such net proceeds. Notwithstanding any entries made by the Company in any of its books or otherwise howsoever, no trusts shall be created in respect of such debt and no interest shall be payable in respect of it and the Company shall not be required to account for any money earned from the net proceeds which may be employed in the business of the Company or as it thinks fit. Any sale under this Bye-Law shall be valid and effective notwithstanding that the shareholder holding the shares sold is dead, bankrupt, wound up or otherwise under any legal disability or incapacity.

#### **DESTRUCTION OF DOCUMENTS**

194. Subject to the Companies Act, the Company may destroy:

Destruction of Documents

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

- (d) any other document, on the basis of which any entry in the register of members of the Company is made, at any time after the expiry of six years from the date on which an entry in the register was first made in respect of it;

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

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

#### **RESIDENT REPRESENTATIVE**

- 195. (A) Where the Company has its shares listed upon an appointed stock exchange and does not have two Directors ordinarily resident in Bermuda, a Director and a Secretary ordinarily resident in Bermuda or a Secretary ordinarily resident in Bermuda and a resident representative, the Company shall in accordance with the Companies Act appoint and retain solely a resident representative ordinarily resident in Bermuda as its resident representative. The resident representative shall maintain an office in Bermuda and comply with the provisions of the Companies Act. The resident representative shall be entitled to have notice of, attend and be heard at any Directors' meetings and general meetings of the Company.
- (B) The Directors 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 Companies Act which shall include:
  - (i) minutes of all proceedings of general meetings and directors' meetings of the Company;
  - (ii) all financial statements required to be prepared by the Company under the Companies Act together with the Auditors' report thereon;



- (iii) all records of account required by section 83 of the Companies Act to be kept in Bermuda; and
- (iv) all such documents as may be required in order to provide evidence of the continued listing of the Company on an appointed stock exchange within the meaning of the Companies Act.

#### **SUBSCRIPTION RIGHT RESERVE**

196. The following provisions shall have effect to the extent that they are not prohibited by and are in compliance with the Statutes: Subscription right

- (A) If, so long as any of the rights attaching to any warrants issued by the Company to subscribe for shares of the Company shall remain exercisable, the Company does any act or engages in any transaction which, as a result of any adjustments to the subscription price in accordance with the provisions applicable under the terms and conditions of the warrants, would reduce the subscription price to below the par value of a share, then the following provisions shall apply:
  - (i) as from the date of such act or transaction the Company shall establish and thereafter (subject as provided in this Bye-Law) maintain in accordance with the provisions of this Bye-Law a reserve (the “Subscription Right Reserve”) the amount of which shall at no time be less than the sum which for the time being would be required to be capitalised and applied in paying up in full the nominal amount of the additional shares required to be issued and allotted credited as fully paid pursuant to sub-paragraph (iii) below on the exercise in full of all the subscription rights outstanding and shall apply the Subscription Right Reserve in paying up in full the amount of the shortfall referred to in sub-paragraph (iii) in respect of such additional shares as and when the same are allotted;
  - (ii) the Subscription Right Reserve shall not be used for any purpose other than that specified above unless all other reserves of the Company (other than the share premium account) have been extinguished and will then only be used to make good losses of the Company if and so far as is required by law;
  - (iii) upon the exercise of all or any of the subscription rights represented by any warrant, the relevant subscription rights shall be exercisable in respect of a nominal amount of shares equal to the amount in cash which the holder of such warrant is required to pay on exercise of the subscription rights represented thereby (or, as the case may be, the relevant portion thereof in the event of a partial exercise of the subscription rights) and, in addition, there shall be allotted in respect of such subscription rights to the exercising warrant holder, credited as fully paid, such additional nominal amount of shares as is equal to the shortfall between:



