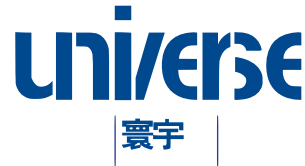

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in Universe Entertainment and Culture Group Company Limited (the “Company”) you should at once hand this circular, together with the accompanying form of proxy to the purchaser or transferee, or to the bank, licensed securities dealer, or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



**UNIVERSE ENTERTAINMENT AND CULTURE
GROUP COMPANY LIMITED
寰宇娛樂文化集團有限公司**

(Incorporated in Bermuda with limited liability)

(Stock Code: 1046)

- (1) PROPOSED RE-ELECTION OF THE RETIRING DIRECTORS AND
CONTINUOUS APPOINTMENT OF AN INDEPENDENT NON-EXECUTIVE
DIRECTOR WHO HAS SERVED FOR MORE THAN NINE YEARS**
- (2) PROPOSED GRANTING OF GENERAL MANDATES TO ISSUE AND TO
REPURCHASE SHARES**
- (3) PROPOSED ADOPTION OF THE NEW BYE-LAWS**
- (4) PROPOSED ADOPTION OF THE NEW SHARE OPTION SCHEME
AND**
- (5) NOTICE OF ANNUAL GENERAL MEETING**

Unless the context otherwise requires, capitalized terms used in this cover shall have the same meanings as those defined in this circular.

A notice convening the AGM to be held at 12:00 noon on Monday, 4th December, 2023 Hong Kong at 18/F, Wyler Centre Phase II, 192-200 Tai Lin Pai Road, Kwai Chung, New Territories, Hong Kong or in the event that a Tropical Cyclone Warning Signal no. 8 or above or a Black Rainstorm Warning Signal has been issued by the Hong Kong Observatory or the Hong Kong Government has issued an announcement on “Extreme Conditions” at 10:00 a.m. on that day, at the same time and place on the second Business Day after 4th December 2023 or any adjournment thereof, at which the proposed resolutions as stated in the aforesaid notice will be considered, is set out on pages 108 to 114 of this circular.

No corporate gifts or refreshments will be provided at the AGM to reduce close contact among attendees.

Whether or not you to attend and vote in person at the AGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the it to the Company’s branch share registrar and transfer office in Hong Kong, Tricor Abacus Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding the AGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof (as the case may be) should you so wish and in such event the form of proxy previously submitted shall be deemed to be revoked.

30th October 2023

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	6
1. Introduction	6
2. Proposed Re-election of the Retiring Directors and Continuous Appointment of an Independent Non-Executive Director who has served for more than nine years	7
3. Proposed General Mandates to Issue and to Repurchase Shares	9
4. Proposed Adoption of the New Bye-Laws	9
5. Proposed Adoption of the New Share Option Scheme	10
6. The AGM.	18
7. Documents on Display	20
8. Closure of Register of Members	20
9. Responsibility Statement	20
10. Recommendations	20
11. General	20
Appendix I – Biographical Details of the Retiring Directors	22
Appendix II – Explanatory Statement	26
Appendix III – Proposed Amendments to the Existing Bye-Laws	29
Appendix IV – Summary of the Principal Terms of the New Share Option Scheme ..	93
AGM Notice	108

DEFINITIONS

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

“1% Individual Limit”	has the meaning ascribed thereto in paragraph 6 of Appendix IV to this circular
“Adoption Date”	the date on which the New Share Option Scheme is adopted by Ordinary Resolutions to be passed at the AGM
“AGM”	the annual general meeting of the Company to be convened and held on Monday, 4th December 2023 at 18/F, Wyler Centre Phase II, 192-200 Tai Lin Pai Road, Kwai Chung, New Territories, Hong Kong or in the event that a Tropical Cyclone Warning Signal no. 8 or above or a Black Rainstorm Warning Signal has been issued by the Hong Kong Observatory or the Hong Kong Government has issued an announcement on “Extreme Conditions” at 10:00 a.m. on that day, at the same time and place on the second Business Day after 4th December 2023 or any adjournment thereof (as the case may be)
“AGM Notice”	notice convening the AGM as set out on pages 108 to 114 of this circular
“Board”	the board of Directors
“Business Day”	any day (excluding Saturday) on which no Tropical Cyclone Warning Signal no. 8 or above or a Black Rainstorm Warning Signal has been issued by the Hong Kong Observatory nor the Hong Kong Government has issued an announcement on “Extreme Conditions” at 10:00 a.m. on that day and on which banks in Hong Kong are generally open for business
“Bye-Laws”	the bye-laws of the Company as amended, supplemented or otherwise modified from time to time and “Bye-law” shall mean a provision of the Bye-Laws
“close associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“Company”	Universe Entertainment and Culture Group Company Limited 寰宇娛樂文化集團有限公司, a company incorporated in Bermuda with limited liability and the Shares are listed on the Main Board of the Stock Exchange (Stock Code: 1046)
“controlling shareholder(s)”	has the meaning ascribed thereto under the Listing Rules

DEFINITIONS

“core connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	director(s) of the Company for the time being and from time to time
”Eligible Participant(s)”	any of the Employee Participant(s), Related Entity Participant(s) and Service Provider(s)
“Employee Participant”	any Director (including executive Director, non-executive Director and independent non-executive Director) or any employee (whether full-time or part-time) of the Company or any Subsidiary (including any person who is granted Options as an inducement to enter into an employment contract with the Company or any Subsidiary) and “Employee Participants” shall be construed accordingly
“Existing Share Option Scheme”	the existing share option scheme adopted by the Company on 2nd December 2013
“Financial Period”	a year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules) in relation to which the Company’s consolidated financial statements and accounts are made up
“General Mandates”	the Share Issue Mandate and the Share Repurchase Mandate
“Globalcrest”	Globalcrest Enterprises Limited, a company incorporated in the British Virgin Islands with limited liability
“Grantee”	any Eligible Participant who accepts an Offer in accordance with the terms of the New Share Option Scheme or (where the context so permits) a person entitled to exercise any Option in consequence of the death of the original Grantee
“Grant Date”	has the meaning ascribed thereto in paragraph 7(b) of Appendix IV to this circular
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	24th October 2023, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Share Option Scheme”	the new share option scheme of the Company proposed to be approved and adopted at the AGM, a summary of its principal terms is set out in Appendix IV to this circular
“Nomination Committee”	the nomination committee as set up by the Board
“Offer”	an offer to an Eligible Participant for the grant of an Option
“Option(s)”	as the context may require, any option(s) granted or (as the case may be) to be granted to eligible participant(s) to subscribe for Share(s) under the Existing Share Option Scheme or, as appropriate, the New Share Option Scheme
“Option Period”	in respect of any particular Option, a period (which is of not more than 10 years from the Grant Date) to be determined and notified by the Board to the Grantee, commencing on the date as specified in the offer letter to the Eligible Participant, and expiring on the earliest of the last day of the said period or such time as specified in the New Share Option Scheme
“Ordinary Resolution(s)”	the proposed ordinary resolution(s) as referred to in the AGM Notice
“Refreshed Scheme Mandate Limit”	has the meaning ascribed thereto in paragraph 5(e) of Appendix IV to this circular
“Refreshed Service Provider Sublimit”	has the meaning ascribed thereto in paragraph 5(e) of Appendix IV to this circular
“Related Entity”	any holding company, fellow subsidiary or associated company of the Company and “Related Entities” shall be construed accordingly
“Related Entity Participant”	any director or employee (whether full time or part time) of a Related Entity and “Related Entity Participants” shall be construed accordingly
“Remuneration Committee”	the remuneration committee as set up by the Board
“Resolutions”	the Ordinary Resolutions and the Special Resolution
“Scheme Mandate Limit”	has the meaning ascribed thereto in paragraph 5(a) of Appendix IV to this circular

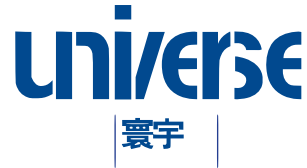
DEFINITIONS

”Scheme Period”	the period of 10 years commencing on the Adoption Date and expiring on the tenth anniversary of the Adoption Date
“Senior Manager”	a senior manager as disclosed in the Company’s annual report as required under paragraph 12 of Appendix 16 to the Listing Rules
“Service Provider(s)”	<p>(1) suppliers of products or services to any members of the Group on a regular or recurring basis, with which the Group would consider important to maintain a close business relationship on an ongoing basis, who are not engaged as employees of the Group, and have specialties or expertise in areas that supplement the Group’s operations (including, without limitation, copyright owners of films, film directors, artistes, advisers, suppliers, agents, licensors, licensees, distributors or other parties with specialties or expertise in the production, development, marketing, promotion and/or distribution of films, optical products and watches products, financial printing and other business activity(ies) that may be carried out by the Group from time to time);</p> <p>(2) business partners, including, without limitation, joint venture partners, or other contractual parties, in the production of films, optical or watches products, financial printing and other business activity(ies) that may be carried out by the Group from time to time, that work with the Group on a regular or recurring basis, with which the Group would consider important to maintain a close collaborative relationship on an ongoing basis,</p> <p>but, for the avoidance of doubt, excluding (a) placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions of the Company or its Subsidiaries; and (b) professional service providers such as the auditors or valuers who provide assurance or are required to perform their services with impartiality and objectivity</p>
“Service Provider Sublimit”	has the meaning ascribed thereto in paragraph 5(b) of Appendix IV to this circular
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

DEFINITIONS

“Share(s)”	the ordinary share(s) of HK\$0.01 (each) in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Share Issue Mandate”	the proposed general mandate to be granted to the Directors at the AGM to permit the allotment and issue of new Shares during the prescribed period equal in aggregate up to a maximum of 20% of the total number of Shares in issue as at the date of passing of the relevant resolution granting such mandate (such mandate to be extended and added by the number of Shares, if any, repurchased by the Company since the grant of such mandate)
“Share Repurchase Mandate”	a proposed general mandate to be granted to the Directors at the AGM to permit the repurchase of Shares on the Stock Exchange during the prescribed period up to a maximum of 10% of the total number of Shares in issue as at the date of passing of the relevant resolution granting such mandate
“Special Resolution”	the proposed special resolution as referred to in the AGM Notice
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	a company which is for the time being and from time to time a subsidiary (within the meaning of the Companies Ordinance) of the Company and “subsidiaries” shall be construed accordingly
“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Vesting Period”	has the meaning ascribed thereto in paragraph 9 of Appendix IV to this circular
“%”	per cent.

LETTER FROM THE BOARD



UNIVERSE ENTERTAINMENT AND CULTURE GROUP COMPANY LIMITED 寰宇娛樂文化集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 1046)

Executive Directors:

Mr. Lam Shiu Ming, Daneil
Mr. Lam Kit Sun

Independent Non-executive Directors:

Mr. Choi Wing Koon
Mr. Tang Yiu Wing
Ms. Pong Suet Hing

Registered office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

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

18th Floor
Wyler Centre Phase II
192-200 Tai Lin Pai Road
Kwai Chung
New Territories
Hong Kong

30th October 2023

To the Shareholders

Dear Sir or Madam,

- (1) PROPOSED RE-ELECTION OF THE RETIRING DIRECTORS AND
CONTINUOUS APPOINTMENT OF AN INDEPENDENT NON-EXECUTIVE
DIRECTOR WHO HAS SERVED FOR MORE THAN NINE YEARS**
- (2) PROPOSED GRANTING OF GENERAL MANDATES TO ISSUE AND TO
REPURCHASE SHARES**
- (3) PROPOSED ADOPTION OF THE NEW BYE-LAWS**
- (4) PROPOSED ADOPTION OF THE NEW SHARE OPTION SCHEME
AND**
- (5) NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to provide you with the AGM Notice and the information regarding the Resolutions that will be proposed at the AGM for the Shareholders to consider and, if thought fit, to (a) re-elect the retiring Directors and continue to appoint an independent non-executive Director who has served for more than nine years; (b) grant the General Mandates and the extension of the Share Issue Mandate to the Directors; (c) adopt the new Bye-Laws; and (d) adopt the New Share Option Scheme.

LETTER FROM THE BOARD

2. PROPOSED RE-ELECTION OF THE RETIRING DIRECTORS AND CONTINUOUS APPOINTMENT OF AN INDEPENDENT NON-EXECUTIVE DIRECTOR WHO HAS SERVED FOR MORE THAN NINE YEARS

Proposed Re-election of the Retiring Directors

As at the Latest Practicable Date, the Board consists of five Directors, namely Mr. Lam Shiu Ming, Daneil, Mr. Lam Kit Sun, Mr. Choi Wing Koon, Mr. Tang Yiu Wing and Ms. Pong Suet Hing.

In accordance with Bye-Laws 87(1) and 87(2), at each annual general meeting of the Company, not less than one third of the Directors for the time being, or, if their number is not 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 (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. The retiring Director(s) shall be eligible for re-election. Accordingly, Mr. Lam Shiu Ming, Daneil and Mr. Choi Wing Koon shall retire from office by rotation at the AGM. Mr. Lam Shiu Ming, Daneil and Mr. Choi Wing Koon, being eligible, will offer themselves for re-election at the AGM.

On 8th March 2023, Ms. Pong Suet Hing was appointed as an independent non-executive Director to the Board. In accordance with Bye-Law 86(2), Ms. Pong Suet Hing shall retire from office and, being eligible, will offer herself for re-election at the AGM.

The Nomination Committee has considered the nomination of Mr. Lam Shiu Ming, Daneil, Mr. Choi Wing Koon and Ms. Pong Suet Hing for re-election at the AGM in accordance with the Company's needs, nomination policy and board diversity policy, taking into account a number of considerations (including, but not limited to, their respective perspectives, skills, knowledge and experience). The Nomination Committee has also reviewed the annual written confirmation of independence in accordance with the independence guidelines as set out in Rule 3.13 of the Listing Rules from each of Mr. Choi Wing Koon and Ms. Pong Suet Hing. The Nomination Committee has concluded that each of Mr. Choi Wing Koon and Ms. Pong Suet Hing is independent with reference to the aforesaid Rule 3.13 and considered that their background, education and extensive experience in corporate management allow them to provide valuable insights and enhance the diversity and effectiveness of the Board. The Nomination Committee is of the view that each of Mr. Choi Wing Koon and Ms. Pong Suet Hing possesses the required skills, qualifications, experience, integrity and independence to be independent non-executive Directors. Therefore, the Nomination Committee recommended Mr. Lam Shiu Ming, Daneil, Mr. Choi Wing Koon and Ms. Pong Suet Hing to stand for re-election at the AGM.

The Board, having considered the recommendations of the Nomination Committee, believes that the invaluable knowledge and experience of the aforesaid Directors continue to be of significant benefit to the Company and the aforesaid Directors are able to continue to fulfil their roles as required and thus accepts the nomination by the Nomination Committee and recommends all of them to stand for re-election at the AGM.

LETTER FROM THE BOARD

Bye-Law 88 provides that 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 a notice in writing signed by a Shareholder (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election as Director(s) and also a notice in writing by each such person(s) of his/their willingness to be elected shall be lodged at the principal place of business of the Company in Hong Kong or the Company's branch share registrar and transfer office in Hong Kong, Tricor Abacus Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong provided that the minimum length of the period, during which such notice(s) are given, shall be at least seven days and that (if the notices are submitted after the despatch of the notice of the general meeting appointed for such election) the period for lodgment of such notice(s) shall commence no earlier than the day after the despatch of the notice of the general meeting appointed for such election and end no later than seven days prior to the date of such general meeting.

Brief biographical details of the retiring Directors who offer themselves for re-election are set out in Appendix I to this circular. If a valid notice from a Shareholder to propose a person to stand for election as a Director at the AGM is received after the printing of this circular, the Company will issue an announcement and/or a supplementary circular to inform Shareholders of the details of the additional candidate proposed.

Proposed Continuous Appointment of an Independent Non-Executive Director Who Has Served for More Than Nine Years

According to code provision B.2.3 of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules, if an independent non-executive Director serves more than nine years, any further appointment of such independent non-executive Director should be subject to a separate resolution to be approved by the Shareholders.

Mr. Choi has been appointed as independent non-executive Director for more than nine years since 4th December 2013. Nonetheless, the Board is of the view that Mr. Choi meets the independence guidelines set out in Rule 3.13 of the Listing Rules and maintains his independent in accordance with the terms of such guidelines. During his tenure as independent non-executive Director, Mr. Choi has made positive contributions to the Company's strategy, policies and performance with his independent advice, comments, judgment from the perspective of his background coupled with his general understanding of the business of the Group. Mr. Choi has not engaged in any executive management of the Group. In view of Mr. Choi's extensive experience in the commercial field, the Board believes that he is capable to provide constructive contributions and objective view to the Board. After careful consideration, the Board is of that view that Mr. Choi continued to demonstrate strong independence in judgement and his position outside the Company will not affect him in maintaining his current role in, and his functions and responsibilities for, the Company. Therefore, the Board considers Mr. Choi is still independent and should be re-elected. The re-appointment of Mr. Choi at the AGM will be in accordance with the relevant provision as set out in the Corporate Governance Code in Appendix 14 to the Listing Rules, which requires, *inter alia*, the approval of a separate resolution by the Shareholders.

LETTER FROM THE BOARD

3. PROPOSED GENERAL MANDATES TO ISSUE AND TO REPURCHASE SHARES

Ordinary Resolutions will be proposed at the AGM providing that the Directors be granted the General Mandates. In addition, an Ordinary Resolution will also be proposed at the AGM providing that any Shares repurchased under the Share Repurchase Mandate (up to a maximum of 10% of the total number of Shares in issue as at the date of the grant of the Share Repurchase Mandate) will be added to the total number of the Shares which may be allotted and issued under the Share Issue Mandate.

As at the Latest Practicable Date, the issued share capital of the Company comprised 906,632,276 Shares. Subject to the passing of the resolution granting the Share Issue Mandate and on the basis that no further Shares are issued or repurchased before the AGM, the Company will be allowed to issue a maximum of 90,663,227 Shares.

Each of the General Mandates will continue in force until whichever is the earliest of:

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the expiration of the period within which the next annual general meeting of the Company is required by any applicable law of Bermuda or the Bye-Laws to be held; or
- (c) the date on which any such mandate is revoked or varied by an ordinary resolution of the Shareholders in general meeting.

An explanatory statement as required under the Listing Rules to be given to the Shareholders is set out in Appendix II to this circular. The information in the explanatory statement provides you with information reasonably necessary to enable you to make an informed decision on whether to vote for or against the resolution to grant the Directors the Share Repurchase Mandate.

4. PROPOSED ADOPTION OF THE NEW BYE-LAWS

On 1st January 2022, the Listing Rules were amended by adopting, among other things, a uniform set of 14 core standards for shareholder protections for issuers, regardless of their place of incorporation, as set out in Appendix 3 to the Listing Rules. The Board proposes to amend the existing Bye-Laws to conform to these core standards for shareholder protections and to provide flexibility to give Shareholders the option of attending general meetings remotely through electronic means if necessary or appropriate and to incorporate certain housekeeping and consequential changes. The Board also proposes to adopt the new Bye-Laws in substitution for, and to the exclusion of, the existing Bye-Laws.

The full text of the proposed new Bye-Laws (marked-up against the existing Bye-Laws) is set out in Appendix III to this circular. The Chinese translation of the proposed new Bye-Laws is for reference only. In case of any discrepancy or inconsistency between the English version and its Chinese translation, the English version shall prevail.

LETTER FROM THE BOARD

The legal advisers to the Company as to Hong Kong laws have confirmed that the proposed new Bye-Laws comply with the requirements of the Listing Rules, where applicable, and the legal advisers to the Company as to Bermuda laws have confirmed that the proposed adoption of new Bye-Laws do not violate the applicable laws of Bermuda. The Company confirms that there is nothing unusual about the proposed new Bye-Laws.

The proposed adoption of new Bye-Laws is subject to the approval of the Shareholders by way of passing the Special Resolution at the AGM.

5. PROPOSED ADOPTION OF THE NEW SHARE OPTION SCHEME

The Existing Share Option Scheme

The Existing Share Option Scheme was adopted by the Company on 2nd December 2013 and is valid and effective for a period of 10 years from the date of adoption, i.e. until 1st December 2023. Following the Consultation Conclusions on Proposed Amendments to Listing Rules relating to Share Schemes of Listed Issuers and Housekeeping Rule Amendment published by the Stock Exchange in July 2022, Chapter 17 of the Listing Rules was amended and became effective from 1st January 2023. In light of the above and in view of the Existing Share Option Scheme which is due to expire on 1st December 2023, the Company proposes to adopt the New Share Option Scheme.

LETTER FROM THE BOARD

Since the adoption of the Existing Share Option Scheme, the Company has granted a total of 343,447,880 Options^{Note} to eligible participants. As at the Latest Practicable Date, there was no outstanding Options granted but not yet exercised or lapsed or cancelled under the Existing Share Option Scheme and the Board has no intention of granting any further Option under the Existing Share Option Scheme. Details of the Options are set out below.

Name or category of participants	Date of grant (d/m/y)	Exercise period	No. granted	No. exercised	No. lapsed	No. cancelled	Exercise price per Share (HK\$)	Balance as	Estimated fair value (HK\$)
								at the Latest Practicable Date	
Director									
Lam Shiu Ming, Daneil	21/7/2014	21/7/2014 to 20/7/2016	20,720,000	-	20,720,000	-	0.1738	0	1,123,853
	3/10/2017	9/10/2017 to 8/10/2020	8,530,000	8,530,000	-	-	0.47	0	-
Hung Cho Sing	21/7/2014	21/7/2014 to 20/7/2016	20,720,000	-	20,720,000	-	0.1738	0	1,123,853
	4/3/2016	4/3/2016 to 3/3/2018	14,814,000	-	14,814,000	-	0.092	0	340,686
Yeung Kim Piu	21/7/2014	21/7/2014 to 20/7/2016	20,720,000	-	20,720,000	-	0.1738	0	1,123,853
Lam Kit Sun	21/7/2014	21/7/2014 to 20/7/2016	20,720,000	-	20,720,000	-	0.1738	0	1,123,853
	4/3/2016	4/3/2016 to 3/3/2018	14,814,000	-	14,814,000	-	0.092	0	340,686
	3/10/2017	9/10/2017 to 8/10/2020	8,530,000	8,530,000	-	-	0.47	0	1,676,410
Cheng Hei Yu	4/3/2016	4/3/2016 to 3/3/2018	14,814,000	-	14,814,000	-	0.092	0	340,686
Chan Shiu Kwong, Stephen	4/3/2016	4/3/2016 to 3/3/2018	14,814,000	-	14,814,000	-	0.092	0	340,686

LETTER FROM THE BOARD

Name or category of participants	Date of grant (d/m/y)	Exercise period	No. granted	No. exercised	No. lapsed	No. cancelled	Exercise price per Share (HK\$)	Balance as	Estimated fair value (HK\$)
								at the Latest Practicable Date	
Senior management and employees of the Group	21/7/2014	21/7/2014 to 20/7/2016	68,004,000	-	68,004,000	-	0.1738	0	3,751,424
	30/9/2015	30/9/2015 to 29/9/2017	20,720,800	-	20,720,800	-	0.169	0	1,327,000
	4/3/2016	4/3/2016 to 3/3/2018	38,537,000	-	38,537,000	-	0.092	0	886,256
	3/10/2017	9/10/2017 to 8/10/2020	27,740,000	27,740,000			0.47	0	5,451,770
Consultant	21/7/2014	21/7/2014 to 20/7/2016	20,720,000	-	20,720,000	-	0.1738	0	1,151,410
Business Partner	3/10/2017	9/10/2017 to 8/10/2020	8,530,000	8,530,000	-	-	0.47	0	1,676,410
Total			<u>343,447,880</u>	<u>53,330,000</u>	<u>290,117,880</u>				<u>23,445,246</u>

Note:

As a result of two reorganisations of the share capital of the Company which became effective on 17th March 2015 and 18th March 2016 respectively as set out in the circulars of the Company dated 18th February 2015 and 23rd February 2016 respectively; and two issues by way of rights of new Shares as set out in the prospectus of the Company dated 24th July 2015 and completed on 13th August 2015, and the prospectus of the Company dated 9th September 2016 and completed on 7th October 2016 respectively, adjustments were made to the number of outstanding Options then granted by the Company under the Existing Share Option Scheme. Further, the Company has refreshed the maximum number of Options that might be granted under the Existing Share Option Scheme respectively on 17th November 2014, 30th November 2015, 30th November 2016, 21st December 2017 and 21st December 2018. Further details in respect of the said refreshments are set out in the circulars of the Company dated 16th October 2014, 29th October 2015, 31st October 2016, 21st November 2017 and 21st November 2018, respectively.

As at the Latest Practicable Date, the Company does not have any intention to grant any Option to the eligible participants under the Existing Share Option Scheme up to the expiry of the Existing Share Option Scheme which is on 1st December 2023.

LETTER FROM THE BOARD

Adoption of the New Share Option Scheme

To enable the Company to continue to grant Options to the Eligible Participants, the Board proposes to recommend to the Shareholders at the AGM to approve and adopt the New Share Option Scheme. After the adoption of the New Share Option Scheme and prior to any grant of Options to the Eligible Participants, the Company will apply to the Listing Committee of the Stock Exchange for the listing of and permission to deal in the new Shares to be issued upon exercise of the Options to be granted.

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

Purpose of the New Share Option Scheme

The purpose of the New Share option Scheme is set out in the section headed “1. Purpose” in Appendix IV.

Conditions

The conditions for the adoption of the New Share Option Scheme are set out in the section headed “2. Conditions Precedent” in Appendix IV.

Application will be made to the Listing Committee of the Stock Exchange for the approval of the listing of, and permission to deal in, the Shares which may fall to be allotted and issued pursuant to the exercise of the Options that may be granted under the New Share Option Scheme.

Eligible Participants

The New Share Option Scheme enables the Company to grant Options to the Eligible Participants including the Employee Participants, the Related Entity Participants and the Service Providers.

The Directors (including the independent non-executive Directors) are of the view that the adoption of the New Share Option Scheme aligns with the market practice of providing incentives to the Employee Participants to work towards enhancing the enterprise value and achieving the long-term objectives for the benefit of the Group as a whole.

LETTER FROM THE BOARD

As the Related Entity Participants and Service Providers have contributed to the long-term growth of the Company's businesses, the Board is of the view that it would be in the Company's interests to also have the flexibility to grant Options to the Related Entity Participants and Service Providers in recognition of their contributions to the Company. The Directors (including the independent non-executive Directors) also consider that it is beneficial to include the Related Entity Participants and Service Providers since a sustainable and stable relationship with them is essential to the business development of the Group, and that the grant of Options to these non-employee participants will align their interests with the Group's interests, incentivising them to provide better services to, create more opportunities for and/or contribute to the success of the Group in the long run.

The Board will determine the Employee Participants' eligibility in its sole discretion by considering all relevant factors as appropriate (please refer to the factors set out in paragraph 3(a) of the Appendix IV to this circular) and take into account criteria based on the nature of the contributions made by Service Providers and Related Entity Participants before granting Option(s) to them (please refer to the factors set out in paragraphs 3(b) and (c) of the Appendix IV to this circular).

The Directors (including the independent non-executive Directors) consider that, the inclusion of each of the Related Entity Participants and proposed categories of Service Providers are in line with the Company's business needs and the industry norm, and the criteria for the election of Eligible Participants and the terms of the Offer align with the purpose of the New Share Option Scheme, based on the following reasons:

- (a) Although Related Entity Participants may not be directly appointed or employed by members of the Group, they are nonetheless valuable assets to the Group given their close corporate and collaborative relationships with the Group, as well as involvement in joint work projects in close connection with the Group's business. In particular, for those Related Entities in which the Group has significant interests, their growth and development would contribute to the financial performance of the Group, thereby allowing the Group to share and benefit from the positive results of these companies. As such, the Company recognizes the importance of their past or future contributions and wishes to incentivise them by including them as Eligible Participants and granting Options to them accordingly based on their performance, which may in turn further strengthen the collaboration and ties with the Group. It is therefore in the interests of the Company and the Shareholders, and is in line with the objectives of the New Share Option Scheme to include the Related Entity Participants in recognition of their contributions to the Company, even though they may not be directly working as an employee or officer of the Group.

LETTER FROM THE BOARD

- (b) The Group collaborates with copyright owners of films, film directors, artistes, advisors, consultants, agents, suppliers or other parties in the Group's principal business activities in the production, development, marketing, promotion and/or distribution of films, optical products and watches products, financial printing and other business industries in which the Group operates from time to time on continuing or discrete projects. In particular, the Group requires substantial support from copyright owners of films and production companies to ensure continuous and efficient production of high-quality films. This category of Service Providers possesses industry-specific resources, knowledge and expertise with extensive understanding and experience of the market. They assist the Group in formulating appropriate business and product strategies and plans, carrying out the production, launch and promotion of films and enhancing its overall competitiveness, the actual or potential degree or scope of cooperation with the Group which is or likely to be beneficial to the operation of the Group's ordinary and usual course of business. It is believed that a sustainable and collaborative working relationship with these Service Providers is vital for the smooth and efficient business operation and the long-term development of the Group.
- (c) The Group also collaborates with business partners, including joint venture partners or other contractual parties, which may be entities in the film production, production of optical products and watches products, financial printing and other business industries in which the Group operates from time to time on continuing or discrete projects. This category of Service Providers possesses expertise, resources and external business connections in the key business areas of the Group and allows the Group to more effectively plan and implement its future strategies for long-term growth. They can assist the Group to develop and tap into new markets and/or increase the market share, and create business opportunities for and contribute financially to the Group on a continuing basis. It is beneficial to allow flexibility in granting Options to these business partners of the Group as additional reward such that they can be encouraged to continue to support the business development of the Group and participate in enhancing the future growth of the Group to a greater extent, for example, by offering industry-specific advice to the Group, making referrals of external business opportunities to the Group, and/or acting as a bridge between the Group and other businesses and brands in regions where the Group has operations which may bring collaboration opportunities.
- (d) Taking into account that (i) there have been changes in the market practice; (ii) it is not always easy to find and engage experienced and resourceful qualified Service Providers; (iii) lengthy period of time may be required to carry out and complete a single film project; and (iv) change of Service Provider(s) during the course of project may have detrimental impact to the business, the Board considers that it is appropriate to have the flexibility in granting Options instead of cash reward or other settlement to the Service Providers since the grant of Options will offer incentives that are more long-lasting and promising than one-off payments and allow the Group to more efficiently allocate its financial resources by retaining more cash. Having their contributions recognised and their interests aligned with the Group's interests, the Service Providers will be better motivated to maintain a long term stable cooperation relationship with the Group and support the development of the Group in a sustainable manner.

LETTER FROM THE BOARD

Subscription Price

The Subscription Price shall be determined by the Board and notified to an Eligible Participant at the time the grant of the Option(s) is made to (and subject to acceptance by) the Eligible Participant and shall be at least the highest of: (a) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the Grant Date, which must be a business day (as defined in the New Share Option Scheme); (b) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five (5) business days (as defined in the New Share Option Scheme) immediately preceding the Grant Date; and (c) the nominal value of the Shares. The Board considers that such basis will serve to preserve the value of the Company and encourage the Eligible Participants to acquire proprietary interests in the Company.

Scheme Mandate Limit and Service Provider Sublimit

The total number of Shares which may be issued in respect of all Options which may be granted under the New Share Option Scheme (i.e. the Scheme Mandate Limit) is set out in the section headed "5. Maximum Number of Shares" in Appendix IV.

As at the Latest Practicable Date, the number of issued Shares was 906,632,276 Shares. Assuming that there will be no change in the number of issued Shares between the Latest Practicable Date and the Adoption Date, (a) the total number of Shares which may be issued upon exercise of all Options to be granted under the New Share Option Scheme together with all options which may be granted under any other share option scheme(s) for the time being of the Company would be 90,663,227 Shares, representing approximately 10% of the Shares in issue as at the Adoption Date; and (b) the total number of Shares that may be issued under the New Share Option Scheme together with all options which may be granted under any other share option scheme(s) of the Company to the Service Providers would be no more than 27,198,968 Shares, representing no more than approximately 3% of the total number of Shares in issue as at the Adoption Date.

The basis for determining the Service Provider Sublimit includes (a) the potential dilution effect arising from grants to the Service Providers; (b) the importance of striking a balance between achieving the purpose of the New Share Option Scheme and protecting the Shareholders from the dilution effect from granting the Options to the Service Providers; (c) the valuable and commercially irreplaceable services provided and to be provided by the Service Providers; (d) the extent of use of Service Providers in the Group's businesses, the current payment and/or settlement arrangement with the Service Providers; (e) the business expansion and development needs of the Group, which may require further engagement of Service Providers; (f) the expected contributions to the development and growth of the Company attributable to the Service Providers; (g) there are no other share option scheme involving grant of options over new Shares; (h) the Service Providers have contributed to the long-term growth of the Company's business, and that the New Share Option Scheme could provide incentives to the Service Providers which supply reliable and high quality services to the Group on a long-term basis; and (i) the Company expects that more Options will be granted to the Service Providers in the future due to changes in the market practice. Given the above, the Board considers that the Service Provider Sublimit is appropriate and reasonable and would not lead to an excessive dilution of shareholding of the existing Shareholders.

LETTER FROM THE BOARD

The Service Provider Sub-limit is subject to separate approval by the Shareholders at the AGM.

Vesting Period

The Vesting Period of the Options is set out in the section headed “9. Vesting period” in Appendix IV which shall not be shorter than 12 months from the date of acceptance of the Offer. The same section also sets out circumstances in which the Board may grant Options with a Vesting Period shorter than 12 months.

It is considered that by having the flexibility of having a shorter Vesting Period in accordance with the circumstances provided under the section headed “9. Vesting Period” in Appendix IV, the Group will be in a better position to attract and retain such Eligible Participants to continue serving the Group whilst at the same time providing them with further incentives in achieving the goals of the Group, and thereby, to achieve the purpose of the New Share Option Scheme. Hence, the Board and the Remuneration Committee are of the view that the shorter Vesting Period prescribed in the section headed “9. Vesting Period” in Appendix IV is in line with the market practice and is appropriate and aligns with the purpose of the New Share Option Scheme.

Performance Targets and Clawback Mechanism

Under the New Share Option Scheme, the Board may, in its sole and absolute discretion, specify the performance targets in respect of each Offer that must be duly fulfilled by the Grantee before the Option may be vested to such Grantee under such Offer, such performance targets shall include, among other things, financial targets and management targets which shall be determined based on the (a) individual performance, (b) performance of the Group and/or (c) performance of business groups, business units, business lines, functional departments, projects and/or geographical area managed by the Grantee. The Board believes that this will provide the Board with more flexibility in setting out the terms and conditions of the Options under particular circumstances of each grant and facilitate the Board to offer meaningful incentives to attract and retain quality personnel that are valuable to the development of the Group.

The provisions of the New Share Option Scheme provides for an automatic lapse of Option as clawback mechanism where, as set out in paragraph 19(e) of Appendix IV, the right to exercise an Option shall lapse automatically on the date on which the Grantee ceases to be an Eligible Participant by reason of the termination of his employment, directorship, appointment or engagement on any one or more of the grounds that he has been guilty of misconduct, or has committed an act of bankruptcy or has become insolvent or has made any arrangement or composition with his creditors generally, or has breached or failed to comply with any provisions of the relevant service contract, letter of appointment or contracts or agreements of the Grantee with the Company or the relevant Subsidiary or Related Entity for the employment, appointment or engagement, or has been convicted of any criminal offence involving his integrity or honesty or on any other ground on which an employer would be entitled to terminate his employment or office at common law or pursuant to any applicable laws or under the service contract, letter of appointment or other contract or agreement for the employment, appointment or engagement of the Grantee with the Company or the relevant Subsidiary or Related Entity.

LETTER FROM THE BOARD

Unless otherwise determined by the Board pursuant to the rules of the New Share Option Scheme and stated in the relevant Offer and subject to the above clawback mechanism, there is neither any performance target which must be achieved before an Option can be exercised nor any clawback mechanism for the Company to recover or withhold any remuneration (which may include Options granted) to any Eligible Participants in the event of serious misconduct, a material misstatement in the Company's financial statements or other circumstances.

As advised by the legal advisers to the Company as to Hong Kong laws, the Company understands that the adoption of the New Share Option Scheme would not constitute an offer of shares or debentures to the public under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) ("**Companies (WUMP) Ordinance**") and therefore the prospectus requirements under the Companies (WUMP) Ordinance are not applicable to the adoption of the New Share Option Scheme. The Company will continue to observe the requirements under the Companies (WUMP) Ordinance and ensure any grant of Options under the New Share Option Scheme does not constitute an offer of shares or debentures to the public under the Companies (WUMP) Ordinance or will qualify under the exemption thereof.

General

As at the latest Practicable Date:

- (a) the Company has not engaged any trustee for administration of the New Share Option Scheme. If the Company is to engage any trustee in the future, such trustee will not be a Director and no Director will have any direct or indirect interest in the trustee;
- (b) the Company does not have any share option scheme or share award scheme other than the Existing Share Option Scheme;
- (c) the Board has no present intention to grant Options to any Eligible Participants under the New Share Option Scheme after its adoption; and
- (d) 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 New Share Option Scheme and no Shareholder is required to abstain from voting on the resolution in relation thereto.

6. THE AGM

The AGM Notice is set out on pages 108 to 114 of this circular.

At the AGM, Resolutions will be proposed to, inter alia:

- (a) receive and consider the audited consolidated financial statements of the Company, the report of the Directors and the report of Zhonghui Anda CPA Limited, the independent auditor of the Company, for the year ended 30th June 2023;

LETTER FROM THE BOARD

- (b) (i) re-elect Mr. Lam Shiu Ming, Daneil as an executive Director;
- (ii) re-elect Mr. Choi Wing Koon, who has served the Company as an independent non-executive Director for more than nine years, as an independent non-executive Director;
- (iii) re-elect Ms. Pong Suet Hing as an independent non-executive Director; and
- (iv) authorise the Board to fix the Directors' remuneration;
- (c) re-appoint Zhonghui Anda CPA Limited as independent auditor of the Company and to authorise the Board to fix its remuneration;
- (d) grant the Share Issue Mandate to the Directors;
- (e) grant the Share Repurchase Mandate to the Directors;
- (f) extend the Share Issue Mandate by adding to it the number of the Shares repurchased under the Share Repurchase Mandate;
- (g) approve the proposed amendments to the existing Bye-Laws and to adopt the new Bye-Laws;
- (h) approve and adopt the New Share Option Scheme and the Scheme Mandate Limit; and
- (i) approve and adopt the Service Provider Sublimit.

In accordance with Rule 13.39(4) of the Listing Rules, all the Resolutions proposed at the AGM will be voted on by way of poll except where the chairman of the AGM, in good faith, decide to allow a resolution which relates purely to procedural or administrative matter to be voted on by a show of hands. The chairman of the AGM will at the meeting demand, pursuant to Bye-Law 66(a), voting by way of poll on the Ordinary Resolutions. On a poll, subject to any special rights or restrictions as to voting for the time being attached to any Shares by or in accordance with the Bye-Laws, every Shareholder present in person (or being a corporation, is present by a representative duly authorised), or by proxy shall have one vote for every fully paid Share of which he/she is the holder.

After closure of the AGM, the Company will publish an announcement in respect of the poll results on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.uih.com.hk) respectively in the manner prescribed under Rule 13.39(5) of the Listing Rules.

A form of proxy is enclosed for your use at the AGM. You are requested to complete and return the form of proxy to the Company's branch share registrar and transfer office in Hong Kong, Tricor Abacus Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, as soon as possible, but in any event not later than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof. Completion and return of a form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish and in such event the form of proxy shall be deemed to be revoked.

LETTER FROM THE BOARD

7. DOCUMENTS ON DISPLAY

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

8. CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 29th November 2023 to Monday, 4th December 2023 (both days inclusive) during which period no transfer of share(s) will be effected. In order to determine the eligibility to attend and vote at the AGM or any adjourned meeting thereof (as the case may be), all transfer of Share(s), accompanied by the relevant share certificate(s) with the properly completed transfer form(s) either overleaf or separately, must be lodged with the branch share registrar and transfer office of the Company in Hong Kong, Tricor Abacus Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m., on Tuesday, 28th November 2023.

9. 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 Group. 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 misleading.

10. RECOMMENDATIONS

The Directors believe that (a) the re-election of the retiring Directors; (b) the granting of the General Mandates and the extension of the Share Issue Mandate; (c) the proposed amendments to the existing Bye-Laws and the adoption of the New Bye-Laws; and (d) the proposed adoption of the New Share Option Scheme, are all in the interests of the Company and the Shareholders as a whole, and recommend you to vote in favour of the Resolutions at the AGM. The Directors will exercise their voting rights in respect of all of their shareholdings (if any) in favour of the Resolutions.

11. GENERAL

Your attention is also drawn to the Appendix I to this circular which set out the biographical details of the retiring Directors to be re-elected at the AGM; the Appendix II which provides an explanatory statement on the proposed Share Repurchase Mandate in accordance with the Listing Rules; the Appendix III which sets out the proposed amendments to the existing Bye-Laws to be approved at the AGM; and the Appendix IV which sets out a summary of the principal terms of the New Share Option Scheme proposed to be adopted at the AGM.

LETTER FROM THE BOARD

The Chinese language version of this circular is translated from the English version. In the event of any discrepancies or conflicts between the contents of the Chinese version and the English version of this circular, the English version shall prevail.

Yours faithfully,
For and on behalf of the Board
Lam Shiu Ming, Daneil
Chairman

The biographical details of the retiring Directors eligible for re-election at the AGM are set out below:

Mr. Lam Shiu Ming, Daneil, Executive Director

Mr. Lam Shiu Ming, Daneil (“**Mr. Daneil Lam**”), aged 61, is the founder and chairman of the Group. He is involved in marketing, corporate strategy, business planning and development and overall management of the Group. Mr. Daneil Lam has over 30 years of experience in the film industry in Hong Kong. He was awarded the “Young Industrialist Awards of Hong Kong” by the Federation of Hong Kong Industries in 2002.

As at the Latest Practicable Date: (1) Mr. Daneil Lam was (a) personally interested in 200,860,000 Shares; (b) the sole shareholder of Pioneer Entertainment Group Limited which in turn is interested in 430,120,020 Shares; and (c) a discretionary object of a discretionary trust, the trustee of which is Central Core Resources Limited which owns the entire issued share capital of Globalcrest which in turn is interested in 33,546,853 Shares; (2) Mr. Daneil Lam was a director of certain Subsidiaries, namely China Jianxin Credit Services Limited, Universe Optical Company Limited, Rising Fame Investment Limited, China Jianxin Financial Services Limited, Formex Financial Press Limited, Formex Financial Press (International) Limited, Universe Watch and Jewellery Group Company Limited, Garona (HK) Limited, Garona International Limited, Garona Worldwide Limited, World Time (Asia) Limited, Universe Laser & Video Co. Limited, Universe Films Distribution Company Limited, Unique Model Limited, Universe Digital Entertainment Limited, Universe Management Services Limited, Universe (China) Development Limited, Globalink Advertising Limited, Century Creator Company Limited, Matrix Productions Company Limited, Universe International Technology Limited, Universe Artiste Management Limited, Films Station Production Limited, Universe Music Limited, Universe Optical Group Limited, Universe Industrial Development Limited, Universe Intellectual Property Limited, Universe Films Acquisition Limited, Universe Optical Investment Limited, Elite Master Holding Limited, Grant Talent Limited, Group Mega International Limited, Universe Matrix Films Investment Limited, Fragrant River Entertainment Culture (Holdings) Limited, Galaxy View Group Limited, Weluck Development Limited, Precise Reach Group Limited, Rising Fame International Limited, Wintson Asia Limited, Universe Films (Holdings) Limited, Universe Entertainment Limited, Universe Pictures International Limited, Wide Avenue Holdings Limited, 寰宇縱橫世紀電影發行(北京)有限公司 and 寰宇創意廣告(北京)有限公司; and (3) Mr. Daneil Lam was a member of each of the remuneration committee to the Board and nomination committee to the Board.

Pursuant to an employment contract dated 30th June 2023 entered into between the Company and Mr. Daneil Lam in relation to Mr. Daneil Lam's employment as the Chairman and executive Director, the remuneration of Mr. Daneil Lam is HK\$450,000 per month and he shall be entitled to a discretionary bonus as the Board may in its absolute discretion determine having regard to the performance of Mr. Daneil Lam and the operating results of the Group. The remuneration of Mr. Daneil Lam was determined with reference to the prevailing market conditions, the working experience, the background and the role and responsibilities of Mr. Daneil Lam. Other than the said employment contract, the Company has not entered into any service contract with Mr. Daneil Lam in relation to his role as an executive Director.