- (aa) the said amount in cash which the holder of such warrant is required to pay on exercise of the subscription rights represented thereby (or, as the case may be, the relevant portion thereof in the event of a partial exercise of the subscription rights); and
  - (bb) the nominal amount of shares in respect of which such subscription rights would have been exercisable having regard to the provisions of the conditions of the warrants, had it been possible for such subscription rights to represent the right to subscribe for shares at less than par, and immediately upon such exercise so much of the sum standing to the credit of the Subscription Right Reserve as is required to pay up in full such additional nominal amount of shares shall be capitalised and applied in paying up in full such additional nominal amount of shares which shall forthwith be allotted credited as fully paid to the exercising warrant holder; and
  - (iv) if upon the exercise of the subscription rights represented by any warrant the amount standing to the credit of the Subscription Right Reserve is not sufficient to pay up in full such additional nominal amount of shares equal to such shortfall as aforesaid to which the exercising warrant holder is entitled, the Directors shall apply any profits or reserves then or thereafter becoming available (including, to the extent permitted or not prohibited by law, contributed surplus and share premium account) for such purpose until such additional nominal amount of shares is paid up and allotted as aforesaid and until then no dividend or other distribution shall be paid or made on the fully paid shares of the Company then in issue. Pending such payment up and allotment, the exercising warrant holder shall be issued by the Company with a certificate evidencing his right to the allotment of such additional nominal amount of shares. The rights represented by any such certificate shall be in registered form and shall be transferable in whole or in part in units of one share in the like manner as the shares for the time being are transferable, and the Company shall make such arrangements in relation to the maintenance of a register therefor and other matters in relation thereto as the Directors may think fit and adequate particulars thereof shall be made known to each relevant exercising warrant holder upon the issue of such certificate.
- (B) Shares allotted pursuant to the provisions of this Bye-Law shall rank *pari passu* in all respects with the other shares allotted or which ought to be allotted on the relevant exercise of the subscription rights represented by the warrant concerned. Notwithstanding anything contained in paragraph (A) of this Bye-Law, no fraction of any share shall be allotted on exercise of the subscription rights.

- (C) The provisions of this Bye-Law as to the establishment and maintenance of the Subscription Right Reserve shall not be altered or added to in any way which would vary or abrogate, or which would have the effect of varying or abrogating, the provisions for the benefit of any warrant holder or class of warrant holders under this Bye-Law without the sanction of a resolution passed by the holders of three-fourths of the subscription rights represented by the outstanding warrants of the Company present in person (or, in the case of a warrant holder being a corporation, by its duly authorised representative) or by proxy and voting on such resolution of a meeting duly convened and held in accordance with the terms and conditions of such warrants.
- (D) A certificate or report by the Auditors as to whether or not the Subscription Right Reserve is required to be established and maintained and if so the amount thereof so required to be established and maintained, as to the purposes for which the Subscription Right Reserve has been used, as to the extent to which it has been used to make good losses of the Company, as to the additional nominal amount of shares required to be allotted to exercising warrant holders credited as fully paid, and as to any other matter concerning the Subscription Right Reserve shall (in the absence of manifest error) be conclusive and binding upon the Company and all warrant holders and shareholders.

#### STOCK

197. The following provisions shall have effect at any time and from time to time that they are not prohibited by or inconsistent with the Statutes: Conversion of shares into stock
- (i) The Company may by Ordinary Resolution convert any fully paid shares into stock, and may from time to time by like resolution reconvert any stock into fully paid shares of any denomination.
- (ii) The holders of stock may transfer the same or any part thereof in the same manner, and subject to the same regulations as and subject to which the shares from which the stock arose might prior to conversion have been transferred or as near thereto as circumstances admit, but the Directors may from time to time, if they think fit, fix the minimum amount of stock transferable and restrict or prohibit the transfer of fractions of that minimum, but so that such minimum shall not exceed the nominal amount of the shares from which the stock arose. No warrants to bearer shall be issued in respect of any stock.
- (iii) The holders of stock shall, according to the amount of the stock held by them, have the same rights, privileges and advantages as regards dividends, participation in assets on a winding up, voting at meetings, and other matters, as if they held the shares from which the stock arose, but no such rights, privileges or advantages (except participation in the dividends and profits and in the assets on winding up of the Company) shall be conferred by an amount of stock which would not, if existing in shares, have conferred such rights, privileges or advantages.

- (iv) Such of the provisions of these Bye-Laws as are applicable to fully paid shares shall apply to stock, and the words “share” and “shareholder” and “member” herein shall include “stock” and “stockholder”.