As at the Latest Practicable Date, save as disclosed above, Mr. Daneil Lam: (1) had not previously held any position with the Company or any of its Subsidiaries; (2) had not had any other directorships in any listed public companies in the last three years; (3) was not connected with any Directors, senior management or substantial shareholders or controlling shareholders of the Company; (4) did not have any interest in the Shares within the meaning of Part XV of the SFO; and (5) had not entered into any service contract with the Group.

Save as disclosed above and in the circular of the Company to the Shareholders dated 30th October 2023 of which this appendix forms part, the Directors are not aware of any other matters regarding the proposed re-election of Mr. Daneil Lam that need to be brought to the attention of the Shareholders, and there is no information to be disclosed pursuant to the requirements under Rules 13.51(2) of the Listing Rules.

Mr. Choi Wing Koon, Independent Non-Executive Director

Mr. Choi Wing Koon (“**Mr. Choi**”), aged 46, is currently the financial controller and company secretary of Huanxi Media Group Limited (stock code: 1003), the shares of which are listed on Main Board of the Stock Exchange. Mr. Choi holds a bachelor's degree of business administration in accounting awarded by the Hong Kong University of Science and Technology in 1999. Mr. Choi also obtained a master degree of business administration awarded by the University of Hong Kong in 2014. Mr. Choi is a fellow of the Association of Chartered Certified Accountants and a member of the Hong Kong Institute of Certified Public Accountants. Mr. Choi has over 15 years of experience in accounting and company secretarial field. Mr. Choi is currently the independent non-executive director of Kuangchi Science Limited (stock code: 439), the shares of which are listed on the Main Board of the Stock Exchange. He joined the Group in December 2013.

Pursuant to a letter of appointment dated 3rd December 2022 between the Company and Mr. Choi, Mr. Choi is appointed for a fixed term of three years with effect from 4th December 2022, subject to retirement by rotation and re-election in accordance with the Bye-Laws. Mr. Choi is entitled to an annual director's fee of HK\$130,000, which is determined with reference to his duties and responsibilities to the Group and the prevailing market conditions. Currently, Mr. Choi is a member of each of the audit committee, remuneration committee and nomination committee of the Company.

As at the Latest Practicable Date and save as disclosed above, Mr. Choi: (1) had not previously held any position with the Company or any of its Subsidiaries; (2) had not had any other directorships in any listed public companies in the last three years; (3) was not connected with any Directors, senior management or substantial shareholders or controlling shareholders of the Company; (4) did not have any interest in the Shares within the meaning of Part XV of the SFO; and (5) had not entered into any service contract with the Group.

Save as disclosed above and in the circular of the Company to the Shareholders dated 30th October 2023 of which this appendix forms part, the Directors are not aware of any other matters regarding the proposed re-election of Mr. Choi that need to be brought to the attention of the Shareholders, and there is no information to be disclosed pursuant to the requirements under Rules 13.51(2) of the Listing Rules.

Ms. Pong Suet Hing, Independent Non-Executive Director

Ms. Pong Suet Hing (“**Ms. Pong**”), aged 70, is currently a director of Odyssey Group (International) Limited, a human resources consultancy company in Hong Kong. Ms. Pong is an affiliate member of Hong Kong Institute of Human Resource Management (“**HKIHRM**”). She has completed the Professional Diploma in Human Resource Management organized by Hong Kong Management Association and was awarded several certificates in connection with Hong Kong employment law issued by HKIHRM. Ms. Pong has served as consultant, associate director, director and general manager in various human resources consulting companies in Hong Kong to provide recruitment, payroll, staff training, human resources solutions and compliance services to corporate clients for more than 15 years. Ms. Pong is also considered a veteran in the financial field. She worked in several local banks for more than 30 years and served senior positions in retail banking and wealth management entities with experience covering management, operation and compliance. She is a licensed insurance intermediary of Insurance Authority in Hong Kong. Ms. Pong is currently an independent non-executive director of K & P International Holdings Limited (stock code: 675), the shares of which are listed on the Main Board of the Stock Exchange. She joined the Group in March 2023.

Pursuant to a letter of appointment entered into between the Company and Ms. Pong dated 8th March 2023, Ms. Pong is appointed for a fixed term of three years, which has commenced from 8th March 2023, subject to retirement by rotation and re-election in accordance with the Bye-Laws. Ms. Pong is entitled to an annual director’s fee of HK\$130,000, which is determined with reference to her duties and responsibilities to the Group and the prevailing market conditions. Ms. Pong will hold office until the next general meeting of the Company after her appointment and will then be eligible for re-election in accordance with the Bye-Laws.

As at the Latest Practicable Date and save as disclosed above, Ms. Pong (1) had not previously held any position with the Company or any of its Subsidiaries; (2) had not had any other directorships in any listed public companies in the last three years; (3) was not connected with any Directors, senior management or substantial shareholders or controlling shareholders of the Company; (4) did not have any interest in the Shares within the meaning of Part XV of the SFO; and (5) had not entered into any service contract with the Group.

Save as disclosed above and in the circular of the Company to the Shareholders dated 30th October 2023 of which this appendix forms part, the Directors are not aware of any other matters regarding the proposed re-election of Ms. Pong that need to be brought to the attention of the Shareholders, and there is no information to be disclosed pursuant to the requirements under Rules 13.51(2) of the Listing Rules.

This Appendix serves as an explanatory statement, as required by the Listing Rules, to provide certain information to you for your consideration of the Share Repurchase Mandate.

1. SHARE CAPITAL

As at the Latest Practicable Date, there was a total of 906,632,276 Shares in issue and there was no outstanding Options granted under the Existing Share Option Scheme adopted by the Company pursuant to a resolution passed by the Shareholders at the annual general meeting held on 22nd August 2013, or any outstanding convertible notes or options carrying the rights to subscribe for any Share.

Subject to the passing of the resolution granting the Share Repurchase Mandate and on the basis that no further Shares are or will be issued and/or repurchased by the Company following the Latest Practicable Date and up to the date of the AGM, the Directors will be authorised to repurchase a maximum of 90,663,227 Shares during the period ending on the earliest of the conclusion of the next annual general meeting of the Company or the expiration of the period within which the next annual general meeting of the Company is required by any applicable law of Bermuda or the Bye-Laws to be held or when revoked or varied by an ordinary resolution of the Shareholders in general meeting.

2. REASONS FOR REPURCHASES

The Directors believe that it is in the best interests of the Company and the Shareholders to seek the Share Repurchase Mandate from the Shareholders. Such repurchase may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and/or earnings per Share and will only be made when the Directors believe that such repurchase will benefit the Company and the Shareholders as a whole.

3. FUNDING OF REPURCHASES

Repurchases made pursuant to the Share Repurchase Mandate would be funded out of funds legally available for the purpose in accordance with the Company's memorandum of association, the Bye-Laws, the applicable laws and regulations of Bermuda and other applicable laws.

There might be material adverse impact on the working capital or gearing position of the Company (as compared with the positions disclosed in the audited consolidated financial statements set out in the annual report of the Company for the year ended 30th June 2023, in the event that the Share Repurchase Mandate were to be exercised in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Share Repurchase Mandate to such extent as would, in the circumstances, have a material adverse impact on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

4. SHARE PRICES

The following table shows the highest and lowest prices at which the Shares have been traded on the Stock Exchange during the 12 months preceding the Latest Practicable Date:

Month	Per Share	
	Highest trading price <i>HK\$</i>	Lowest trading price <i>HK\$</i>
2022		
October	0.600	0.350
November	0.450	0.350
December	0.420	0.310
2023		
January	0.400	0.280
February	0.370	0.325
March	0.330	0.285
April	0.325	0.325
May	0.325	0.255
June	0.330	0.255
July	0.280	0.265
August	0.330	0.220
September	0.295	0.220
October (up to and including the Latest Practicable Date)	0.355	0.244

5. GENERAL

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, if the Share Repurchase Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will only exercise the Share Repurchase Mandate in accordance with the Listing Rules, the applicable laws and regulations of Hong Kong and Bermuda and the Company's memorandum of association and the Bye-Laws.

The Company has not been notified by any of its core connected persons that such a person has a present intention to sell any Shares to the Company, or has undertaken not to do so, if the Share Repurchase Mandate is approved by the Shareholders.

If, as a result of a repurchase of Shares pursuant to the Share Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. Accordingly, a Shareholder, or a group of Shareholders acting in concert (as defined in the Takeovers Code), depending on the level of increase of the Shareholders' interest, 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, to the best knowledge and belief of the Directors, the following Shareholders are interested in 5% or more of the issued Shares as recorded in the register of interests in shares and short positions of the Company under Section 336(1) of Part XV of the SFO:

Name	Capacity	Number of Shares and underlying shares of the Company held ^(Note c)	Approximate percentage of the total issued share capital of the Company
Mr. Lam Shiu Ming, Daneil ^(Notes a and b)	Beneficial owner/Founder and a discretionary object of a discretionary trust/Interests of controlled corporation	664,526,873 (L)	73.30%
Pioneer Entertainment Group Limited ^(Note b)	Beneficial owner	430,120,020 (L)	47.44%

Notes:

- (a) Mr. Lam Shiu Ming, Daneil is the beneficial owner of 200,860,000 Shares. Mr. Lam Shiu Ming, Daneil is also the founder and a discretionary object of a discretionary trust, the trustee of which is Central Core Resources Limited. Central Core Resources Limited owns the entire issued share capital of Globalcrest which in turn owns 33,546,853 Shares.
- (b) Pioneer Entertainment Group Limited, a company incorporated in the British Virgin Islands with limited liability, is wholly-owned by Mr. Lam Shiu Ming, Daneil.
- (c) "L" denotes a long position.

The Directors are currently not aware of any consequences which will arise under the Takeovers Code as a result of any repurchase made under the Share Repurchase Mandate.

Currently, the Directors have no intention to exercise the Share Repurchase Mandate to such an extent as would trigger the obligation under Rule 26 of the Takeovers Code to make a mandatory offer nor to such extent as to reduce the amount of Shares held by the public to less than 25%.

No Shares have been repurchased by the Company, whether on the Stock Exchange or otherwise, in the last six months preceding the Latest Practicable Date.

~~This is a consolidated version of the Bye-laws of Universe International Holdings Limited not formally adopted by shareholders at a general meeting. The English version shall always prevail in case of any discrepancy between English version and its Chinese translation.~~

UNIVERSE

寰宇

**UNIVERSE INTERNATIONAL HOLDINGS ENTERTAINMENT AND
CULTURE GROUP COMPANY LIMITED**

寰宇國際控股娛樂文化集團有限公司[⌘]

(Incorporated in Bermuda with limited liability)

(Stock Code: 1046)

BYE-LAWS

OF

Universe Entertainment And Culture Group Company Limited

**(Adopted by way of ~~written resolutions passed by the sole shareholder~~
~~of the Company on 28 June 1999~~ a special resolution passed at the annual general meeting of the
Company held on [•] 2023)**

(~~Amended at the Annual General Meeting held on 25 November 2005~~)

[⌘] *for identification purpose*

APPENDIX III PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS

INDEX

<u>SUBJECT</u>	<u>Bye-Law No.</u>
Interpretation	1-2
Share Capital	3
Alteration Of Capital	4-7
Share Rights	8-9
Variation Of Rights	10-11
Shares	12-15
Share Certificates	16-21
Lien	22-24
Calls On Shares	25-33
Forfeiture Of Shares	34-42
Register Of Members	43-44
Record Dates	45
Transfer Of Shares	46-51
Transmission Of Shares	52-54
Untraceable Members	55
General Meetings	56-58
Notice Of General Meetings	59-60
Proceedings At General Meetings	61-65
Voting	66-77
Proxies	78-83
Corporations Acting By Representatives	84
Written Resolutions Of Members	85
Board Of Directors	86
Retirement Of Directors	87-88
Disqualification Of Directors	89
Executive Directors	90-91
Alternate Directors	92-95
Directors' Fees And Expenses	96-99
Directors' Interests	100-103
General Powers Of The Directors	104-109
Borrowing Powers	110-113
Proceedings Of The Directors	114-123
Managers	124-126
Officers	127-131
Register of Directors and Officers	132
Minutes	133
Seal	134
Authentication Of Documents	135
Destruction Of Documents	136
Dividends And Other Payments	137-146
Reserves	147
Capitalisation	148-149
Subscription Rights Reserve	150
Accounting Records	151-155
Audit	156-161
Notices	163-164

APPENDIX III PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS

INDEX (continued)

<u>SUBJECT</u>	<u>Bye-Law No.</u>
Signatures	165
Winding Up	166-167
Indemnity	168
Alteration Of Bye-laws And Amendment To Memorandum of Association And Name of Company	169
Information	170

APPENDIX III PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS

INTERPRETATION

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

<u>WORD</u>	<u>MEANING</u>
“Act”	the Companies Act 1981 of Bermuda.
<u>“announcement”</u>	<u>an official publication of a Notice or document of the Company, including a publication, subject to and to such extent permitted by the Listing Rules, by electronic communication or by advertisement published in the newspapers or in such manner or means ascribed and permitted by the Listing Rules and applicable laws.</u>
“associate”	the meaning attributed to it in the rules of the Designated Stock Exchange.
“Auditor”	the auditor of the Company for the time being and may include any individual or partnership.
“Bye-laws”	these Bye-laws in their present form or as supplemented or amended or substituted from time to time.
“Board” or “Directors”	the board of directors of the Company or the directors present at a meeting of directors of the Company at which a quorum is present.
<u>“Bye-laws”</u>	<u>these Bye-laws in their present form or as supplemented or amended or substituted from time to time.</u>
“capital”	the share capital <u>of the Company</u> 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.
“clearing house”	a clearing house recognised by the laws of the jurisdiction in which the shares of the Company are listed or quoted on a stock exchange in such jurisdiction.

APPENDIX III PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS

<u>“close associate”</u>	<u>in relation to any Director, shall have the same meaning as defined in the Listing Rules as modified from time to time, except that for purposes of Bye-law 103 where the transaction or arrangement to be approved by the Board is a connected transaction referred to in the Listing Rules, it shall have the same meaning as that ascribed to “associate” in the Listing Rules.</u>
“Company”	Universe International Holdings <u>Entertainment and Culture Group Company Limited</u> 寰宇娛樂文化集團有限公司.
“competent regulatory authority”	a competent regulatory authority in the territory where the shares of the Company are listed or quoted on a stock exchange in such territory.
“debenture” and “debenture holder”	include debenture stock and debenture stockholder respectively.
“Designated Stock Exchange”	a stock exchange which is an appointed stock exchange for the purposes of the Act in respect of which the shares of the Company are listed or quoted and where such appointed stock exchange deems such listing or quotation to be the primary listing or quotation of the shares of the Company.
“dollars” and “\$”	dollars, the legal currency of Hong Kong.
<u>“electronic communication”</u>	<u>a communication sent, transmitted, conveyed and received by wire, by radio, by optical means or by other similar means in any form through any medium.</u>
<u>“electronic meeting”</u>	<u>a general meeting held and conducted wholly and exclusively by virtual attendance and participation by Members and/or proxies by means of electronic facilities.</u>
“head office”	such office of the Company as the Directors may from time to time determine to be the principal office of the Company.
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China.

APPENDIX III PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS

<u>“hybrid meeting”</u>	<u>a general meeting convened for the (i) physical attendance by Members and/or proxies at the Principal Meeting Place and where applicable, one or more Meeting Locations and (ii) virtual attendance and participation by Members and/or proxies by means of electronic facilities.</u>
<u>“Listing Rules”</u>	<u>the rules and regulations of the Designated Stock Exchange.</u>
<u>“Member”</u>	a duly registered holder from time to time of the shares in the capital of the Company.
<u>“Meeting Location”</u>	<u>has the meaning given to it in Bye-law 64(A).</u>
<u>“Member”</u>	<u>a duly registered holder from time to time of the shares in the capital of the Company.</u>
<u>“month”</u>	a calendar month.
<u>“Notice”</u>	written notice unless otherwise specifically stated and as further defined in these Bye-laws.
<u>“Office”</u>	the registered office of the Company for the time being.
<u>“paid up”</u>	paid up or credited as paid up.
<u>“physical meeting”</u>	<u>a general meeting held and conducted by physical attendance and participation by Members and/or proxies at the Principal Meeting Place and/or where applicable, one or more Meeting Locations.</u>
<u>“Principal Meeting Place”</u>	<u>shall have the meaning given to it in Bye-law 59(2).</u>
<u>“Register”</u>	the principal register and where applicable, any branch register of Members to be kept pursuant to the provisions of the Act.
<u>“Registration Office”</u>	in respect of any class of share capital such place as the Board may from time to time determine to keep a branch register of Members in respect of that class of share capital and where (except in cases where the Board otherwise directs) the transfers or other documents of title for such class of share capital are to be lodged for registration and are to be registered.

APPENDIX III PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS

“Seal”	common seal or any one or more duplicate seals of the Company (including a securities seal) for use in Bermuda or in any place outside Bermuda.
“Secretary”	any person firm or corporation appointed by the Board to perform any of the duties of secretary of the Company and includes any assistant, deputy, temporary or acting secretary.
“Statutes”	the Act and every other act of the Legislature of Bermuda for the time being in force applying to or affecting the Company, its memorandum of association and/or these Bye-laws.
<u>“substantial shareholder”</u>	<u>a person who is entitled to exercise, or to control the exercise of, 10% or more (or such other percentage as may be prescribed by the Listing Rules from time to time) of the voting power at any general meeting of the Company.</u>
“year”	a calendar year.

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

- (a) words importing the singular include the plural and vice versa;
- (b) words importing a gender include both gender and the neuter;
- (c) words importing persons include companies, associations and bodies of persons whether corporate or not;
- (d) the words:
 - (i) “may” shall be construed as permissive;
 - (ii) “shall” or “will” shall be construed as imperative;
- (e) expressions referring to writing shall, unless the contrary intention appears, be construed as including printing, lithography, photography and other modes of representing or reproducing words or figures in a legible and non-transitory form or, to the extent permitted by and in accordance with the Statutes and other applicable laws, rules and regulations, any visible substitute for writing (including an electronic communication), or modes of representing or reproducing words partly in one visible form and partly in another visible form, and including where the representation takes the form of electronic display, provided that both the mode of service of the relevant document or ~~n~~Notice and the Member’s election comply with all applicable Statutes, rules and regulations;

APPENDIX III PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS

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

APPENDIX III PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS

- (m) references to the right of a Member to speak at an electronic meeting or a hybrid meeting shall include the right to raise questions or make statements to the chairman of the meeting, verbally or in written form, by means of electronic facilities. Such a right shall be deemed to have been duly exercised if the questions or statements may be heard or seen by all or only some of the persons present at the meeting (or only by the chairman of the meeting) in which event the chairman of the meeting shall relay the questions raised or the statements made verbatim to all persons present at the meeting, either orally or in writing using electronic facilities;
- (n) a reference to a meeting shall mean a meeting convened and held in any manner permitted by these Bye-laws and any Member or Director attending and participating at a meeting by means of electronic facilities shall be deemed to be present at that meeting for all purposes of the Statutes and these Bye-laws, and attend, participate, attending, participating, attendance and participation shall be construed accordingly;
- (o) references to a person's participation in the business of a general meeting include without limitation and as relevant the right (including, in the case of a corporation, through a duly authorised representative) to speak or communicate, vote, be represented by a proxy and have access in hard copy or electronic form to all documents which are required by the Statutes or these Bye-laws to be made available at the meeting, and participate and participating in the business of a general meeting shall be construed accordingly;
- (p) to the extent any provision in these Bye-laws contradicts or is inconsistent with any provision of Part II or Part III of the Electronic Transactions Act 1999 (as amended from time to time) ("ETA"), the provisions in these Bye-laws shall prevail and shall be deemed to be an agreement between the Company and the Members to vary the provisions of the ETA;
- (q) references to electronic facilities include, without limitation, website addresses, webinars, webcast, video or any form of conference call systems (telephone, video, web or otherwise); and
- (r) where a Member is a corporation, any reference in these Bye-laws to a Member shall, where the context requires, refer to a duly authorised representative of such Member.

SHARE CAPITAL

3. (1) The share capital of the Company at the date on which these Bye-laws come into effect shall be divided into shares of ~~\$0.100.01~~ each.

(2) Subject to the Act, the Company's memorandum of association and, where applicable, the ~~rules of any Designated Stock Exchange~~ Listing Rules and/or any competent regulatory authority, any power of the Company to purchase or otherwise acquire its own shares shall be exercisable by the Board upon such terms and subject to such conditions as it thinks fit.

(3) ~~Neither~~ Subject to compliance with the Listing Rules and any other competent regulatory authority, the Company ~~nor any of its subsidiaries shall directly or indirectly~~ may give financial assistance to a person who is acquiring or proposing to acquire shares in the Company for the purpose of that acquisition whether before or at the same time as the acquisition takes place or afterwards PROVIDED that nothing in this Bye-law shall prohibit transactions permitted by the Act for the purpose of or in connection with a purchase made or to be made by any person of any shares in the Company.

APPENDIX III PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS

ALTERATION OF CAPITAL

4. The Company may from time to time by ordinary resolution in accordance with Section 45 of the Act:

- (a) increase its capital by such sum, to be divided into shares of such amounts, as the resolution shall prescribe;
- (b) consolidate and divide all or any of its capital into shares of larger amount than its existing shares;
- (c) divide its shares into several classes and without prejudice to any special rights previously conferred on the holders of existing shares attach thereto respectively any preferential, deferred, qualified or special rights, privileges, conditions or such restrictions which in the absence of any such determination by the Company in general meeting, as the Directors may determine provided always that where the Company issues shares which do not carry voting rights, the words “non-voting” shall appear in the designation of such shares and where the equity capital includes shares with different voting rights, the designation of each class of shares, other than those with the most favourable voting rights, must include the words “restricted voting” or “limited voting”;
- (d) sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the memorandum of association (subject, nevertheless, to the Act), and may by such resolution determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may have any such preferred rights or be subject to any such restrictions as compared with the other or others as the Company has power to attach to unissued or new shares;
- (e) change the currency denomination of its share capital;
- (f) make provision for the issue and allotment of shares which do not carry any voting rights; and
- (g) cancel any shares which, at the date of the passing of the resolution, have not been taken, or agreed to be taken, by any person, and diminish the amount of its capital by the amount of the shares so cancelled.

5. The Board may settle as it considers expedient any difficulty which arises in relation to any consolidation and division under the last preceding Bye-law and in particular but without prejudice to the generality of the foregoing may issue certificates in respect of fractions of shares or arrange for the sale of the shares representing fractions and the distribution of the net proceeds of sale (after deduction of the expenses of such sale) in due proportion amongst the Members who would have been entitled to the fractions, and for this purpose the Board may authorise some person to transfer the shares representing fractions to their purchaser or resolve that such net proceeds be paid to the Company for the Company’s benefit. Such purchaser will not be bound to see to the application of the purchase money nor will his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale.

APPENDIX III PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS

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

7. Except so far as otherwise provided by the conditions of issue, or by these Bye-laws, any capital raised by the creation of new shares shall be treated as if it formed part of the original capital of the Company, and such shares shall be subject to the provisions contained in these Bye-laws with reference to the payment of calls and instalments, transfer and transmission, forfeiture, lien, cancellation, surrender, voting and otherwise.

SHARE RIGHTS

8. Subject to any special rights conferred on the holders of any shares or class of shares, any share in the Company (whether forming part of the present capital or not) may be issued with or have attached thereto such rights or restrictions whether in regard to dividend, voting, return of capital or otherwise as the Company may by ordinary resolution determine or, if there has not been any such determination or so far as the same shall not make specific provision, as the Board may determine.

9. Subject to Sections 42 and 43 of the Act, these Bye-laws, and to any special rights conferred on the holders of any shares or attaching to any class of shares, any preference shares may be issued or converted into shares that, at a determinable date or at the option of the Company or the holder if so authorised by its memorandum of association, are liable to be redeemed on such terms and in such manner as the Company before the issue or conversion may by ordinary resolution of the Members determine. ~~Where the Company purchases for redemption a redeemable share, purchases not made through the market or by tender shall be limited to a maximum price as may from time to time be determined by the Company in general meeting, either generally or with regard to specific purchases. If purchases are by tender, tenders shall be available to all Members alike.~~

VARIATION OF RIGHTS

10. Subject to the Act and without prejudice to Bye-law 8, all or any of the special rights for the time being attached to the shares or any class of shares may, unless otherwise provided by the terms of issue of the shares of that class, from time to time (whether or not the Company is being wound up) be varied, modified or abrogated either with the consent in writing of the holders of not less than three-fourths in nominal value of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting all the provisions of these Bye-laws relating to general meetings of the Company shall, mutatis mutandis, apply, but so that:

App. 3 (15)

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

APPENDIX III PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS

(c) any holder of shares of the class present in person or by proxy may demand a poll.

11. The special rights conferred upon the holders of any shares or class of shares shall not, unless otherwise expressly provided in the rights attaching to or the terms of issue of such shares, be deemed to be varied, modified or abrogated by the creation or issue of further shares ranking pari passu therewith.

SHARES

12. (1) Subject to the Act, these Bye-laws, any direction that may be given by the Company in general meeting and, where applicable, the ~~rules of any Designated Stock Exchange~~ Listing Rules and without prejudice to any special rights or restrictions for the time being attached to any shares or any class of shares, the unissued shares of the Company (whether forming part of the original or any increased capital) shall be at the disposal of the Board, which may offer, allot, grant options over or otherwise dispose of them to such persons, at such times and for such consideration and upon such terms and conditions as the Board may in its absolute discretion determine but so that no shares shall be issued at a discount to their nominal value. Neither the Company nor the Board shall be obliged, when making or granting any allotment of, offer of, option over or disposal of shares, to make, or make available, any such allotment, offer, option or shares to Members or others with registered addresses in any particular territory or territories being a territory or territories where, in the absence of a registration statement or other special formalities, this would or might, in the opinion of the Board, be unlawful or impracticable. Members affected as a result of the foregoing sentence shall not be, or be deemed to be, a separate class of ~~m~~Members for any purpose whatsoever.

(2) The Board may issue warrants or convertible securities or securities of similar nature conferring the right upon the holders thereof to subscribe for any class of shares or securities in the capital of the Company on such terms as it may from time to time determine.

13. The Company may in connection with the issue of any shares exercise all powers of paying commission and brokerage conferred or permitted by the Act. Subject to the Act, the commission may be satisfied by the payment of cash or by the allotment of fully or partly paid shares or partly in one and partly in the other.

14. Except as required by law, no person shall be recognised by the Company as holding any share upon any trust and the Company shall not be bound by or required in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any fractional part of a share or (except only as otherwise provided by these Bye-laws or by law) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

15. Subject to the Act and these Bye-laws, the Board may at any time after the allotment of shares but before any person has been entered in the Register as the holder, recognise a renunciation thereof by the allottee in favour of some other person and may accord to any allottee of a share a right to effect such renunciation upon and subject to such terms and conditions as the Board considers fit to impose.

APPENDIX III PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS

SHARE CERTIFICATES

16. Every share certificate shall be issued under the Seal or a facsimile thereof or with the Seal printed thereon and shall specify the number and class and distinguishing numbers (if any) of the shares to which it relates, and the amount paid up thereon and may otherwise be in such form as the Directors may from time to time determine. The seal of the Company may only be affixed or imprinted to a share certificate with the authority of the Directors, or be executed under the signature of appropriate officials with statutory authority, unless otherwise determined by the Directors. No certificate shall be issued and representing shares of more than one class. The Board may by resolution determine, either generally or in any particular case or cases, that any signatures on any such certificates (or certificates in respect of other securities) need not be autographic but may be affixed to such certificates by some mechanical means or may be printed thereon or that such certificates need not be signed by any person.

17. (1) In the case of a share held jointly by several persons, the Company shall not be bound to issue more than one certificate therefor and delivery of a certificate to one of several joint holders shall be sufficient delivery to all such holders.

(2) Where a share stands in the names of two or more persons, the person first named in the Register shall as regards service of ~~n~~Notices and, subject to the provisions of these Bye-laws, all or any other matters connected with the Company, except the transfer of the shares, be deemed the sole holder thereof.

18. Every person whose name is entered, upon an allotment of shares, as a Member in the Register shall be entitled, without payment, to receive one certificate for all such shares of any one class or several certificates each for one or more of such shares of such class upon payment for every certificate after the first of such reasonable out-of-pocket expenses as the Board from time to time determines.

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

20. (1) Upon every transfer of shares the certificate held by the transferor shall be given up to be cancelled, and shall forthwith be cancelled accordingly, and a new certificate shall be issued to the transferee in respect of the shares transferred to him at such fee as is provided in paragraph (2) of this Bye-law. If any of the shares included in the certificate so given up shall be retained by the transferor a new certificate for the balance shall be issued to him at the aforesaid fee payable by the transferor to the Company in respect thereof.

(2) The fee referred to in paragraph (1) above shall be an amount not exceeding the relevant maximum amount as the Designated Stock Exchange may from time to time determine provided that the Board may at any time determine a lower amount for such fee.

APPENDIX III PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS

21. If a share certificate shall be damaged or defaced or alleged to have been lost, stolen or destroyed a new certificate representing the same shares may be issued to the relevant Member upon request and on payment of such fee as the Designated Stock Exchange may determine to be the maximum fee payable or such lesser sum as the Board may determine and, subject to compliance with such terms (if any) as to evidence and indemnity and to payment of the costs and reasonable out-of-pocket expenses of the Company in investigating such evidence and preparing such indemnity as the Board may think fit and, in case of damage or defacement, on delivery of the old certificate to the Company provided always that where share warrants have been issued, no new share warrant shall be issued to replace one that has been lost unless the Directors are satisfied beyond reasonable doubt that the original has been destroyed.

LIEN

22. The Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys (whether presently payable or not) called or payable at a fixed time in respect of that share. The Company shall also have a first and paramount lien on every share (not being a fully paid share) registered in the name of a Member (whether or not jointly with other Members) for all amounts of money presently payable by such Member or his estate to the Company whether the same shall have been incurred before or after notice to the Company of any equitable or other interest of any person other than such ~~m~~Member, and whether the period for the payment or discharge of the same shall have actually arrived or not, and notwithstanding that the same are joint debts or liabilities of such Member or his estate and any other person, whether a Member or not. The Company's lien on a share shall extend to all dividends or other moneys payable thereon or in respect thereof. The Board may at any time, generally or in any particular case, waive any lien that has arisen or declare any share exempt in whole or in part, from the provisions of this Bye-law.

23. Subject to these Bye-laws, the Company may sell in such manner as the Board determines any share on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable, or the liability or engagement in respect of which such lien exists is liable to be presently fulfilled or discharged nor until the expiration of fourteen (14) clear days after a notice in writing, stating and demanding payment of the sum presently payable, or specifying the liability or engagement and demanding fulfilment or discharge thereof and giving notice of the intention to sell in default, has been served on the registered holder for the time being of the share or the person entitled thereto by reason of his death or bankruptcy.

24. The net proceeds of the sale shall be received by the Company and applied in or towards payment or discharge of the debt or liability in respect of which the lien exists, so far as the same is presently payable, and any residue shall (subject to a like lien for debts or liabilities not presently payable as existed upon the share prior to the sale) be paid to the person entitled to the share at the time of the sale. To give effect to any such sale the Board may authorise some person to transfer the shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the shares so transferred and he shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale.

APPENDIX III PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS

CALLS ON SHARES

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

26. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be made payable either in one lump sum or by instalments.

27. A person upon whom a call is made shall remain liable for calls made upon him notwithstanding the subsequent transfer of the shares in respect of which the call was made. The joint holders of a share shall be jointly and severally liable to pay all calls and instalments due in respect thereof or other moneys due in respect thereof.

28. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the amount unpaid from the day appointed for payment thereof to the time of actual payment at such rate (not exceeding twenty per cent. (20%) per annum) as the Board may determine, but the Board may in its absolute discretion waive payment of such interest wholly or in part.

29. No Member shall be entitled to receive any dividend or bonus or to be present and vote (save as proxy for another Member) at any general meeting either personally or by proxy, or be reckoned in a quorum, or exercise any other privilege as a Member until all calls or instalments due by him to the Company, whether alone or jointly with any other person, together with interest and expenses (if any) shall have been paid.

30. On the trial or hearing of any action or other proceedings for the recovery of any money due for any call, it shall be sufficient to prove that the name of the Member sued is entered in the Register as the holder, or one of the holders, of the shares in respect of which such debt accrued, that the resolution making the call is duly recorded in the minute book, and that notice of such call was duly given to the Member sued, in pursuance of these Bye-laws; and it shall not be necessary to prove the appointment of the Directors who made such call, nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.

31. Any amount payable in respect of a share upon allotment or at any fixed date, whether in respect of nominal value or premium or as an instalment of a call, shall be deemed to be a call duly made and payable on the date fixed for payment and if it is not paid the provisions of these Bye-laws shall apply as if that amount had become due and payable by virtue of a call duly made and notified.

32. On the issue of shares the Board may differentiate between the allottees or holders as to the amount of calls to be paid and the times of payment.

APPENDIX III PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS

33. The Board may, if it thinks fit, receive from any Member willing to advance the same, and either in money or money's worth, all or any part of the moneys uncalled and unpaid or instalments payable upon any shares held by him and upon all or any of the moneys so advanced (until the same would, but for such advance, become presently payable) pay interest at such rate (if any) as the Board may decide. The Board may at any time repay the amount so advanced upon giving to such Member not less than one month's Notice of its intention in that behalf, unless before the expiration of such notice the amount so advanced shall have been called up on the shares in respect of which it was advanced. Such payment in advance shall not entitle the holder of such share or shares to participate in respect thereof in a dividend subsequently declared.

FORFEITURE OF SHARES

34. (1) If a call remains unpaid after it has become due and payable the Board may give to the person from whom it is due not less than fourteen (14) clear days' Notice:

- (a) requiring payment of the amount unpaid together with any interest which may have accrued and which may still accrue up to the date of actual payment; and
- (b) stating that if the Notice is not complied with the shares on which the call was made will be liable to be forfeited.

(2) If the requirements of any such Notice are not complied with, any share in respect of which such Notice has been given may at any time thereafter, before payment of all calls and interest due in respect thereof has been made, be forfeited by a resolution of the Board to that effect, and such forfeiture shall include all dividends and bonuses declared in respect of the forfeited share but not actually paid before the forfeiture.

35. When any share has been forfeited, ~~the~~ Notice of the forfeiture shall be served upon the person who was before forfeiture the holder of the share. No forfeiture shall be invalidated by any omission or neglect to give such Notice.

36. The Board may accept the surrender of any share liable to be forfeited hereunder and, in such case, references in these Bye-laws to forfeiture will include surrender.

37. Until cancelled in accordance with the requirements of the Act, a forfeited share shall be the property of the Company and may be sold, re-allotted or otherwise disposed of to such person, upon such terms and in such manner as the Board determines, and at any time before a sale, re-allotment or disposition the forfeiture may be annulled by the Board on such terms as the Board determines.

APPENDIX III PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS

38. A person whose shares have been forfeited shall cease to be a Member in respect of the forfeited shares but nevertheless shall remain liable to pay the Company all moneys which at the date of forfeiture were presently payable by him to the Company in respect of the shares, with (if the Directors shall in their discretion so require) interest thereon from the date of forfeiture until payment at such rate (not exceeding twenty per cent. (20%) per annum) as the Board determines. The Board may enforce payment thereof if it thinks fit, and without any deduction or allowance for the value of the forfeited shares, at the date of forfeiture, but his liability shall cease if and when the Company shall have received payment in full of all such moneys in respect of the shares. For the purposes of this Bye-law any sum which, by the terms of issue of a share, is payable thereon at a fixed time which is subsequent to the date of forfeiture, whether on account of the nominal value of the share or by way of premium, shall notwithstanding that time has not yet arrived be deemed to be payable at the date of forfeiture, and the same shall become due and payable immediately upon the forfeiture, but interest thereon shall only be payable in respect of any period between the said fixed time and the date of actual payment.

39. A declaration by a Director or the Secretary that a share has been forfeited on a specified date shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share, and such declaration shall (subject to the execution of an instrument of transfer by the Company if necessary) constitute a good title to the share, and the person to whom the share is disposed of shall be registered as the holder of the share and shall not be bound to see to the application of the consideration (if any), nor shall his title to the share be affected by any irregularity in or invalidity of the proceedings in reference to the forfeiture, sale or disposal of the share. When any share shall have been forfeited, notice of the declaration shall be given to the Member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or make any such entry.

40. Notwithstanding any such forfeiture as aforesaid the Board may at any time, before any shares so forfeited shall have been sold, re-allotted or otherwise disposed of, permit the shares forfeited to be bought back upon the terms of payment of all calls and interest due upon and expenses incurred in respect of the share, and upon such further terms (if any) as it thinks fit.

41. The forfeiture of a share shall not prejudice the right of the Company to any call already made or instalment payable thereon.

42. The provisions of these Bye-laws as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

REGISTER OF MEMBERS

43. (1) The Company shall keep in one or more books a Register and shall enter therein the following particulars, that is to say:

- (a) the name and address of each Member, the number and class of shares held by him and, in respect of any shares that are not fully paid, ~~and~~ the amount paid or agreed to be considered as paid on such shares;

APPENDIX III PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS

- (b) the date on which each person was entered in the Register; and
- (c) the date on which any person ceased to be a Member.

(2) Subject to the Act, the Company may keep an overseas or local or other branch register of Members resident in any place, and the Board may make and vary such regulations as it determines in respect of the keeping of any such register and maintaining a Registration Office in connection therewith.

44. The Register and branch register of Members, as the case may be, shall be open to inspection between 10 a.m. and 12 noon ~~on every~~ during business ~~day~~ hours by ~~M~~members of the public without charge ~~or by any other person, upon a maximum payment of five Bermuda dollars,~~ at the Office or such other place ~~in Bermuda~~ at which the Register is kept in accordance with the Act ~~or, if appropriate, upon a maximum payment of ten dollars at the Registration Office.~~ The Register including any overseas or local or other branch register of Members may, after notice has been given by advertisement in an appointed newspaper and where applicable, any other newspapers in accordance with the requirements of any Designated Stock Exchange or by any means in such manner as may be accepted by the Designated Stock Exchange to that effect, be closed at such times or for such periods not exceeding in the whole thirty (30) days in each year as the Board may determine and either generally or in respect of any class of shares.

App. 3 (20)

RECORD DATES

45. Subject to the Listing Rules, ~~N~~otwithstanding any other provision of these Bye-laws the Company or the Directors may fix any date as the record date for:

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

TRANSFER OF SHARES

46. Subject to these Bye-laws, any Member may transfer all or any of his shares in any manner permitted by and in accordance with the Listing Rules or by an instrument of transfer in the usual or common form or in a form prescribed by the Designated Stock Exchange or in any other form approved by the Board and may be under hand or, if the transferor or transferee is a clearing house or its nominee(s), by hand or by machine imprinted signature or by such other manner of execution as the Board may approve from time to time.

APPENDIX III PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS

47. The instrument of transfer shall be executed by or on behalf of the transferor and the transferee provided that the Board may dispense with the execution of the instrument of transfer by the transferee in any case which it thinks fit in its discretion to do so. Without prejudice to Bye-law 46, the Board may also resolve, either generally or in any particular case, upon request by either the transferor or transferee, to accept mechanically executed transfers. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register in respect thereof. Nothing in these Bye-laws shall preclude the Board from recognising a renunciation of the allotment or provisional allotment of any share by the allottee in favour of some other person.

48. (1) The Board may, in its absolute discretion, and without giving any reason therefor, refuse to register a transfer of any share (not being a fully paid up share) to a person of whom it does not approve, or any share issued under any share incentive scheme for employees upon which a restriction on transfer imposed thereby still subsists, and it may also, without prejudice to the foregoing generality, refuse to register a transfer of any share to more than four (4) joint holders or a transfer of any share (not being a fully paid up share) on which the Company has a lien.

(2) No transfer shall be made to an infant or to a person of unsound mind or under other legal disability.

(3) The Board in so far as permitted by any applicable law may, in its absolute discretion, at any time and from time to time transfer any share upon the Register to any branch register or any share on any branch register to the Register or any other branch register. In the event of any such transfer, the shareholder requesting such transfer shall bear the cost of effecting the transfer unless the Board otherwise determines.

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

49. Without limiting the generality of the last preceding Bye-law, the Board may decline to recognise any instrument of transfer unless:-

- (a) a fee of such maximum sum as the Designated Stock Exchange may determine to be payable or such lesser sum as the Board may from time to time require is paid to the Company in respect thereof;
- (b) the instrument of transfer is in respect of only one class of share;

APPENDIX III PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS

- (c) the instrument of transfer is lodged at the Office or such other place in Bermuda at which the Register is kept in accordance with the Act or the Registration Office (as the case may be) accompanied by the relevant share certificate(s) and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer (and, if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do); and
- (d) if applicable, the instrument of transfer is duly and properly stamped.

50. If the Board refuses to register a transfer of any share, it shall, within two (2) months after the date on which the transfer was lodged with the Company, send to each of the transferor and transferee notice of the refusal.

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

TRANSMISSION OF SHARES

52. If a Member dies, the survivor or survivors where the deceased was a joint holder, and his legal personal representatives where he was a sole or only surviving holder, will be the only persons recognised by the Company as having any title to his interest in the shares; but nothing in this Bye-law will release the estate of a deceased Member (whether sole or joint) from any liability in respect of any share which had been solely or jointly held by him.

53. Subject to Section 52 of the Act, any person becoming entitled to a share in consequence of the death or bankruptcy or winding-up of a Member may, upon such evidence as to his title being produced as may be required by the Board, elect either to become the holder of the share or to have some person nominated by him registered as the transferee thereof. If he elects to become the holder he shall notify the Company in writing either at the Registration Office or Office, as the case may be, to that effect. If he elects to have another person registered he shall execute a transfer of the share in favour of that person. The provisions of these Bye-laws relating to the transfer and registration of transfers of shares shall apply to such notice or transfer as aforesaid as if the death or bankruptcy of the Member had not occurred and the notice or transfer were a transfer signed by such Member.

54. A person becoming entitled to a share by reason of the death or bankruptcy or winding-up of a Member shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share. However, the Board may, if it thinks fit, withhold the payment of any dividend payable or other advantages in respect of such share until such person shall become the registered holder of the share or shall have effectually transferred such share, but, subject to the requirements of Bye-law 75(2) being met, such a person may vote at meetings.

APPENDIX III PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS

UNTRACEABLE MEMBERS

55. (1) Without prejudice to the rights of the Company under paragraph (2) of this Bye-law, the Company may cease sending cheques for dividend entitlements or dividend warrants by post if such cheques or warrants have been left uncashed on two consecutive occasions. However, the Company may exercise the power to cease sending cheques for dividend entitlements or dividend warrants after the first occasion on which such a cheque or warrant is returned undelivered.

(2) The Company shall have the power to sell, in such manner as the Board thinks fit, any shares of a Member who is untraceable, but no such sale shall be made unless:

- (a) all cheques or warrants in respect of dividends of the shares in question, being not less than three in total number, for any sum payable in cash to the holder of such shares in respect of them sent during the relevant period in the manner authorised by the Bye-laws ~~of the Company~~ have remained uncashed;
- (b) so far as it is aware at the end of the relevant period, the Company has not at any time during the relevant period received any indication of the existence of the Member who is the holder of such shares or of a person entitled to such shares by death, bankruptcy or operation of law; and
- (c) the Company, if so required by the ~~rules governing the listing of shares on the Designated Stock Exchange~~ Listing Rules, has given notice to, and caused advertisement in newspapers in accordance with the requirements of, the Designated Stock Exchange to be made of its intention to sell such shares in the manner required by the Designated Stock Exchange, and a period of three (3) months or such shorter period as may be allowed by the Designated Stock Exchange has elapsed since the date of such advertisement.

For the purpose of the foregoing, the “relevant period” means the period commencing twelve ~~(12)~~ years before the date of publication of the advertisement referred to in paragraph (c) of this Bye-law and ending at the expiry of the period referred to in that paragraph.

(3) To give effect to any such sale the Board may authorise some person to transfer the said shares and an instrument of transfer signed or otherwise executed by or on behalf of such person shall be as effective as if it had been executed by the registered holder or the person entitled by transmission to such shares, and the purchaser shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale. The net proceeds of the sale will belong to the Company and upon receipt by the Company of such net proceeds it shall become indebted to the former Member for an amount equal to such net proceeds. No trust shall be created in respect of such debt and no interest shall be payable in respect of it and the Company shall not be required to account for any money earned from the net proceeds which may be employed in the business of the Company or as it thinks fit. Any sale under this Bye-law shall be valid and effective notwithstanding that the Member holding the shares sold is dead, bankrupt or otherwise under any legal disability or incapacity.