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## NOTICE OF ANNUAL GENERAL MEETING

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# TONTINE

## CHINA TONTINE WINES GROUP LIMITED

### 中國通天酒業集團有限公司

*(Incorporated in Bermuda with limited liability)*  
(Stock Code: 389)

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the annual general meeting (the “**Meeting**”) of China Tontine Wines Group Limited (the “**Company**”) will be held at the head office of the Company at No. 2199, Tuanjie Road, Tonghua County, Jilin Province, The People’s Republic of China on Friday, 16 June 2023 at 3:00 p.m. to consider and, if thought fit, transact the following ordinary businesses:

### AS ORDINARY BUSINESS

1. To receive and approve the audited consolidated financial statements of the Company and its subsidiaries and the reports of the directors (the “**Directors**” and each a “**Director**”) and the auditor of the Company (the “**Auditor**”) for the year ended 31 December 2022.
2. To consider the re-election of the retiring Directors (namely Mr. Zhang Hebin as executive Director, Ms. Wang Lijun as executive Director, Mr. Yang Qiang as independent non-executive Director, Mr. Li Jerry Y. as non-executive Director and Mr. Zhu Minghui as non-executive Director), each as separate resolution, and to authorise the board of Directors (the “**Board**”) to fix the remuneration of the Directors.
3. To consider the re-appointment of ZHONGHUI ANDA CPA Limited as the Auditor for the year ending 31 December 2023 and to authorise the Board to fix the remuneration of the Auditor.

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## NOTICE OF ANNUAL GENERAL MEETING

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### AS SPECIAL BUSINESS

To consider and, if thought fit, pass with or without modifications, each of the following resolutions as ordinary resolution:

4. **“THAT:**

- (a) subject to paragraphs (c) and (d) below, pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the **“Listing Rules”**) and all other applicable laws, the exercise by the directors (the **“Directors”**) of the Company during the Relevant Period (as defined in paragraph (e) below) of all the powers of the Company to allot, issue and deal with the unissued shares (the **“Shares”**) of HK\$0.01 each in the share capital of the Company, and to make or grant offers, agreements and options (including warrants, bonds, notes and other securities which carry rights to subscribe for or are convertible into Shares) which would or might require the exercise of such powers be and the same is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds, notes and other securities which carry rights to subscribe for or are convertible into Shares) which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate number of the Shares allotted and issued or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to:
  - (i) a Rights Issue (as hereinafter defined in paragraph (e) below);
  - (ii) the exercise of options granted under the share option scheme or similar arrangement for the time being adopted by the Company from time to time;
  - (iii) any scrip dividend or similar arrangements providing for allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the bye-laws (the **“Bye-laws”**) of the Company and other relevant regulations in force from time to time; or



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## NOTICE OF ANNUAL GENERAL MEETING

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- (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares;

shall not exceed 20% of the aggregate number of Shares in issue as at the date of the passing of this resolution, and the said approval shall be limited accordingly;

- (d) the Company may not issue securities convertible into new Shares for cash consideration unless the initial conversion price is not lower than the Benchmarked Price (as hereinafter defined in paragraph (e) below) of the Shares at the time of the relevant placing, and the Company may not issue warrants, options or similar rights to subscribe for (i) any new Shares; or (ii) any securities convertible into new Shares, for cash consideration pursuant to the approval in paragraph (a) above; and
- (e) for the purposes of this resolution,

“**Benchmarked Price**” means the higher of:

- (i) the closing price on the date of the relevant placing agreement or other agreement involving the proposed issue of securities pursuant to the approval in paragraph (a) above; and
- (ii) the average closing price in the 5 trading days immediately prior to the earlier of:
  - (1) the date of announcement of the placing or the proposed transaction or arrangement involving the proposed issue of securities pursuant to the approval in paragraph (a) above;
  - (2) the date of the placing agreement or other agreement involving the proposed issue of securities pursuant to the approval in paragraph (a) above; and
  - (3) the date on which the placing or subscription price is fixed.

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## NOTICE OF ANNUAL GENERAL MEETING

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

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws or any applicable law of Bermuda to be held; or
- (iii) the date on which such mandate granted under this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.

“**Rights Issue**” means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the Directors to the holders of Shares or any class of Shares whose names appear on the register 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 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, or the expenses or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).”