APPENDIX III PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS

GENERAL MEETINGS

56. ~~Subject to the Act, An annual general meeting of the Company shall be held in for each financial year and such annual general meeting must be held within six (6) months after the end of the Company's financial year other than the year in which its statutory meeting is convened at such time (within a period of not more than fifteen (15) months after the holding of the last preceding annual general meeting (unless a longer period would not infringe the rules of the Designated Stock Exchange Listing Rules, if any) and place as may be determined by the Board.~~

App. 3 (14(1))

57. Each general meeting, other than an annual general meeting, shall be called a special general meeting. ~~All G~~general meetings (including an annual general meeting, any adjourned meeting or postponed meeting) may be held as a physical meeting in any part of the world and at one or more locations as provided in Bye-law 64A, as a hybrid meeting or as an electronic meeting, as may be determined by the Board in its absolute discretion.

58. The Board may whenever it thinks fit call special general meetings, and Members holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Secretary of the Company, to require a special general meeting to be called by the Board for the transaction of any business or resolution specified in such requisition; and such meeting shall be held in the form of a physical meeting only and within two (2) months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting the requisitionists themselves may ~~do so~~convene such physical meeting in accordance with the provisions of Section 74(3) of the Act.

App. 3 (14(5))

NOTICE OF GENERAL MEETINGS

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

App. 3 (14(2))

- (a) in the case of a meeting called as an annual general meeting, by all the Members entitled to attend and vote thereat; and
- (b) in the case of any other meeting, by a majority in number of the Members having the right to attend and vote at the meeting, being a majority together ~~holding~~representing not less than ninety-five per cent. (95%) ~~in nominal value~~of the total voting rights at the meeting of ~~all the issued shares giving that right~~Members.

APPENDIX III PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS

(2) The Notice shall specify (a) the time and date of the meeting, (b) save for an electronic meeting, the place of the meeting and, in case of special business, the general nature of the business if there is more than one meeting location as determined by the Board pursuant to Bye-law 64A, the principal place of the meeting (the “Principal Meeting Place”), (c) if the general meeting is to be a hybrid meeting or an electronic meeting, the Notice shall include a statement to that effect and with details of the electronic facilities for attendance and participation by electronic means at the meeting or where such details will be made available by the Company prior to the meeting, and (d) particulars of resolutions to be considered at the meeting. The Notice convening an annual general meeting shall specify the meeting as such. Notice of every general meeting shall be given to all Members other than to such Members as, under the provisions of these Bye-laws or the terms of issue of the shares they hold, are not entitled to receive such notices from the Company, to all persons entitled to a share in consequence of the death or bankruptcy or winding-up of a Member and to each of the Directors and the Auditors.

60. The accidental omission to give Notice of a meeting or (in cases where instruments of proxy are sent out with the Notice) to send such instrument of proxy to, or the non-receipt of such Notice or such instrument of proxy by, any person entitled to receive such Notice shall not invalidate any resolution passed or the proceedings at that meeting.

PROCEEDINGS AT GENERAL MEETINGS

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

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

62. If within thirty (30) minutes (or such longer time not exceeding one hour as the chairman of the meeting may determine to wait) after the time appointed for the meeting a quorum is not present, the meeting, if convened on the requisition of Members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week at the same time and (where applicable) same place(s) or to such time and (where applicable) such place(s) and in such form and manner referred to in Bye-law 57 as the chairman of the meeting (or in default, as the Board) may absolutely determine. If at such adjourned meeting a quorum is not present within half an hour from the time appointed for holding the meeting, the meeting shall be dissolved.

APPENDIX III PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS

63. (1) ~~The president~~chairman of the Company or ~~the~~if there is more than one chairman, any one of them as may be agreed amongst themselves or failing such agreement, any one of them elected by all the Directors present shall preside as chairman at every general meeting. If at any meeting ~~the president or the~~no chairman, ~~as the case may be, is not~~ present within fifteen (15) minutes after the time appointed for holding the meeting, or ~~if neither of them is~~ willing to act as chairman, the deputy chairman of the Company or if there is more than one deputy chairman, any one of them as may be agreed amongst themselves or failing such agreement, any one of them elected by all the Directors present shall preside as chairman. If no chairman or deputy chairman is present or is willing to act as chairman of the meeting, the Directors present shall choose one of their number to act, or if one Director only is present he shall preside as chairman if willing to act. If no Director is present, or if each of the Directors present declines to take the chair, or if the chairman chosen shall retire from the chair, the Members present in person ~~(or in the case of a Member being a corporation by its duly authorised representative)~~ or by proxy and entitled to vote shall elect one of their number to be chairman of the meeting.

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

64. Subject to Bye-law 64C, ~~the~~ chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time (or indefinitely) and/or from place to place(s) and/or from one form to another (a physical meeting, a hybrid meeting or an electronic meeting) as the meeting shall determine, but no business shall be transacted at any adjourned meeting other than the business which might lawfully have been transacted at the meeting had the adjournment not taken place. When a meeting is adjourned for fourteen (14) days or more, at least seven (7) clear days' Notice of the adjourned meeting shall be given specifying the ~~time and place of the adjourned meeting~~ details set out in Bye-law 59(2) but it shall not be necessary to specify in such notice the nature of the business to be transacted at the adjourned meeting and the general nature of the business to be transacted. Save as aforesaid, it shall be unnecessary to give ~~a~~ Notice of an adjournment.

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

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

(a) where a Member is attending a Meeting Location and/or in the case of a hybrid meeting, the meeting shall be treated as having commenced if it has commenced at the Principal Meeting Place;

APPENDIX III PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS

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

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

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

- (a) the electronic facilities at the Principal Meeting Place or at such other Meeting Location(s) at which the meeting may be attended have become inadequate for the purposes referred to in Bye-law 64A(1) or are otherwise not sufficient to allow the meeting to be conducted substantially in accordance with the provisions set out in the Notice of the meeting; or

APPENDIX III PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS

- (b) in the case of an electronic meeting or a hybrid meeting, electronic facilities being made available by the Company have become inadequate; or
- (c) it is not possible to ascertain the view of those present or to give all persons entitled to do so a reasonable opportunity to communicate and/or vote at the meeting; or
- (d) there is violence or the threat of violence, unruly behaviour or other disruption occurring at the meeting or it is not possible to secure the proper and orderly conduct of the meeting;

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

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

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

- (a) when a meeting is so postponed, the Company shall endeavour to post a Notice of such postponement on the Company's website as soon as practicable (provided that failure to post such a Notice shall not affect the automatic postponement of such meeting);

APPENDIX III PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS

- (b) when only the form of the meeting or electronic facilities specified in the Notice are changed, the Board shall notify the Members of details of such change in such manner as the Board may determine;
- (c) when a meeting is postponed or changed in accordance with this Bye-law, subject to and without prejudice to Bye-law 64, unless already specified in the original Notice of the meeting, the Board shall fix the date, time, place (if applicable) and electronic facilities (if applicable) for the postponed or changed meeting and shall notify the Members of such details in such manner as the Board may determine; further all proxy forms shall be valid (unless revoked or replaced by a new proxy) if they are received as required by these Bye-laws not less than 48 hours before the time of the postponed or changed meeting; and
- (d) Notice of the business to be transacted at the postponed or changed meeting shall not be required, nor shall any accompanying documents be required to be recirculated, provided that the business to be transacted at the postponed or changed meeting is the same as that set out in the original Notice of general meeting circulated to the Members.

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

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

65. If an amendment is proposed to any resolution under consideration but is in good faith ruled out of order by the chairman of the meeting, the proceedings on the substantive resolution shall not be invalidated by any error in such ruling. In the case of a resolution duly proposed as a special resolution, no amendment thereto (other than a mere clerical amendment to correct a patent error) may in any event be considered or voted upon.

APPENDIX III PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS

VOTING

66. (1) Subject to any special rights or restrictions as to voting for the time being attached to any shares by or in accordance with these Bye-laws, at any general meeting on a ~~show of hands every Member present in person (or being a corporation, is present by a representative duly authorised under Section 78 of the Act), or by proxy shall have one vote and on a poll every Member present in person or by proxy or, in the case of a Member being a corporation, by its duly authorised representative shall have one vote for every fully paid share of which he is the holder but so that no amount paid up or credited as paid up on a share in advance of calls or instalments is treated for the foregoing purposes as paid up on the share. Notwithstanding anything contained in these Bye-laws, A resolution put to the vote of a meeting shall be decided by way of a poll save that in the case of a physical meeting, the chairman of the meeting may in good faith, allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands in which case every Member present in or by proxy(ies) shall have one vote provided that where more than one proxy is appointed by a Member which is a clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands. A resolution put to the vote of a meeting shall be decided on~~ For purposes of this Bye-law, procedural and administrative matters are those that (i) are not on the agenda of the general meeting or in any supplementary circular that may be issued by the Company to its Members; and (ii) relate to the chairman's duties to maintain the orderly conduct of the meeting and/or allow the business of the meeting to be properly and effectively dealt with, whilst allowing all Members a reasonable opportunity to express their views. Votes may be cast by such means, electronic or otherwise, as the Directors or the chairman of the meeting may determine.

App. 3 (19)

(2) ~~In the case of a physical meeting where a show of hands unless voting by way of a poll is required by the rules of the Designated Stock Exchange or is allowed, (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll), a poll is~~ may be demanded:

- (a) ~~by the chairman of such meeting; or~~
- (ba) by at least three Members present in person ~~(or in the case of a Member being a corporation by its duly authorised representative)~~ or by proxy for the time being entitled to vote at the meeting; or
- (eb) by a Member or Members present in person ~~(or in the case of a Member being a corporation by its duly authorised representative)~~ or by proxy and representing not less than one-tenth of the total voting rights of all Members having the right to vote at the meeting; or
- (dc) by a Member or Members present in person ~~(or in the case of a Member being a corporation by its duly authorised representative)~~ or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all shares conferring that right; ~~or.~~
- (e) ~~if required by the rules of the Designated Stock Exchange, by any Director or Directors who, individually or collectively, hold proxies in respect of shares representing five per cent. (5%) or more of the total voting rights at such meeting.~~

APPENDIX III PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS

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

67. ~~Unless~~Where a poll resolution is duly demanded and the demand is not withdrawn voted on by a show of hands, a declaration by the chairman that a resolution has been carried, or carried unanimously, or by a particular majority, or not carried by a particular majority, or lost, and an entry to that effect made in the minute book of the Company, shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded for or against the resolution. The result of the poll shall be deemed to be the resolution of the meeting. The Company shall only be required to disclose the voting figures on a poll if such disclosure is required by the Listing Rules.

68. ~~If a poll is duly demanded the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The Company shall only be required to disclose the voting figures on a poll if such disclosure is required by the rules of the Designated Stock Exchange.~~[intentionally left blank]

69. ~~A poll demanded on the election of a chairman, or on a question of adjournment, shall be taken forthwith. A poll demanded on any other question shall be taken in such manner (including the use of ballot or voting papers or tickets) and either forthwith or at such time (being not later than thirty (30) days after the date of the demand) and place as the chairman directs. It shall not be necessary (unless the chairman otherwise directs) for notice to be given of a poll not taken immediately.~~[intentionally left blank]

70. ~~The demand for a poll shall not prevent the continuance of a meeting or the transaction of any business other than the question on which the poll has been demanded, and, with the consent of the chairman, it may be withdrawn at any time before the close of the meeting or the taking of the poll, whichever is the earlier.~~[intentionally left blank]

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

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

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

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

APPENDIX III PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS

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

(2) Any person entitled under Bye-law 53 to be registered as the holder of any shares may vote at any general meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that forty-eight (48) hours at least before the time of the holding of the meeting or adjourned meeting or postponed meeting, as the case may be, at which he proposes to vote, he shall satisfy the Board of his entitlement to such shares, or the Board shall have previously admitted his right to vote at such meeting in respect thereof.

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

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

App. 3 (14(3))

~~(23)~~ Where the Company has knowledge that any Member is, under the ~~rules of the Designated Stock Exchange Listing Rules~~, required to abstain from voting on any particular resolution of the Company or restricted to voting only for or only against any particular resolution of the Company, any votes cast by or on behalf of such Member in contravention of such requirement or restriction shall not be counted.

App. 3 (14(4))

77. If:

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

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

APPENDIX III PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS

PROXIES

78. Any Member entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person as his proxy to attend and vote instead of him. A Member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at a general meeting of the Company or at a class meeting. A proxy need not be a Member. In addition, a proxy or proxies representing either a Member who is an individual or a Member which is a corporation shall be entitled to exercise the same powers on behalf of the Member which he or they represent as such Member could exercise. App. 3 (18)

79. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same. In the case of an instrument of proxy purporting to be signed on behalf of a corporation by an officer thereof it shall be assumed, unless the contrary appears, that such officer was duly authorised to sign such instrument of proxy on behalf of the corporation without further evidence of the fact. App. 3 (19)

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

APPENDIX III PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS

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

81. Instruments of proxy shall be in any common form or in such other form as the Board may approve (provided that this shall not preclude the use of the two-way form) and the Board may, if it thinks fit, send out with the ~~n~~Notice of any meeting forms of instrument of proxy for use at the meeting. The instrument of proxy shall be deemed to confer authority ~~to demand or join in demanding a poll and~~ to vote on any amendment of a resolution put to the meeting for which it is given as the proxy thinks fit. The instrument of proxy shall, unless the contrary is stated therein, be valid as well for any adjournment or postponement of the meeting as for the meeting to which it relates. The Board may decide, either generally or in any particular case, to treat a proxy appointment as valid notwithstanding that the appointment or any of the information required under these Bye-laws has not been received in accordance with the requirements of these Bye-laws. Subject to aforesaid, if the proxy appointment and any of the information required under these Bye-laws is not received in the manner set out in these Bye-laws, the appointee shall not be entitled to vote in respect of the shares in question.

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

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

APPENDIX III PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS

CORPORATIONS ACTING BY REPRESENTATIVES

84. (1) Any corporation which is a Member may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company or at any meeting of any class of Members. The person so authorised shall be entitled to exercise the same powers on behalf of such corporation as the corporation could exercise if it were an individual Member and such corporation shall for the purposes of these Bye-laws be deemed to be present in person at any such meeting if a person so authorised is present thereat. App. 3 (18)

(2) Where a Member is a clearing house (or its nominee(s) and, in each case, being a corporation), it may authorise such persons as it thinks fit to act as its representatives at any meeting of the Company or at any meeting of any class of Members provided that the authorisation shall specify the number and class of shares in respect of which each such representative is so authorised. Each person so authorised under the provisions of this Bye-law shall be deemed to have been duly authorised without further evidence of the facts and be entitled to exercise the same rights and powers on behalf of the clearing house (or its nominee(s)) as if such person was the registered holder of the shares of the Company held by the clearing house (or its nominee(s)) in respect of the number and class of shares specified in the relevant authorisation including, where a show of hands is allowed, the right to vote individually on a show of hands. App. 3 (19)

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

WRITTEN RESOLUTIONS OF MEMBERS

85. (1) Subject to the Act, a resolution in writing signed (in such manner as to indicate, expressly or impliedly, unconditional approval) by or on behalf of all persons for the time being entitled to receive notice of and to attend and vote at general meetings of the Company shall, for the purposes of these Bye-laws, be treated as a resolution duly passed at a general meeting of the Company and, where relevant, as a special resolution so passed. Any such resolution shall be deemed to have been passed at a meeting held on the date on which it was signed by the last Member to sign, and where the resolution states a date as being the date of his signature thereof by any Member the statement shall be prima facie evidence that it was signed by him on that date. Such a resolution may consist of several documents in the like form, each signed by one or more relevant Members.

(2) Notwithstanding any provisions contained in these Bye-laws, a resolution in writing shall not be passed for the purpose of removing a Director before the expiration of his term of office under Bye-law 86(4) or for the purposes set out in Bye-law ~~154(3)~~156 relating to the removal and appointment of the Auditor.

APPENDIX III PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS

BOARD OF DIRECTORS

86. (1) Unless otherwise determined by the Company in general meeting, the number of Directors shall not be less than two (2). There shall be no maximum number of Directors unless otherwise determined from time to time by the Members in general meeting. The Directors shall be elected or appointed in the first place at the statutory meeting of Members and thereafter at the annual general meeting in accordance with Bye-law 87 or at any special general meeting called for such purpose and who shall have hold office until for such term as the next appointment of Directors ~~Members may determine or, in the absence of such determination, in accordance with Bye-law 87 or until their successors are elected or appointed or their office is otherwise vacated.~~ Any general meeting may authorise the Board to fill any vacancy in their number left unfilled at a general meeting.

(2) The Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or, subject to authorisation by the Members in general meeting, as an additional ~~to~~ the existing Board but so that the number of Directors so appointed shall not exceed any maximum number determined from time to time by the Members in general meeting. Any Director so appointed ~~by the Board shall hold office only until the next following general meeting of the Company (in the case of filling a casual vacancy) or until the next following annual general meeting of the Company (in the case of an addition to the Board),~~ and shall then be eligible for re-election ~~at that meeting.~~

App. 3 (4(2))

(3) Neither a Director nor an alternate Director shall be required to hold any shares of the Company by way of qualification and a Director or alternate Director (as the case may be) who is not a Member shall be entitled to receive ~~an~~ Notice of and to attend and speak at any general meeting of the Company and of all classes of shares of the Company.

(4) The Members may, at any general meeting convened and held in accordance with these Bye-laws, by ordinary resolution remove a Director at any time before the expiration of his ~~period term~~ of office notwithstanding anything to the contrary in these Bye-laws or in any agreement between the Company and such Director (but without prejudice to any claim for damages under any such agreement) provided that the Notice of any such meeting convened for the purpose of removing a Director shall contain a statement of the intention so to do and be served on such Director fourteen (14) days before the meeting and at such meeting such Director shall be entitled to be heard on the motion for his removal.

App. 3 (4(3))

(5) A vacancy on the Board created by the removal of a Director under the provisions of subparagraph (4) above may be filled by the election or appointment by the Members at the meeting at which such Director is removed to hold office until the next appointment of Directors or until their successors are elected or appointed or, in the absence of such election or appointment such general meeting may authorise the Board to fill any vacancy in the number left unfilled.

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

APPENDIX III PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS

RETIREMENT OF DIRECTORS

87. (1) Notwithstanding any other provisions in the Bye-laws, at each annual general meeting ~~not less than~~ one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation, provided that every Director (~~including those appointed for a specific term~~) shall be subject to retirement ~~by rotation~~ at least once every three years.

(2) A retiring Director shall be eligible for re-election and shall continue to act as a Director throughout the meeting at which he retires. The Directors to retire by rotation shall include (so far as necessary to ascertain the number of directors to retire by rotation) any Director who wishes to retire and not to offer himself for re-election. Any further Directors so to retire shall be those of the other Directors subject to retirement by rotation who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. Any Director appointed pursuant to Bye-law 86(2) shall not be taken into account in determining which particular Directors or the number of Directors who are to retire by rotation.

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

DISQUALIFICATION OF DIRECTORS

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

(1) resigns his office by notice in writing delivered to the Company at the Office or tendered at a meeting of the Board;

(2) becomes of unsound mind or dies;

(3) without special leave of absence from the Board, is absent from meetings of the Board for six consecutive months, and his alternate Director, if any, shall not during such period have attended in his stead and the Board resolves that his office be vacated; ~~or~~

(4) becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors;

(5) is prohibited by law from being a Director; or

APPENDIX III PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS

(6) ceases to be a Director by virtue of any provision of the Statutes or is removed from office pursuant to these Bye-laws.

No Director shall be required to vacate office or be ineligible for re-election or re-appointment as a Director, and no person shall be ineligible for appointment as a Directors, by reason only of his having attained any particular age.

EXECUTIVE DIRECTORS

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

91. Notwithstanding Bye-laws 96, 97, 98 and 99, an executive director appointed to an office under Bye-law 90 hereof shall receive such remuneration (whether by way of salary, commission, participation in profits or otherwise or by all or any of those modes) and such other benefits (including pension and/or gratuity and/or other benefits on retirement) and allowances as the Board may from time to time determine, and either in addition to or in lieu of his remuneration as a Director.

ALTERNATE DIRECTORS

92. Any Director may at any time by Notice delivered to the Office or head office or at a meeting of the Directors appoint any person to be his alternate Director. Any person so appointed shall have all the rights and powers of the Director or Directors for whom such person is appointed in the alternative provided that such person shall not be counted more than once in determining whether or not a quorum is present. An alternate Director may be removed at any time by the person or body which appointed him and, subject thereto, the office of alternate Director shall continue until the ~~next annual election of Directors or, if earlier, the date on happening of any event which the relevant,~~ if he were a Director, would cause him to vacate such office or if his appointer ceases for any reason to be a Director. Any appointment or removal of an alternate Director shall be effected by Notice signed by the appointor and delivered to the Office or head office or tendered at a meeting of the Board. An alternate Director may also be a Director in his own right and may act as alternate to more than one Director. An alternate Director shall, if his appointor so requests, be entitled to receive notices of meetings of the Board or of committees of the Board to the same extent as, but in lieu of, the Director appointing him and shall be entitled to such extent to attend and vote as a Director at any such meeting at which the Director appointing him is not personally present and generally at such meeting to exercise and discharge all the functions, powers and duties of his appointor as a Director and for the purposes of the proceedings at such meeting the provisions of these Bye-laws shall apply as if he were a Director save that as an alternate for more than one Director his voting rights shall be cumulative.

APPENDIX III PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS

93. An alternate Director shall only be a Director for the purposes of the Act and shall only be subject to the provisions of the Act insofar as they relate to the duties and obligations of a Director when performing the functions of the Director for whom he is appointed in the alternative and shall alone be responsible to the Company for his acts and defaults and shall not be deemed to be the agent of or for the Director appointing him. An alternate Director shall be entitled to contract and be interested in and benefit from contracts or arrangements or transactions and to be repaid expenses and to be indemnified by the Company to the same extent mutatis mutandis as if he were a Director but he shall not be entitled to receive from the Company any fee in his capacity as an alternate Director except only such part, if any, of the remuneration otherwise payable to his appointor as such appointor may by Notice to the Company from time to time direct.