5. “**THAT:**

- (a) subject to paragraph (b) below, the exercise by the directors of the Company during the Relevant Period (as defined in paragraph (c) below) of all the powers of the Company to buy back the shares (the “**Shares**”) of HK\$0.01 each in the share capital of the Company 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 (the “**SFC**”) and the Stock Exchange for such purpose, and subject to and in accordance with the rules and regulations of the SFC, the Stock Exchange, the Companies Act 1981 of Bermuda (as amended, supplemented or modified from time to time) and all other applicable laws as amended from time to time in this regard, be and the same is hereby generally and unconditionally approved;

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## NOTICE OF ANNUAL GENERAL MEETING

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- (b) the aggregate number of Shares which may be bought back or agreed to be bought back by the Company pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed 10% of the aggregate number of Shares in issue 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 date of passing of this resolution until whichever is the earliest of:
    - (i) the conclusion of the next annual general meeting of the Company;
    - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any other applicable law of Bermuda to be held; or
    - (iii) the date on which such mandate granted under this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.”
- 6. “**THAT** conditional upon resolutions numbered 4 and 5 above being passed, the unconditional general mandate granted to the directors (the “**Directors**”) of the Company to allot, issue and deal with the unissued shares in the Company pursuant to resolution numbered 4 above be and is hereby extended by the addition to the aggregate number of the shares in the Company which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to or in accordance with such general mandate of an amount representing the aggregate number of shares in the Company bought back by the Company pursuant to or in accordance with the authority granted under resolution numbered 5 above.”
- 7. “**THAT:**
  - (a) the share option scheme adopted by the Company on 10 May 2019 (the “**Existing Scheme**”) be hereby terminated (save with respect to any outstanding, issued and unexercised options thereof) with effect from the conclusion of the Meeting;

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## NOTICE OF ANNUAL GENERAL MEETING

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- (b) subject to and conditional upon the passing of the resolution in paragraph 7 (a) hereinabove and the Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in, the Shares which may fall to be issued and allotted pursuant to the exercise of any options that may be granted under the share option scheme of the Company (the rules of which are contained in the document marked “A” produced to the Meeting and signed by the chairman of the Meeting for the purpose of identification) (“**2023 Share Option Scheme**”), the 2023 Share Option Scheme be and is hereby approved and adopted and the Directors be hereby authorised to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the 2023 Share Option Scheme including without limitation:
- (i) to grant options thereunder and to allot and issue Shares pursuant to the 2023 Share Option Scheme;
  - (ii) to alter and/or modify the 2023 Share Option Scheme from time to time provided that such alternation and/or modification is effected in accordance with the provisions of the 2023 Share Option Scheme relating to the alternation and/or modification and subject to Chapter 17 of the Listing Rules;
  - (iii) to allot and issue from time to time such number of Shares as may be required to be allotted and issued pursuant to the exercise of options granted under the 2023 Share Option Scheme and subject to the Listing Rules; and
  - (iv) to take all such steps as may be necessary or desirable to implement such 2023 Share Option Scheme.”
8. “**THAT** the Scheme Mandate Limit (as defined in the 2023 Share Option Scheme) on the total number of Shares that may be issued in respect of all options and awards to be granted to the eligible participants under all the share schemes of the Company (i. e. 10% of the Shares in issue as at the date of passing of this resolution) be hereby approved and adopted and the Directors be hereby authorised to take all such steps and attend all such matters, approve and execute (whether under hand or under seal) such documents and do such other things, for and on behalf of the Company, as the Directors may consider necessary, desirable or expedient to effect and implement the Scheme Mandate Limit.”

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9. “**THAT** the Service Provider Sublimit (as defined in the 2023 Share Option Scheme) on the total number of Shares that may be issued in respect of all options and awards to be granted to service providers under the 2023 Share Option Scheme (i.e. 1% of the Shares in issue as at the date of passing of this resolution) be and is hereby approved and adopted and the directors of the Company be and are hereby authorised to take all such steps and attend all such matters, approve and execute (whether under hand or under seal) such documents and do such other things, for and on behalf of the Company, as the Directors may consider necessary, desirable or expedient to effect and implement the Service Provider Sublimit.”