94. Every person acting as an alternate Director shall have one vote for each Director for whom he acts as alternate (in addition to his own vote if he is also a Director). If his appointor is for the time being absent from Hong Kong or otherwise not available or unable to act, the signature of an alternate Director to any resolution in writing of the Board or a committee of the Board of which his appointor is a member shall, unless the notice of his appointment provides to the contrary, be as effective as the signature of his appointor.

95. An alternate Director shall ipso facto cease to be an alternate Director if his appointor ceases for any reason to be a Director, however, such alternate Director or any other person may be re-appointed by the Directors to serve as an alternate Director PROVIDED always that, if at any meeting any Director retires but is re-elected at the same meeting, any appointment of such alternate Director pursuant to these Bye-laws which was in force immediately before his retirement shall remain in force as though he had not retired.

DIRECTORS' FEES AND EXPENSES

96. The ordinary remuneration of the Directors shall from time to time be determined by the Company in general meeting and shall (unless otherwise directed by the resolution by which it is voted) be divided amongst the Board in such proportions and in such manner as the Board may agree or, failing agreement, equally, except that any Director who shall hold office for part only of the period in respect of which such remuneration is payable shall be entitled only to rank in such division for a proportion of remuneration related to the period during which he has held office. Such remuneration shall be deemed to accrue from day to day.

97. Each Director shall be entitled to be repaid or prepaid all travelling, hotel and incidental expenses reasonably incurred or expected to be incurred by him in attending meetings of the Board or committees of the Board or general meetings or separate meetings of any class of shares or of debentures of the Company or otherwise in connection with the discharge of his duties as a Director.

98. Any Director who, by request, goes or resides abroad for any purpose of the Company or who performs services which in the opinion of the Board go beyond the ordinary duties of a Director may be paid such extra remuneration (whether by way of salary, commission, participation in profits or otherwise) as the Board may determine and such extra remuneration shall be in addition to or in substitution for any ordinary remuneration provided for by or pursuant to any other Bye-law.

APPENDIX III PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS

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

DIRECTORS' INTERESTS

100. A Director may:

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

APPENDIX III PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS

101. Subject to the Act and to these Bye-laws, no Director or proposed or intending Director shall be disqualified by his office from contracting with the Company, either with regard to his tenure of any office or place of profit or as vendor, purchaser or in any other manner whatsoever, nor shall any such contract or any other contract or arrangement in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company or the Members for any remuneration, profit or other benefits realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established provided that such Director shall disclose the nature of his interest in any contract or arrangement in which he is interested in accordance with Bye-law 102 herein.

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

- (a) he is a member or officer of a specified company or firm and is to be regarded as interested in any contract or arrangement which may after the date of the Notice be made with that company or firm; or
- (b) he is to be regarded as interested in any contract or arrangement which may after the date of the Notice be made with a specified person who is connected with him;

shall be deemed to be a sufficient declaration of interest under this Bye-law in relation to any such contract or arrangement, provided that no such Notice shall be effective unless either it is given at a meeting of the Board or the Director takes reasonable steps to secure that it is brought up and read at the next Board meeting after it is given.

103. (1) A Director shall not vote (nor be counted in the quorum) on any resolution of the Board approving any contract or arrangement or any other proposal in which he or any of his close associates is materially interested, but this prohibition shall not apply to any of the following matters namely:

- (i) ~~any contract or arrangement for the giving of any security or indemnity either:-~~
 - (a) to ~~such~~ the Director or his close associate(s) ~~any security or indemnity~~ in respect of money lent ~~by him or any of his associates~~ or obligations incurred or undertaken by him or any of ~~his associates~~ them at the request of or for the benefit of the Company or any of its subsidiaries; or
 - (~~ii~~b) ~~any contract or arrangement for the giving of any security or indemnity~~ to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his close associate(s) has himself/themselves assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;

APPENDIX III PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS

- (iii) any ~~contract or arrangement~~proposal concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase, where the Director or his close associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;
- (iv) ~~any contract or arrangement in which the Director or his associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company;~~
- (v) ~~any contract or arrangement concerning any other company in which the Director or his associate(s) is/are interested only, whether directly or indirectly, as an officer or executive or a shareholder or in which the Director and any of his associates are not in aggregate beneficially interested in five (5) per cent or more of the issued shares or of the voting rights of any class of shares of such company (or any third company through which his interest or that of any of his associates is derived); or~~
- (~~vi~~iii) any proposal or arrangement concerning the benefit of employees of the Company or its subsidiaries including:
 - (a) the adoption, modification or operation of any employees' share scheme or any share incentive or share option scheme, under which the Director or his close associate(s) may benefit; or
 - (~~a~~)b) the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme or other arrangement which relates both to the ~~d~~Directors, his close associate(s) and employee(s) of the Company or of any of its subsidiaries and does not provide in respect of any Director, or his close associate(s), as such any privilege or advantage not ~~accorded~~ generally accorded to the class of persons to which such scheme or fund relates;

(2) ~~A company shall be deemed to be a company in which a Director and/or his associate(s) owns five (5) per cent or more if and so long as (but only if and so long as) he and/or his associates, (either directly or indirectly) are the holders of or beneficially interested in five (5) per cent or more of any class of the equity share capital of such company or of the voting rights available to members of such company (or of any third company through which his interest or that of any of his associates is derived). For the purpose of this paragraph there shall be disregarded any shares held by a Director or his associate(s) as bare or custodian trustee and in which he or any of them has no beneficial interest, any shares comprised in a trust in which the interest of the Director or his associate(s) is/are in reversion or remainder if and so long as some other person is entitled to receive the income thereof, and any shares comprised in an authorised unit trust scheme in which the Director or his associate(s) is/are interested only as a unit holder.~~

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

APPENDIX III PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS

- (iv) any contract or arrangement in which the Director or his close associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company.

(42) If any question shall arise at any meeting of the Board as to the materiality of the interest of a Director (other than the chairman of the meeting) or ~~his associate(s) or~~ as to the entitlement of any Director (other than such chairman) to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the chairman of the meeting and his ruling in relation to such other Director shall be final and conclusive except in a case where the nature or extent of the interest of the Director ~~and/or his associate(s)~~ concerned as known to such Director has not been fairly disclosed to the Board. If any question as aforesaid shall arise in respect of the chairman of the meeting such question shall be decided by a resolution of the Board (for which purpose such chairman shall not vote thereon) and such resolution shall be final and conclusive except in a case where the nature or extent of the interest of such chairman as known to such chairman has not been fairly disclosed to the Board.

GENERAL POWERS OF THE DIRECTORS

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

(2) Any person contracting or dealing with the Company in the ordinary course of business shall be entitled to rely on any written or oral contract or agreement or deed, document or instrument entered into or executed as the case may be by any two of the Directors acting jointly on behalf of the Company and the same shall be deemed to be validly entered into or executed by the Company as the case may be and shall, subject to any rule of law, be binding on the Company.

(3) Without prejudice to the general powers conferred by these Bye-laws it is hereby expressly declared that the Board shall have the following powers:

- (a) to give to any person the right or option of requiring at a future date that an allotment shall be made to him of any share at par or at such premium as may be agreed;
- (b) to give to any Directors, officers or servants of the Company an interest in any particular business or transaction or participation in the profits thereof or in the general profits of the Company either in addition to or in substitution for a salary or other remuneration; and
- (c) to resolve that the Company be discontinued in Bermuda and continued in a named country or jurisdiction outside Bermuda subject to the provisions of the Act.

APPENDIX III PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS

105. The Board may establish any regional or local boards or agencies for managing any of the affairs of the Company in any place, and may appoint any persons to be members of such local boards, or any managers or agents, and may fix their remuneration (either by way of salary or by commission or by conferring the right to participation in the profits of the Company or by a combination of two or more of these modes) and pay the working expenses of any staff employed by them upon the business of the Company. The Board may delegate to any regional or local board, manager or agent any of the powers, authorities and discretions vested in or exercisable by the Board (other than its powers to make calls and forfeit shares), with power to sub-delegate, and may authorise the members of any of them to fill any vacancies therein and to act notwithstanding vacancies. Any such appointment or delegation may be made upon such terms and subject to such conditions as the Board may think fit, and the Board may remove any person appointed as aforesaid, and may revoke or vary such delegation, but no person dealing in good faith and without notice of any such revocation or variation shall be affected thereby.

106. The Board may by power of attorney appoint under the Seal any company, firm or person or any fluctuating body of persons, whether nominated directly or indirectly by the Board, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these Bye-laws) and for such period and subject to such conditions as it may think fit, and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Board may think fit, and may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions vested in him. Such attorney or attorneys may, if so authorised under the Seal of the Company, execute any deed or instrument under their personal seal with the same effect as the affixation of the Seal.

107. The Board may entrust to and confer upon a managing director, joint managing director, deputy managing director, an executive director or any Director any of the powers exercisable by it upon such terms and conditions and with such restrictions as it thinks fit, and either collaterally with, or to the exclusion of, its own powers, and may from time to time revoke or vary all or any of such powers but no person dealing in good faith and without notice of such revocation or variation shall be affected thereby.

108. All cheques, promissory notes, drafts, bills of exchange and other instruments, whether negotiable or transferable or not, and all receipts for moneys paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as the Board shall from time to time by resolution determine. The Company's banking accounts shall be kept with such banker or bankers as the Board shall from time to time determine.

109. (1) The Board may establish or concur or join with other companies (being subsidiary companies of the Company or companies with which it is associated in business) in establishing and making contributions out of the Company's moneys to any schemes or funds for providing pensions, sickness or compassionate allowances, life assurance or other benefits for employees (which expression as used in this and the following paragraph shall include any Director or ex-Director who may hold or have held any executive office or any office of profit under the Company or any of its subsidiary companies) and ex-employees of the Company and their dependants or any class or classes of such person.

APPENDIX III PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS

(2) The Board may pay, enter into agreements to pay or make grants of revocable or irrevocable, and either subject or not subject to any terms or conditions, pensions or other benefits to employees and ex-employees and their dependants, or to any of such persons, including pensions or benefits additional to those, if any, to which such employees or ex-employees or their dependants are or may become entitled under any such scheme or fund as mentioned in the last preceding paragraph. Any such pension or benefit may, as the Board considers desirable, be granted to an employee either before and in anticipation of or upon or at any time after his actual retirement.

BORROWING POWERS

110. The Board may exercise all the powers of the Company to raise or borrow money and to mortgage or charge all or any part of the undertaking, property and assets (present and future) and uncalled capital of the Company and, subject to the Act, to issue debentures, bonds and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

111. Debentures, bonds and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

112. Any debentures, bonds or other securities may be issued at a discount (other than shares), premium or otherwise and with any special privileges as to redemption, surrender, drawings, allotment of shares, attending and voting at general meetings of the Company, appointment of Directors and otherwise.

113. (1) Where any uncalled capital of the Company is charged, all persons taking any subsequent charge thereon shall take the same subject to such prior charge, and shall not be entitled, by notice to the Members or otherwise, to obtain priority over such prior charge.

(2) The Board shall cause a proper register to be kept, in accordance with the provisions of the Act, of all charges specifically affecting the property of the Company and of any series of debentures issued by the Company and shall duly comply with the requirements of the Act in regard to the registration of charges and debentures therein specified and otherwise.

PROCEEDINGS OF THE DIRECTORS

114. The Board may meet for the despatch of business, adjourn or postpone and otherwise regulate its meetings as it considers appropriate. Questions arising at any meeting shall be determined by a majority of votes. In the case of any equality of votes the chairman of the meeting shall have an additional or casting vote.

115. A meeting of the Board may be convened by the Secretary on request of a Director or by any Director. The Secretary shall convene a meeting of the Board ~~of which notice may be~~ whenever he shall be required so to do by any Director. Notice of a meeting of the Board shall be deemed to be duly given to a Director if it is given to such Director in writing or verbally (including in person or by telephone) or by electronic means to an electronic address from time to time notified to the Company by such Director or (if the recipient consents to it being made available on a website) by making it available on a website or in such other manner as the Board may from time to time determine ~~whenever he shall be required so to do by the president or chairman, as the case may be, or any Director.~~

APPENDIX III PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS

116. (1) The quorum necessary for the transaction of the business of the Board may be fixed by the Board and, unless so fixed at any other number, shall be two (2). An alternate Director shall be counted in a quorum in the case of the absence of a Director for whom he is the alternate provided that he shall not be counted more than once for the purpose of determining whether or not a quorum is present.

(2) Directors may participate in any meeting of the Board by means of a conference telephone, electronic or other communications equipment through which all persons participating in the meeting can communicate with each other simultaneously and instantaneously and, for the purpose of counting a quorum, such participation shall constitute presence at a meeting as if those participating were present in person.

(3) Any Director who ceases to be a Director at a Board meeting may continue to be present and to act as a Director and be counted in the quorum until the termination of such Board meeting if no other Director objects and if otherwise a quorum of Directors would not be present.

117. The continuing Directors or a sole continuing Director may act notwithstanding any vacancy in the Board but, if and so long as the number of Directors is reduced below the minimum number fixed by or in accordance with these Bye-laws, the continuing Directors or Director, notwithstanding that the number of Directors is below the number fixed by or in accordance with these Bye-laws as the quorum or that there is only one continuing Director, may act for the purpose of filling vacancies in the Board or of summoning general meetings of the Company but not for any other purpose.

118. The Board may elect ~~one or more~~ chairman and one or more deputy chairman of its meetings and determine the period for which they are respectively to hold such office. If no chairman or deputy chairman is elected, or if at any meeting ~~neither the~~no chairman ~~nor any~~or deputy chairman is present within five (5) minutes after the time appointed for holding the same, the Directors present may choose one of their number to be chairman of the meeting.

119. A meeting of the Board at which a quorum is present shall be competent to exercise all the powers, authorities and discretions for the time being vested in or exercisable by the Board.

120. (1) The Board may delegate any of its powers, authorities and discretions to committees, consisting of such Director or Directors and other persons as it thinks fit, and they may, from time to time, revoke such delegation or revoke the appointment of and discharge any such committees either wholly or in part, and either as to persons or purposes. Any committee so formed shall, in the exercise of the powers, authorities and discretions so delegated, conform to any regulations which may be imposed on it by the Board.

(2) All acts done by any such committee in conformity with such regulations, and in fulfilment of the purposes for which it was appointed, but not otherwise, shall have like force and effect as if done by the Board, and the Board shall have power, with the consent of the Company in general meeting, to remunerate the members of any such committee, and charge such remuneration to the current expenses of the Company.

121. The meetings and proceedings of any committee consisting of two or more members shall be governed by the provisions contained in these Bye-laws for regulating the meetings and proceedings of the Board so far as the same are applicable and are not superseded by any regulations imposed by the Board under the last preceding Bye-law.

APPENDIX III PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS

122. A resolution in writing signed by all the Directors except such as are temporarily unable to act through ill-health or disability, and all the alternate Directors, if appropriate, whose appointors are temporarily unable to act as aforesaid shall be as valid and effectual as if a resolution had been passed at a meeting of the Board duly convened and held provided that such number is sufficient to constitute a quorum and that a copy of such resolution has been given or the contents thereof communicated to all the Directors for the time being entitled to receive notices of Board meetings in the same manner as notices of meetings are required to be given by these Bye-laws and further provided that no Director is aware of or has received any objection to the resolution from any Director. A notification of consent to such resolution given by a Director in writing to the Board by any means (including by means of electronic communication) shall be deemed to be his/her signature to such resolution in writing for the purpose of this Bye-law. Such resolution may be contained in one document or in several documents in like form each signed by one or more of the Directors or alternate Directors and for this purpose a facsimile signature of a Director or an alternate Director shall be treated as valid. Notwithstanding the foregoing, a resolution in writing shall not be passed in lieu of a meeting of the Board for the purposes of considering any matter or business in which a substantial shareholder of the Company or a Director has a conflict of interest and the Board has determined that such conflict of interest to be material.

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

MANAGERS

124. The Board may from time to time appoint a general manager, a manager or managers of the Company and may fix his or their remuneration either by way of salary or commission or by conferring the right to participation in the profits of the Company or by a combination of two or more of these modes and pay the working expenses of any of the staff of the general manager, manager or managers who may be employed by him or them upon the business of the Company.

125. The appointment of such general manager, manager or managers may be for such period as the Board may decide, and the Board may confer upon him or them all or any of the powers of the Board as it may think fit.

126. The Board may enter into such agreement or agreements with any such general manager, manager or managers upon such terms and conditions in all respects as the Board may in their absolute discretion think fit, including a power for such general manager, manager or managers to appoint an assistant manager or managers or other employees whatsoever under them for the purpose of carrying on the business of the Company.

APPENDIX III PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS

OFFICERS

127. (1) The officers of the Company shall consist of ~~a president and vice-president or chairman and deputy chairman,~~ the Directors and Secretary and such additional officers (who may or may not be Directors) as the Board may from time to time determine, all of whom shall be deemed to be officers for the purposes of the Act and, subject to Bye-laws 132(4), these Bye-laws.

~~(2) The Directors shall, as soon as may be after each appointment or election of Directors, elect amongst the Directors a president and a vice-president or a chairman and a deputy chairman; and if more than one (1) Director is proposed for either of these offices, the election to such office shall take place in such manner as the Directors may determine.~~

~~(3) The officers shall receive such remuneration as the Directors may from time to time determine.~~

~~(4) Where the Company appoints and maintains a resident representative ordinarily resident in Bermuda in accordance with the Act, the resident representative shall comply with the provisions of the Act.~~

~~(4) The Company shall provide the resident representative with such documents and information as the resident representative may require in order to be able to comply with the provisions of the Act.~~

~~(5) The resident representative shall be entitled to have notice of, attend and be heard at all meetings of the Directors or of any committee of such Directors or general meetings of the Company.~~

128. (1) The Secretary and additional officers, if any, shall be appointed by the Board and shall hold office on such terms and for such period as the Board may determine. If thought fit, two (2) or more persons may be appointed as joint Secretaries. The Board may also appoint from time to time on such terms as it thinks fit one or more assistant or deputy Secretaries.

(2) The Secretary shall attend all meetings of the Members and shall keep correct minutes of such meetings and enter the same in the proper books provided for the purpose. He shall perform such other duties as are prescribed by the Act or these Bye-laws or as may be prescribed by the Board.

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

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

131. A provision of the Act or of these Bye-laws requiring or authorising a thing to be done by or to a Director and the Secretary shall not be satisfied by its being done by or to the same person acting both as Director and as in place of the Secretary.

APPENDIX III PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS

REGISTER OF DIRECTORS AND OFFICERS

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

- (a) in the case of an individual, his or her present first name, surname and address; and
- (b) in the case of a company, its name and registered office.

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

- (a) any change among the Directors and Officers; or
- (b) any change in the particulars contained in the Register of Directors and Officers,

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

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

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

MINUTES

133. (1) The Board shall cause Minutes to be duly entered in books provided for the purpose:

- (a) of all elections and appointments of officers;
- (b) of the names of the Directors present at each meeting of the Directors and of any committee of the Directors;
- (c) of all resolutions and proceedings of each general meeting of the Members and meetings of the Board.

(2) Minutes prepared in accordance with the Act and these Bye-laws shall be kept by the Secretary at the Office.

SEAL

134. (1) The Company shall have one or more Seals, as the Board may determine. For the purpose of sealing documents creating or evidencing securities issued by the Company, the Company may have a securities seal which is a facsimile of the Seal with the addition of the words "Securities Seal" on its face or in such other form as the Board may approve. The Board shall provide for the custody of each Seal and no Seal shall be used without the authority of the Board or of a committee of the Board authorised by the Board in that behalf. Subject as otherwise provided in these Bye-laws, any instrument to which a Seal is affixed shall be signed autographically by one Director and the Secretary or by two Directors or by such other person (including a Director) or persons as the Board may appoint, either generally or in any particular case, save that as regards any certificates for shares or debentures or other securities of the Company the Board may by resolution determine that such signatures or either of them shall be dispensed with or affixed by some method or system of mechanical signature. Every instrument executed in the manner provided by this Bye-law shall be deemed to be sealed and executed with the authority of the Board previously given.

(2) Where the Company has a Seal for use abroad, the Board may by writing under the Seal appoint any agent or committee abroad to be the duly authorised agent of the Company for the purpose of affixing and using such Seal and the Board may impose restrictions on the use thereof as may be thought fit. Wherever in these Bye-laws reference is made to the Seal, the reference shall, when and so far as may be applicable, be deemed to include any such other Seal as aforesaid.

AUTHENTICATION OF DOCUMENTS

135. Any Director or the Secretary or any person appointed by the Board for the purpose may authenticate any documents affecting the constitution of the Company and any resolution passed by the Company or the Board or any committee, and any books, records, documents and accounts relating to the business of the Company, and to certify copies thereof or extracts therefrom as true copies or extracts, and if any books, records, documents or accounts are elsewhere than at the Office or the head office the local manager or other officer of the Company having the custody thereof shall be deemed to be a person so appointed by the Board. A document purporting to be a copy of a resolution, or an extract from the minutes of a meeting, of the Company or of the Board or any committee which is so certified shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be, that such minutes or extract is a true and accurate record of proceedings at a duly constituted meeting.

DESTRUCTION OF DOCUMENTS

136. (1) The Company shall be entitled to destroy the following documents at the following times:
- (a) any share certificate which has been cancelled at any time after the expiry of one (1) year from the date of such cancellation;
 - (b) any dividend mandate or any variation or cancellation thereof or any notification of change of name or address at any time after the expiry of two (2) years from the date such mandate variation cancellation or notification was recorded by the Company;

APPENDIX III PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS

- (c) any instrument of transfer of shares which has been registered at any time after the expiry of seven (7) years from the date of registration;
- (d) any allotment letters after the expiry of seven (7) years from the date of issue thereof; and
- (e) copies of powers of attorney, grants of probate and letters of administration at any time after the expiry of seven (7) years after the account to which the relevant power of attorney, grant of probate or letters of administration related has been closed;

and it shall conclusively be presumed in favour of the Company that every entry in the Register purporting to be made on the basis of any such documents so destroyed was duly and properly made and every share certificate so destroyed was a valid certificate duly and properly cancelled and that every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered and that every other document destroyed hereunder was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company. Provided always that: (1) the foregoing provisions of this Bye-law shall apply only to the destruction of a document in good faith and without express notice to the Company that the preservation of such document was relevant to a claim; (2) nothing contained in this Bye-law shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any case where the conditions of proviso (1) above are not fulfilled; and (3) references in this Bye-law to the destruction of any document include references to its disposal in any manner.

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

DIVIDENDS AND OTHER PAYMENTS

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

138. No dividend shall be paid or distribution made out of contributed surplus if to do so would render the Company unable to pay its liabilities as they become due or the realisable value of its assets would thereby become less than ~~the aggregate of its liabilities and its issued share capital and share premium accounts.~~

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

- (a) all dividends shall be declared and paid according to the amounts paid up on the shares in respect of which the dividend is paid, but no amount paid up on a share in advance of calls shall be treated for the purposes of this Bye-law as paid up on the share; and

APPENDIX III PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS

- (b) all dividends shall be apportioned and paid pro rata according to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid.

140. The Board may from time to time pay to the Members such interim dividends as appear to the Board to be justified by the profits of the Company and in particular (but without prejudice to the generality of the foregoing) if at any time the share capital of the Company is divided into different classes, the Board may pay such interim dividends in respect of those shares in the capital of the Company which confer on the holders thereof deferred or non-preferential rights as well as in respect of those shares which confer on the holders thereof preferential rights with regard to dividend and provided that the Board acts bona fide the Board shall not incur any responsibility to the holders of shares conferring any preference for any damage that they may suffer by reason of the payment of an interim dividend on any shares having deferred or non-preferential rights and may also pay any fixed dividend which is payable on any shares of the Company half-yearly or on any other dates, whenever such profits, in the opinion of the Board, justifies such payment.

141. The Board may deduct from any dividend or other moneys payable to a Member by the Company on or in respect of any shares all sums of money (if any) presently payable by him to the Company on account of calls or otherwise.

142. No dividend or other moneys payable by the Company on or in respect of any share shall bear interest against the Company.

143. Any dividend, interest or other sum payable in cash to the holder of shares may be paid by cheque or warrant sent through the post addressed to the holder at his registered address or, in the case of joint holders, addressed to the holder whose name stands first in the Register in respect of the shares at his address as appearing in the Register or addressed to such person and at such address as the holder or joint holders may in writing direct. Every such cheque or warrant shall, unless the holder or joint holders otherwise direct, be made payable to the order of the holder or, in the case of joint holders, to the order of the holder whose name stands first on the Register in respect of such shares, and shall be sent at his or their risk and payment of the cheque or warrant by the bank on which it is drawn shall constitute a good discharge to the Company notwithstanding that it may subsequently appear that the same has been stolen or that any endorsement thereon has been forged. Any one of two or more joint holders may give effectual receipts for any dividends or other moneys payable or property distributable in respect of the shares held by such joint holders.

144. All dividends or bonuses unclaimed for one (1) year after having been declared may be invested or otherwise made use of by the Board for the benefit of the Company until claimed. Any dividend or bonuses unclaimed after a period of six (6) years from the date of declaration shall be forfeited and shall revert to the Company. The payment by the Board of any unclaimed dividend or other sums payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof.

APPENDIX III PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS

145. Whenever the Board or the Company in general meeting has resolved that a dividend be paid or declared, the Board may further resolve that such dividend be satisfied wholly or in part by the distribution of specific assets of any kind and in particular of paid up shares, debentures or warrants to subscribe securities of the Company or any other company, or in any one or more of such ways, and where any difficulty arises in regard to the distribution the Board may settle the same as it thinks expedient, and in particular may issue certificates in respect of fractions of shares, disregard fractional entitlements or round the same up or down, and may fix the value for distribution of such specific assets, or any part thereof, and may determine that cash payments shall be made to any Members upon the footing of the value so fixed in order to adjust the rights of all parties, and may vest any such specific assets in trustees as may seem expedient to the Board and may appoint any person to sign any requisite instruments of transfer and other documents on behalf of the persons entitled to the dividend, and such appointment shall be effective and binding on the Members. The Board may resolve that no such assets shall be made available to Members with registered addresses in any particular territory or territories where, in the absence of a registration statement or other special formalities, such distribution of assets would or might, in the opinion of the Board, be unlawful or impracticable and in such event the only entitlement of the Members aforesaid shall be to receive cash payments as aforesaid. Members affected as a result of the foregoing sentence shall not be or be deemed to be a separate class of Members for any purpose whatsoever.

146. (1) Whenever the Board or the Company in general meeting has resolved that a dividend be paid or declared on any class of the share capital of the Company, the Board may further resolve either:

- (a) that such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid up, provided that the shareholders entitled thereto will be entitled to elect to receive such dividend (or part thereof if the Board so determines) in cash in lieu of such allotment. In such case, the following provisions shall apply:
 - (i) the basis of any such allotment shall be determined by the Board;
 - (ii) the Board, after determining the basis of allotment, shall give not less than two (2) weeks' Notice to the holders of the relevant shares of the right of election accorded to them and shall send with such Notice forms of election and specify the procedure to be followed and the place at which and the latest date and time by which duly completed forms of election must be lodged in order to be effective;
 - (iii) the right of election may be exercised in respect of the whole or part of that portion of the dividend in respect of which the right of election has been accorded; and

APPENDIX III PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS

- (iv) the dividend (or that part of the dividend to be satisfied by the allotment of shares as aforesaid) shall not be payable in cash on shares in respect whereof the cash election has not been duly exercised (“**the non-elected shares**”) and in satisfaction thereof shares of the relevant class shall be allotted credited as fully paid up to the holders of the non-elected shares on the basis of allotment determined as aforesaid and for such purpose the Board shall capitalise and apply out of any part of the undivided profits of the Company (including profits carried and standing to the credit of any reserves or other special account other than the Subscription Rights Reserve (as defined below)) as the Board may determine, such sum as may be required to pay up in full the appropriate number of shares of the relevant class for allotment and distribution to and amongst the holders of the non-elected shares on such basis; or
- (b) that the shareholders entitled to such dividend shall be entitled to elect to receive an allotment of shares credited as fully paid up in lieu of the whole or such part of the dividend as the Board may think fit. In such case, the following provisions shall apply:
 - (i) the basis of any such allotment shall be determined by the Board;
 - (ii) the Board, after determining the basis of allotment, shall give not less than two (2) weeks’ Notice to the holders of the relevant shares of the right of election accorded to them and shall send with such notice forms of election and specify the procedure to be followed and the place at which and the latest date and time by which duly completed forms of election must be lodged in order to be effective;
 - (iii) the right of election may be exercised in respect of the whole or part of that portion of the dividend in respect of which the right of election has been accorded; and
 - (iv) the dividend (or that part of the dividend in respect of which a right of election has been accorded) shall not be payable in cash on shares in respect whereof the share election has been duly exercised (“**the elected shares**”) and in lieu thereof shares of the relevant class shall be allotted credited as fully paid up to the holders of the elected shares on the basis of allotment determined as aforesaid and for such purpose the Board shall capitalise and apply out of any part of the undivided profits of the Company (including profits carried and standing to the credit of any reserves or other special account other than the Subscription Rights Reserve (as defined below)) as the Board may determine, such sum as may be required to pay up in full the appropriate number of shares of the relevant class for allotment and distribution to and amongst the holders of the elected shares on such basis.

APPENDIX III PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS

(2) (a) The shares allotted pursuant to the provisions of paragraph (1) of this Bye-law shall rank *pari passu* in all respects with shares of the same class (if any) then in issue save only as regards participation in the relevant dividend or in any other distributions, bonuses or rights paid, made, declared or announced prior to or contemporaneously with the payment or declaration of the relevant dividend unless, contemporaneously with the announcement by the Board of their proposal to apply the provisions of sub-paragraph (a) or (b) of paragraph (21) of this Bye-law in relation to the relevant dividend or contemporaneously with their announcement of the distribution, bonus or rights in question, the Board shall specify that the shares to be allotted pursuant to the provisions of paragraph (1) of this Bye-law shall rank for participation in such distribution, bonus or rights.

(b) The Board may do all acts and things considered necessary or expedient to give effect to any capitalisation pursuant to the provisions of paragraph (1) of this Bye-law, with full power to the Board to make such provisions as it thinks fit in the case of shares becoming distributable in fractions (including provisions whereby, in whole or in part, fractional entitlements are aggregated and sold and the net proceeds distributed to those entitled, or are disregarded or rounded up or down or whereby the benefit of fractional entitlements accrues to the Company rather than to the Members concerned). The Board may authorise any person to enter into on behalf of all Members interested, an agreement with the Company providing for such capitalisation and matters incidental thereto and any agreement made pursuant to such authority shall be effective and binding on all concerned.

(3) The Company may upon the recommendation of the Board by ordinary resolution resolve in respect of any one particular dividend of the Company that notwithstanding the provisions of paragraph (1) of this Bye-law a dividend may be satisfied wholly in the form of an allotment of shares credited as fully paid up without offering any right to shareholders to elect to receive such dividend in cash in lieu of such allotment.

(4) The Board may on any occasion determine that rights of election and the allotment of shares under paragraph (1) of this Bye-law shall not be made available or made to any shareholders with registered addresses in any territory where, in the absence of a registration statement or other special formalities, the circulation of an offer of such rights of election or the allotment of shares would or might, in the opinion of the Board, be unlawful or impracticable, and in such event the provisions aforesaid shall be read and construed subject to such determination. Members affected as a result of the foregoing sentence shall not be or be deemed to be a separate class of Members for any purpose whatsoever.

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

RESERVES

147. Before recommending any dividend, the Board may set aside out of the profits of the Company such sums as it determines as reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied and pending such application may, also at such discretion, either be employed in the business of the Company or be invested in such investments as the Board may from time to time think fit and so that it shall not be necessary to keep any investments constituting the reserve or reserves separate or distinct from any other investments of the Company. The Board may also without placing the same to reserve carry forward any profits which it may think prudent not to distribute.

CAPITALISATION

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

(2) Notwithstanding any provisions in these Bye-laws, the Board may resolve to capitalise all or any part of any amount for the time being standing to the credit of any reserve or fund (including the profit and loss account) whether or not the same is available for distribution by applying such sum in paying up unissued shares to be allotted to (i) employees (including directors) of the Company and/or its affiliates (meaning any individual, corporation, partnership, association, joint-stock company, trust, unincorporated association or other entity (other than the Company) that directly, or indirectly through one or more intermediaries, controls, is controlled by or is under common control with, the Company) upon exercise or vesting of any options or awards granted under any share incentive scheme or employee benefit scheme or other arrangement which relates to such persons that has been adopted or approved by the Members at a general meeting, or (ii) any trustee of any trust to whom shares are to be allotted and issued by the Company in connection with the operation of any share incentive scheme or employee benefit scheme or other arrangement which relates to such persons that has been adopted or approved by the Members at a general meeting.

APPENDIX III PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS

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

SUBSCRIPTION RIGHTS RESERVE

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

(1) If, so long as any of the rights attached to any warrants issued by the Company to subscribe for shares of the Company shall remain exercisable, the Company does any act or engages in any transaction which, as a result of any adjustments to the subscription price in accordance with the provisions of the conditions of the warrants, would reduce the subscription price to below the nominal value of a share, then the following provisions shall apply:

- (a) as from the date of such act or transaction the Company shall establish and thereafter (subject as provided in this Bye-law) maintain in accordance with the provisions of this Bye-law a reserve (the “**Subscription Rights Reserve**”) the amount of which shall at no time be less than the sum which for the time being would be required to be capitalised and applied in paying up in full the nominal amount of the additional shares required to be issued and allotted credited as fully paid pursuant to sub- paragraph (c) below on the exercise in full of all the subscription rights outstanding and shall apply the Subscription Rights Reserve in paying up such additional shares in full as and when the same are allotted;
- (b) the Subscription Rights Reserve shall not be used for any purpose other than that specified above unless all other reserves of the Company (other than share premium account) have been extinguished and will then only be used to make good losses of the Company if and so far as is required by law;

APPENDIX III PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS

(c) 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 difference between:

- (i) the said amount in cash which the holder of such warrant is required to pay on exercise of the subscription rights represented thereby (or, as the case may be, the relevant portion thereof in the event of a partial exercise of the subscription rights); and
- (ii) the nominal amount of shares in respect of which such subscription rights would have been exercisable having regard to the provisions of the conditions of the warrants, had it been possible for such subscription rights to represent the right to subscribe for shares at less than par,

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

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

(2) Shares allotted pursuant to the provisions of this Bye-law shall rank *pari passu* in all respects with the other shares allotted on the relevant exercise of the subscription rights represented by the warrant concerned. Notwithstanding anything contained in paragraph (1) of this Bye-law, no fraction of any share shall be allotted on exercise of the subscription rights.

APPENDIX III PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS

(3) The provision of this Bye-law as to the establishment and maintenance of the Subscription Rights Reserve shall not be altered or added to in any way which would vary or abrogate, or which would have the effect of varying or abrogating the provisions for the benefit of any warrant holder or class of warrant holders under this Bye-law without the sanction of a special resolution of such warrant holders or class of warrant holders.

(4) A certificate or report by the auditors for the time being of the Company as to whether or not the Subscription Rights Reserve is required to be established and maintained and if so the amount thereof so required to be established and maintained, as to the purposes for which the Subscription Rights Reserve has been used, as to the extent to which it has been used to make good losses of the Company, as to the additional nominal amount of shares required to be allotted to exercising warrant holders credited as fully paid, and as to any other matter concerning the Subscription Rights Reserve shall (in the absence of manifest error) be conclusive and binding upon the Company and all warrant holders and shareholders.

ACCOUNTING RECORDS

151. The Board shall cause true accounts to be kept of the sums of money received and expended by the Company, and the matters in respect of which such receipt and expenditure take place, and of the property, assets, credits and liabilities of the Company and of all other matters required by the Act or necessary to give a true and fair view of the Company's affairs and to explain its transactions.

152. The accounting records shall be kept at the Office or, subject to the Act, at such other place or places as the Board decides and shall always be open to inspection by the Directors. No Member (other than a Director) shall have any right of inspecting any accounting record or book or document of the Company except as conferred by law or authorised by the Board or the Company in general meeting.

153. Subject to Section 88 of the Act and Bye-law 154, a printed copy of the Directors' report, accompanied by the balance sheet and profit and loss account, including every document required by law to be annexed thereto, made up to the end of the applicable financial year and containing a summary of the assets and liabilities of the Company under convenient heads and a statement of income and expenditure, together with a copy of the Auditors' report, shall be sent to each person entitled thereto at least twenty-one (21) days before the date of the general meeting and at the same time as the Notice of annual general meeting and laid before the Company ~~in~~ at the annual general meeting in accordance with the requirements of the Act provided that this Bye-law shall not require a copy of those documents to be sent to any person whose address the Company is not aware of or to more than one of the joint holders of any shares or debentures.

APPENDIX III PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS

154. To the extent permitted by and subject to due compliance with all applicable Statutes, rules and regulations, including, without limitation, the ~~rules of the Designated Stock Exchange~~ Listing Rules, and to obtaining all necessary consents, if any, required thereunder, the requirements of Bye-law 153 shall be deemed satisfied in relation to any person by sending to the person in any manner not prohibited by the Statutes, ~~a summary~~ summarised financial statements derived from the Company's annual accounts and the directors' report which shall be in the form and containing the information required by applicable laws and regulations, provided that any person who is otherwise entitled to the annual financial statements of the Company and the directors' report thereon may, if he so requires by notice in writing served on the Company, demand that the Company sends to him, in addition to ~~a summary~~ summarised financial statements, a complete printed copy of the Company's annual financial statement and the directors' report thereon.

155. The requirement to send to a person referred to in Bye-law 153 the documents referred to in that provision or a summary financial report in accordance with Bye-law 154 shall be deemed satisfied where, in accordance with all applicable Statutes, rules and regulations, including, without limitation, the ~~rules of the Designated Stock Exchange~~ Listing Rules, the Company publishes copies of the documents referred to in Bye-law 153 and, if applicable, a summary financial report complying with Bye-law 154, on the Company's computer network or in any other permitted manner (including by sending any form of electronic communication), and that person has agreed or is deemed to have agreed to treat the publication or receipt of such documents in such manner as discharging the Company's obligation to send to him a copy of such documents.

AUDIT

156. (1) Subject to Section 88 of the Act, at the annual general meeting or at a subsequent special general meeting in each year, the Members shall appoint an auditor to audit the accounts of the Company and such auditor shall hold office until the Members appoint another auditor. Such auditor may be a Member but no Director or officer or employee of the Company shall, during his continuance in office, be eligible to act as an auditor of the Company. App. 3 (17)

(2) Subject to Section 89 of the Act, a person, other than an incumbent Auditor, shall not be capable of being appointed Auditor at an annual general meeting unless notice in writing of an intention to nominate that person to the office of Auditor has been given not less than twenty-one (21) days before the annual general meeting and furthermore, the Company shall send a copy of any such notice to the incumbent Auditor.

(3) The Members may, at any general meeting convened and held in accordance with these Bye-laws, by ~~special~~ extraordinary resolution remove the Auditor at any time before the expiration of his term of office and shall by ordinary resolution at that meeting appoint another Auditor in his stead for the remainder of his term. App. 3 (17)

157. Subject to Section 88 of the Act the accounts of the Company shall be audited at least once in every year.

158. The remuneration of the Auditor shall be fixed by the Company in general meeting or in such manner as the Members may determine. App. 3 (17)

APPENDIX III PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS

159. ~~If the office of auditor becomes vacant by the resignation or death of the Auditor, or by his becoming incapable of acting by reason of illness or other disability at a time when his services are required, the Directors shall fill the vacancy and fix the remuneration of the Auditor so appointed. The Directors may fill any casual vacancy in the office of Auditor but while any such vacancy continues the surviving or continuing Auditor or Auditors, if any, may act. The remuneration of any Auditor appointed by the Directors under this Bye-law may be fixed by the Board. Subject to Bye-law 156(3), an Auditor appointed under this Bye-law shall hold office until the next following annual general meeting of the Company and shall then be subject to appointment by the Members under Bye-law 156(1) at such remuneration to be determined by the Members under Bye-law 158.~~

160. The Auditor shall at all reasonable times have access to all books kept by the Company and to all accounts and vouchers relating thereto; and he may call on the Directors or officers of the Company for any information in their possession relating to the books or affairs of the Company.

161. The statement of income and expenditure and the balance sheet provided for by these Bye-laws shall be examined by the Auditor and compared by him with the books, accounts and vouchers relating thereto; and he shall make a written report thereon stating whether such statement and balance sheet are drawn up so as to present fairly the financial position of the Company and the results of its operations for the period under review and, in case information shall have been called for from Directors or officers of the Company, whether the same has been furnished and has been satisfactory. The financial statements of the Company shall be audited by the Auditor in accordance with generally accepted auditing standards. The Auditor shall make a written report thereon in accordance with generally accepted auditing standards and the report of the Auditor shall be submitted to the Members in general meeting. The generally accepted auditing standards referred to herein may be those of a country or jurisdiction other than Bermuda. If the auditing standards of a country or jurisdiction other than Bermuda are used, the financial statements and the report of the Auditor should disclose this fact and name such country or jurisdiction.

NOTICES

162. (1) Any Notice or document (including any “corporate communication” within the meaning ascribed thereto under the ~~rules of the Designated Stock Exchange Listing Rules~~), whether or not, to be given or issued under these Bye-laws from the Company ~~to a Member~~ shall be in writing or by cable, telex or facsimile transmission message or other form of electronic transmission or electronic communication and any such Notice and document may be ~~serve~~given or ~~delivered~~issued by the ~~Company on or to any Member either~~following means:

- (a) by serving it personally ~~or~~on the relevant person;
- (b) by sending it through the post in a prepaid envelope addressed to such Member at his registered address as appearing in the Register or at any other address supplied by him to the Company for the purpose;

APPENDIX III PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS

- (c) by delivering or, as the case may be, by transmitting leaving it to any at such address or transmitting it to any telex or facsimile transmission number or electronic number or address or website supplied by him to the Company for the giving of Notice to him or which the person transmitting the notice reasonably and bona fide believes at the relevant time will result in the Notice being duly received by the Member or may also be served by as aforesaid;
- (d) by placing an advertisement in appointed newspapers or other publication and where applicable, (as defined in the Act) or in newspapers published daily and circulating generally in the territory of and in accordance with the requirements of the Designated Stock Exchange or, to the extent permitted by the applicable laws, by placing;
- (e) by sending or transmitting it as an electronic communication to the relevant person at such electronic address as he may provide under Bye-law 158(4), subject to the Company complying with the Statutes and any other applicable laws, rules and regulations from time to time in force with regard to any requirements for the obtaining of consent (including implied or deemed consent) from such person;
- (f) by publishing it on the Company's website or the website of the Designated Stock Exchange, to which the relevant person may have access, subject to the Company complying with the Statutes and any other applicable laws, rules and regulations from time to time in force with regard to any requirements for the obtaining of consent (including implied or deemed consent) from such person and /or for giving notification to the Member a notice stating any such person that the notice or other, document or publication is available thereon the Company's computer network website (a "notice of availability");
- (g) by sending or otherwise making it available to such person through such other means to the extent permitted by and in accordance with the Statutes and other applicable laws, rules and regulations.

~~(2) The notice of availability may be given to the Member by any of the means set out above other than by posting it on a website.~~

~~(3) In the case of joint holders of a share all notices or documents shall be given to that one of the joint holders whose name stands first in the Register and the notices and documents so given shall be deemed a sufficient service on or delivery to all the joint holders.~~

~~(3) Every person who, by operation of law, transfer, transmission, or other means whatsoever, shall become entitled to any share, shall be bound by every notice in respect of such share, which, previously to his name and address (including electronic address) being entered in the Register as the registered holder of such share, shall have been duly given to the person from whom he derives title to such share.~~

~~(4) Every Member or a person who is entitled to receive Notice from the Company under the provisions of the Statutes or these Bye-laws may register with the Company an electronic address to which Notices can be served upon him.~~

APPENDIX III PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS

(5) Subject to any applicable laws, rules and regulations and the terms of these Bye-laws, any Notice, document or publication, including but not limited to the documents referred to in Bye-laws 153, 154 and 162 may be given in the English language only or in both the English language and the Chinese language.