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

### SPECIAL RESOLUTION

10. “**THAT:**
- (a) the proposed amendments to the existing bye-laws of the Company (the “**Proposed Amendments**”), the details of which are set out in Appendix IV to the circular of the Company dated 4 May 2023, be and are hereby approved;
  - (b) the new bye-laws of the Company (the “**New Bye-Laws**”) which incorporate and consolidate the Proposed Amendments and all previous amendments to the bye-laws of the Company duly adopted and approved by the Company in the past (a copy of which is tabled at the meeting and marked “B” and signed by the chairman of the meeting for the purpose of identification) be and are hereby approved and adopted in substitution for and to the exclusion of the existing bye-laws of the Company; and
  - (c) any Director, secretary and/or registered office provider of the Company be and is hereby authorised to do all such acts as may be necessary or expedient in order to effect and implement the adoption of the New Bye-Laws and to make relevant registrations and filings in accordance with the requirements of the applicable laws in Bermuda and Hong Kong.”

Yours faithfully  
By order of the Board  
**China Tontine Wines Group Limited**  
**Wang Guangyuan**  
*Chairman and Executive Director*

Hong Kong, 4 May 2023

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## NOTICE OF ANNUAL GENERAL MEETING

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*Registered office:*

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

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

Unit No. 2910-11, 29/F  
Prosperity Millennia Plaza  
663 King's Road  
Quarry Bay  
Hong Kong

*Notes:*

1. A member of the Company entitled to attend and vote at the Meeting is entitled to appoint another person as his proxy to attend and vote in his stead. A member who is the holder of two or more shares (the “**Shares**”) in the Company may appoint more than one proxy to represent him and vote on his behalf at the Meeting. A proxy need not be a member of the Company.
2. In the case of joint holders of Shares, any one of such joint holders may vote, either in person or by proxy, in respect of such Share as if he were solely entitled thereto, but if more than one of such joint holders are present at the Meeting, personally or by proxy, that one of the said persons so present whose name stands first in the register in respect of such Shares shall alone be entitled to vote in respect thereof.
3. In order to be valid, the form of proxy must be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under seal, or under the hand of an officer or attorney duly authorised, and must be deposited with the Hong Kong branch share registrar and transfer office (the “**Hong Kong Branch Share Registrar**”) of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof) not less than 48 hours (i.e. 3:00 p.m. on Wednesday, 14 June 2023) before the time fixed for holding of the Meeting (or any adjournment thereof).
4. The register of members of the Company will be closed from Tuesday, 13 June 2023 to Friday, 16 June 2023 (both days inclusive), during which period no transfer of Shares will be effected. In order to qualify for attending the Meeting or any adjournment thereof, all transfers of Shares accompanied by the relevant share certificate(s) must be lodged with the Hong Kong Branch Share Registrar at the above address by no later than 4:30 p.m. on Friday, 9 June 2023.
5. Delivery of an instrument appointing a proxy should not preclude a member from attending and voting in person at the Meeting or any adjournment thereof and in such event, the instrument appointing a proxy shall be deemed to be revoked.
6. In relation to resolutions numbered 4 and 6 above, approval is being sought from the Shareholders for the grant to the Directors of a general mandate to authorise the allotment and issue of Shares in accordance with all applicable laws and the Listing Rules. The Directors have no immediate plans to issue any new Shares other than Shares which may fall to be allotted and issued upon exercise of the subscription rights attached to options granted under the share option scheme(s) of the Company or any scrip dividend scheme which may be approved by the Shareholders.

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## NOTICE OF ANNUAL GENERAL MEETING

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7. In relation to resolution numbered 5 above, approval is being sought from Shareholders for the grant to the Directors of a general mandate to buy-back Shares in accordance with all applicable laws and the Listing Rules. The Directors wish to state that they will exercise the powers conferred thereby to buy-back Shares in circumstances which they deem appropriate for the benefit of the Shareholders.

*As at the date of this notice, the executive Directors are Mr. Wang Guangyuan, Mr. Zhang Hebin and Ms. Wang Lijun, non-executive Directors are Mr. Li Jerry Y. and Mr. Zhu Minghui, and the independent non-executive Directors are Dr. Cheng Vincent, Mr. Lai Chi Keung, Albert and Mr. Yang Qiang.*