163. Any Notice or other document:

- (a) if served or delivered by post, shall where appropriate be sent by airmail and shall be deemed to have been served or delivered on the day following that on which the envelope containing the same, properly prepaid and addressed, is put into the post; in proving such service or delivery it shall be sufficient to prove that the envelope or wrapper containing the notice or document was properly addressed and put into the post and a certificate in writing signed by the Secretary or other officer of the Company or other person appointed by the Board that the envelope or wrapper containing the ~~n~~Notice or other document was so addressed and put into the post shall be conclusive evidence thereof;
- (b) if sent by electronic communication, shall be deemed to be given on the day on which it is transmitted from the server of the Company or its agent. ~~A notice placed on the Company's website or the website of the Designated Stock Exchange is deemed given by the Company to a Member on the day following that on which a notice of availability is deemed served on the Member;~~
- (c) if placed or published on either the Company's website or the website of the Designated Stock Exchange, shall be deemed to have been given or served on the day on which the notice, document or publication first so appears on the relevant website, unless the Listing Rules specify a different date. In such cases, the deemed date of service shall be as provided or required by the Listing Rules;
- (~~e~~d) if served or delivered in any other manner contemplated by these Bye-laws, shall be deemed to have been served or delivered at the time of personal service or delivery or, as the case may be, at the time of the relevant despatch, transmission or publication; and in proving such service or delivery a certificate in writing signed by the Secretary or other officer of the Company or other person appointed by the Board as to the fact and time of such service, delivery, despatch, transmission or publication shall be conclusive evidence thereof; and
- (~~d~~e) ~~may be given to a Member either in the English language or the Chinese language, subject to due compliance with all applicable Statutes, rules and regulations~~if published as an advertisement in a newspaper or other publication permitted under these Bye-laws, shall be deemed to have been served on the day on which the advertisement first so appears.

APPENDIX III PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS

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

(2) A ~~an~~Notice may be given by the Company to the person entitled to a share in consequence of the death, mental disorder or bankruptcy of a Member by sending it through the post in a prepaid letter, envelope or wrapper addressed to him by name, or by the title of representative of the deceased, or trustee of the bankrupt, or by any like description, at the address, if any, supplied for the purpose by the person claiming to be so entitled, or (until such an address has been so supplied) by giving the ~~an~~Notice in any manner in which the same might have been given if the death, mental disorder or bankruptcy had not occurred.

(3) Any person who by operation of law, transfer or other means whatsoever shall become entitled to any share shall be bound by every ~~an~~Notice in respect of such share which prior to his name and address being entered on the Register shall have been duly given to the person from whom he derives his title to such share.

SIGNATURES

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

WINDING UP

166. (1) Subject to Bye-law 166(2), ~~the~~ Board shall have power in the name and on behalf of the Company to present a petition to the court for the Company to be wound up.

(2) A resolution that the Company be wound up by the court or be wound up voluntarily shall be a special resolution.

App. 3 (21)

APPENDIX III PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS

167. If the Company shall be wound up (whether the liquidation is voluntary or by the court) the liquidator may, with the authority of a special resolution and any other sanction required by the Act, divide among the Members in specie or kind the whole or any part of the assets of the Company and whether or not the assets shall consist of properties of one kind or shall consist of properties to be divided as aforesaid of different kinds, and may for such purpose set such value as he deems fair upon any one or more class or classes of property and may determine how such division shall be carried out as between the Members or different classes of Members. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of the Members as the liquidator with the like authority shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no contributory shall be compelled to accept any shares or other property in respect of which there is a liability.

INDEMNITY

168. (1) The Directors, Secretary and other officers and every Auditor ~~for the time being~~ of the Company at any time, whether at present or in the past, and the liquidator or trustees (if any) ~~for the time being~~ acting or who have acted in relation to any of the affairs of the Company and everyone of them, and everyone of their heirs, executors and administrators, shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them, their or any of their heirs, executors or administrators, shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, in their respective offices or trusts; and none of them shall be answerable for the acts, receipts, neglects or defaults of the other or others of them or for joining in any receipts for the sake of conformity, or for any bankers or other persons with whom any moneys or effects belonging to the Company shall or may be lodged or deposited for safe custody, or for insufficiency or deficiency of any security upon which any moneys of or belonging to the Company shall be placed out on or invested, or for any other loss, misfortune or damage which may happen in the execution of their respective offices or trusts, or in relation thereto; PROVIDED THAT this indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to any of said persons.

(2) Each Member agrees to waive any claim or right of action he might have, whether individually or by or in the right of the Company, against any Director on account of any action taken by such Director, or the failure of such Director to take any action in the performance of his duties with or for the Company; PROVIDED THAT such waiver shall not extend to any matter in respect of any fraud or dishonesty which may attach to such Director.

APPENDIX III PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS

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

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

App. 3 (16)

INFORMATION

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

The following is a summary of the principal terms of the New Share Option Scheme:

1. PURPOSE

The purpose of the New Share Option Scheme is to recognize and acknowledge the contributions or potential contributions made or to be made by the Eligible Participants to the Group, to motivate the Eligible Participants to optimize their performance and efficiency for the benefit of the Group, and to maintain or attract business relationship with the Eligible Participants whose contributions are or may be beneficial to the growth of the Group.

2. CONDITIONS

The New Share Option Scheme is conditional upon:

- (a) the passing of an ordinary resolution by the Shareholders at the AGM to approve and adopt the New Share Option Scheme; and
- (b) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, on the Stock Exchange any Shares which may fall to be allotted and issued pursuant to the exercise of Options that may be granted under the New Share Option Scheme.

3. ELIGIBLE PARTICIPANTS

The eligibility of each of the Eligible Participants shall be determined by the Board from time to time and on a case-by-case basis. Generally:

- (a) with regard to Employee Participants, the Board will consider, among other things, (i) the performance; (ii) the time commitment, responsibilities or employment conditions according to the prevailing market practice and industry standards; (iii) the length of employment or office with the Group; and (iv) the contributions or potential contributions to the prosperity, development and growth of the Group;
- (b) with regard to Related Entity Participants, the Board will consider, among other things, (i) the period of engagement or employment of the Related Entity Participant by the Group; (ii) their participation and contributions to the development of the Group; and (iii) the extent of benefits and synergies brought to the Group;

- (c) with respect to Service Providers who are suppliers of products or services to any members of the Group on a regular or recurring basis, with which the Group would consider important to maintain a close business relationship on an ongoing basis, who are not engaged as employees of the Group, and have specialties or expertise in areas that supplement the Group's operations (including, without limitation, copyright owners of films, film directors, artistes, advisers, suppliers, agents, licensors, licensees, distributors or other parties with specialties or expertise in the production, development, marketing, promotion and/or distribution of films, optical products and watches products, financial printing and other business activity(ies) that may be carried out by the Group from time to time), the Board will consider, among other things, (i) the nature, scope and frequency of products and/or services supplied; (ii) the reliability and quality of products and/or services supplied; and (iii) their potential and/or actual contributions or significance to the financial performance and business development of the Group, evaluated in terms of the revenue or profits generated from such supply, the aggregate supply volume, the procurement cost and the contract value; and

- (d) with respect to Service Providers who are business partners, including, without limitation, joint venture partners, or other contractual parties, in the production of films, optical or watches products, financial printing and other business activity(ies) that may be carried out by the Group from time to time, that work with the Group on a regular or recurring basis, with which the Group would consider important to maintain a close collaborative relationship on an ongoing basis, the Board will consider, among other things, (i) the nature and scope of the collaborating projects; (ii) their knowledge, expertise, know-how and network in the industry; and (iii) their potential and/or actual contributions or significance to the financial performance and business development of the Group, evaluated in terms of the revenue or profits generated from such engagement, the expenses in establishing and maintaining collaboration and the contract value.

4. SUBSCRIPTION PRICE

The Subscription Price shall be determined by the Board and notified to an Eligible Participant at the time the grant of the Option(s) (subject to any adjustments made pursuant paragraph 18 below) is made to (and subject to acceptance by) the Eligible Participant and shall be at least the highest of: (a) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the Grant Date, which must be a business day (as defined in the New Share Option Scheme); (b) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five (5) business days (as defined in the New Share Option Scheme) immediately preceding the Grant Date; and (c) the nominal value of the Shares.

5. MAXIMUM NUMBER OF SHARES

- (a) The total number of Shares which may be issued in respect of all Options to be granted under the New Share Option Scheme and all options to be granted under any other share option scheme(s) of the Company must not, in aggregate, exceed ten per cent (10%) of the total number of Shares in issue as at the Adoption Date (the “**Scheme Mandate Limit**”) unless Shareholders’ approval has been obtained pursuant to paragraphs 5(d) and (e) or (f) below. Options lapsed in accordance with the terms of the New Share Option Scheme or any other share option scheme(s) of the Company shall not be regarded as utilised for the purpose of calculating the Scheme Mandate Limit.
- (b) Subject to paragraph 5(c) below, within the Scheme Mandate Limit, the total number of Shares which may be issued in respect of all Options to be granted under the New Share Option Scheme and all options to be granted under any other share option scheme(s) of the Company to the Service Providers must not, in aggregate, exceed three per cent (3%) of the total number of Shares in issue as at the Adoption Date (the “**Service Provider Sublimit**”) unless Shareholders’ approval has been obtained pursuant to paragraphs 5(d) and (e) or (f) below. Options lapsed in accordance with the terms of the New Share Option Scheme or any other share option scheme(s) of the Company shall not be regarded as utilised for the purpose of calculating the Service Provider Sublimit.
- (c) Notwithstanding any other provisions of the New Share Option Scheme, the Service Provider Sublimit is subject to approval by the Shareholders in general meeting. If on the Adoption Date the adoption of the New Share Option Scheme is approved by the Shareholders in general meeting but the Service Provider Sublimit is not so approved by the Shareholders, no Option shall be granted to any Service Provider and the Service Provider Sublimit shall be deemed to be nil Share, and the provisions of the New Share Option Scheme shall be construed accordingly, unless and until a sublimit on the total number of Shares which may be issued in respect of all Options to be granted under the New Share Option Scheme and all options to be granted under any other share option scheme(s) of the Company to the Service Providers is subsequently approved by the Shareholders in general meeting, in which case the Service Provider Sublimit shall be deemed to be the sublimit so approved by the Shareholders with effect from the date of such approval, and the provisions of the New Share Option Scheme shall be construed accordingly.
- (d) The Company may seek approval by the Shareholders in general meeting for “refreshing” the Scheme Mandate Limit (and the Service Provider Sublimit) after three (3) years from date of the Shareholders’ approval for the last refreshment (or the Adoption Date). Any “refreshment” within any three (3) year period must be approved by the Shareholders subject to the following provisions:
- (i) any controlling shareholders of the Company and their associates (or if there is no controlling shareholder of the Company, 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; and

- (ii) the Company must comply with the requirements under Rules 13.39(6) and (7), 13.40, 13.41 and 13.42 of the Listing Rules.

The requirements under paragraphs 5(d)(i) and (ii) above 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 each of the Scheme Mandate Limit and the Service Provider Sublimit (as a percentage of total number of Shares in issue) upon refreshment is the same as the unused part of each of the Scheme Mandate Limit and the Service Provider Sublimit immediately before the issue of securities, rounded to the nearest whole Share.

- (e) The total number of Shares which may be issued in respect of all Options to be granted under the New Share Option Scheme and all options to be granted under any other share option scheme(s) of the Company under the Scheme Mandate Limit and the Service Provider Sublimit as “refreshed” must not, in aggregate, exceed ten per cent (10%) and three per cent (3%) of the total number of Shares in issue as at the date of approval of the refreshed Scheme Mandate Limit (the “**Refreshed Scheme Mandate Limit**”) and the refreshed Service Provider Sublimit (the “**Refreshed Service Provider Sublimit**”) respectively. The Company must send a circular to the Shareholders containing the number of Options that were already granted under the existing Scheme Mandate Limit and the existing Service Provider Sublimit, and the reason for the “refreshment”.
- (f) The Company may seek separate approval by the Shareholders in general meeting for granting Options beyond the Scheme Mandate Limit (or the Refreshed Scheme Mandate Limit, as the case may be) or the Service Provider Sublimit (or the Refreshed Service Provider Sublimit, as the case may be) provided that the Options in excess of the Scheme Mandate Limit, the Refreshed Scheme Mandate Limit, the Service Provider Sublimit or the Refreshed Service Provider Sublimit (as the case may be) are granted only to Eligible Participants specifically identified by the Company before such approval is sought. The Company must send a circular to the Shareholders containing the name of each specified Eligible Participant who may be granted such Options, the number, and terms of the Options to be granted to each such Eligible Participant, and the purpose of granting Options to the specified Eligible Participants with an explanation as to how the terms of the Options serve such purpose. The number and terms of Options to be granted to such Eligible Participant must be fixed before the Shareholders’ approval. In respect of any Options to be granted, the date of the Board meeting for proposing such grant should be taken as the date of grant for the purpose of calculating the Subscription Price under paragraph 4 above.

- (g) If the Company conducts a share consolidation or sub-division after the Scheme Mandate Limit has been approved in general meeting, the maximum number of Shares that may be issued in respect of all options to be granted under all of the schemes of the Company under the Scheme Mandate Limit and the Service Provider Sublimit as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or sub-division shall be the same, rounded to the nearest whole share.

6. MAXIMUM ENTITLEMENT OF EACH ELIGIBLE PARTICIPANT

Where any grant of Options is proposed to be made to an Eligible Participant which, if accepted and exercised in full, would result in the total number of Shares issued and which may fall to be issued upon the exercise of such Options proposed to be granted under the New Share Option Scheme and all options granted under any other share option scheme(s) of the Company to such Eligible Participant (excluding any options lapsed in accordance with the terms of the New Share Option Scheme or any other share option scheme(s) of the Company) in the 12-month period up to and including the date of such grant representing in aggregate over one per cent (1%) of the total number of Shares in issue as at the date of such grant (the “**1% Individual Limit**”), such grant must be separately approved by the Shareholders in general meeting with such Eligible Participant and his/her close associates (or associates if the Eligible Participant is a connected person) abstaining from voting. A circular must be sent by the Company to the Shareholders disclosing the identity of the Eligible Participant, the number, and terms of the Options to be granted (and those previously granted to such Eligible Participant in the 12-month period), the purpose of granting Options to the Eligible Participant and an explanation as to how the terms of the Options serve such purpose. The number and terms of the Options to be granted to such Eligible Participant must be fixed before the Shareholders’ approval. In respect of any Options to be granted, the date of the Board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the Subscription Price under paragraph 4 above.

7. GRANT AND ACCEPTANCE OF OPTIONS

- (a) On and subject to the terms of the New Share Option Scheme, the Board shall be entitled at any time and from time to time during the Scheme Period to grant to any Eligible Participant an Option to subscribe for such number of Shares (as may be permitted under the terms of the New Share Option Scheme) as the Board may determine at the Subscription Price, subject to such terms and conditions (including, without limitation, any minimum period for which an Option must be held before it can be exercised, any performance targets which must be achieved before an Option can be exercised, and/or any clawback mechanism for the Company to recover or withhold any remuneration (which may include Options granted) to any Eligible Participant in the event of serious misconduct, a material misstatement in the Company’s financial statements or other circumstances) as the Board may determine in its absolute discretion, provided that such terms and conditions shall not be inconsistent with any other terms and conditions of the New Share Option Scheme, and that no such grants shall be made except to such number of Eligible Participants and in such circumstances that the Company will not be required under the applicable securities laws and regulations to issue a prospectus or other offer document in respect thereof, and will not result in the breach by the Company or the Directors of any applicable securities laws and regulations or in any filing or other requirements arising.

- (b) An Offer shall be made to an Eligible Participant by letter (the date of which shall be deemed to be the date on which the grant of an Option (subject to acceptance by the Eligible Participant) is made (the “**Grant Date**”)) in such form as the Board may from time to time determine specifying, inter alia, the number of Shares comprised in and the Option Period in respect of the relevant Option and the Subscription Price and the Vesting Period and further requiring the Eligible Participant to undertake to hold the Option on the terms on which it is to be granted and bound by the provisions of the New Share Option Scheme. The Offer shall be personal to the Eligible Participant concerned and shall not be transferable or assignable and shall remain open for acceptance by the Eligible Participant for a period of 21 days from the Offer Date, provided that no such offer shall be open for acceptance after the expiry of the Scheme Period or after the New Share Option Scheme has been terminated (if applicable).
- (c) An Option shall be deemed to have been accepted when the duplicate of the offer letter, comprising acceptance of the Option, duly signed and dated by the Eligible Participant together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof is received by the Company within the period referred to in paragraph 7(b) above. The said remittance shall in no circumstances be refundable.
- (d) The Board may not grant any Option to any Eligible Participant if the Grant Date in respect of that Option occurs:
 - (i) after any inside information has come to its knowledge until such inside information has been published in accordance with the Listing Rules; or
 - (ii) within 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 the approval of the Company’s results for any Financial Period; and (B) the deadline for the Company to publish an announcement of its results for any Financial Period, and ending on the date of such results announcement provided that the period within which no Option may be granted will cover any period of delay in the publication of the results announcement.

8. EXERCISE OF OPTIONS

- (a) An Option shall be personal to the Grantee and shall not be transferrable or assignable and no Grantee shall in any way sell, transfer, assign, charge, mortgage, encumber or create any interest in favour of any third party over or in relation to any Option or purport to do any of the foregoing, unless a waiver is granted by the Stock Exchange.
- (b) Subject to the terms and conditions of the grant, an Option may be exercised in whole or in part by the Grantee (or, as the case may be, by his legal personal representative(s)) 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 aggregate Subscription Price for the Shares in respect of which the notice is given.

9. VESTING PERIOD

The Vesting Period in respect of any Option granted to any Eligible Participant shall not be shorter than twelve (12) months from the date of the acceptance of the Offer (the “**Vesting Period**”), provided that where the Eligible Participant who is: (a) an Employee Participant who is a Director or a Senior Manager, the Remuneration Committee may, or (b) an Employee Participant who is not a Director or a Senior Manager, the Board may, in its absolute discretion, determine a shorter Vesting Period under the following specific circumstances:

- (i) grants of “make-whole” Options to new joiners to replace options such Employee Participant forfeited when leaving his previous employer;
- (ii) grants to an Employee Participant whose employment is terminated due to death or disability or occurrence of any out of control event; and
- (iii) grants with performance-based vesting conditions in lieu of time-based vesting criteria.

10. PERFORMANCE TARGETS AND CLAWBACK MECHANISM

Subject to all applicable laws, rules and regulations, the Board may, in its sole and absolute discretion, specify the performance targets in respect of each Offer that must be duly fulfilled by the Grantee before the Option may be vested to such Grantee under such Offer, such performance targets shall include, among other things, financial targets and management targets which shall be determined based on the (a) individual performance, (b) performance of the Group and/or (c) performance of business groups, business units, business lines, functional departments, projects and/or geographical area managed by the Grantee. For the avoidance of doubt, an Option shall not be subject to any performance targets, criteria or conditions if none are set out in the relevant Offer.

Unless otherwise determined by the Board pursuant to paragraph 7(a) above and stated in the relevant Offer and subject to the clawback mechanism as set out in paragraph 19(e) below, there is neither any performance target which must be achieved before an Option can be exercised nor any clawback mechanism for the Company to recover or withhold any remuneration (which may include Options granted) to any Eligible Participants in the event of serious misconduct, a material misstatement in the Company’s financial statements or other circumstances.

11. RIGHTS ON CEASING EMPLOYMENT

In the event of the Grantee ceasing to be an Eligible Participant for any reason, other than his/her death, ill health, disability or insanity or the termination of his employment, directorship, appointment or engagement on one or more of the grounds specified in paragraph 19(e) below, then the Grantee may exercise the Option up to his entitlement at the date of cessation (to the extent vested but not already exercised) until whichever is the earlier of the date of expiry of the Option Period or the last day of the period of one month (or such longer period as the Board may determine) following the date of such cessation, which date shall be the last actual day of employment, appointment or engagement with the Company or the relevant Subsidiary or Related Entity, as the case may be, whether payment in lieu of notice is made or not (if applicable), in the event of which, the date of cessation as determined by a resolution of the Board or the board of directors or governing body of the relevant Subsidiary or Related Entity shall be final and conclusive, and binding on the Grantee and, where appropriate, the Grantee's legal personal representative(s).

12. RIGHTS ON DEATH

In the event of the Grantee (being an individual) ceasing to be an Eligible Participant by reason of death and none of the events which would be a ground for termination of his employment or office specified in paragraph 19(e) below has occurred, the legal personal representative(s) of such Grantee shall be entitled until whichever is the earlier of the date of expiry of the Option Period or the last day of the period of three months after the issue of the probate or the letter of administration of the Grantee, as the case may be, (or such longer period as the Board may determine) to exercise the Option (to the extent vested but not already exercised) in full or to the extent specified in the notice to exercise such Option.

13. RIGHTS ON ILL HEALTH, DISABILITY AND INSANITY

In the event of the Grantee (being an individual) ceasing to be an Eligible Participant by reason of ill health, disability or insanity and none of the events which would be a ground for termination of his employment or office specified in paragraph 19(e) below has occurred, such Grantee or the legal personal representative(s) of that Grantee shall be entitled until whichever is the earlier of the date of expiry of the Option Period or the last day of the period of six (6) months (or such longer period as the Board may determine) from the date of cessation which date shall be the last actual day of employment, appointment or engagement with the Company or the relevant Subsidiary or Related Entity, as the case may be, whether payment in lieu of notice is made or not (if applicable), in the event of which, the date of cessation as determined by a resolution of the Board or the board of directors or governing body of the relevant Subsidiary or Related Entity shall be final and conclusive, and binding on the Grantee and, where appropriate, the Grantee's legal personal representative(s) to exercise the Option (to the extent vested but not already exercised) in full or to the extent specified in the notice to exercise such Option.

14. RIGHTS ON TAKEOVER

If a general offer to acquire shares (whether by takeover offer, merger, privatisation proposal by scheme of arrangement between the Company and its members or otherwise in like manner) is made to all the holders of Shares (or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in concert with the offeror) and such offer, having been approved in accordance with applicable laws and regulatory requirements, becomes or is declared unconditional, the Grantee (or his legal personal representative(s)) shall be entitled to exercise the Option (to the extent vested but not already exercised) in full or to the extent specified in the notice to exercise such Option at any time until whichever is the earlier of the date of expiry of the Option Period or the last day of the period of fourteen (14) days after the date on which the offer becomes or is declared unconditional, after which the Option shall lapse.

15. RIGHTS ON WINDING UP OF THE COMPANY

In the event a notice is given by the Company to its members to convene a general meeting for the purposes of considering and, if thought fit, approving a resolution to voluntarily wind up the Company, the Company shall on the same date as or as soon as practicable after it despatches such notice to each member of the Company give notice thereof to all Grantees (together with a notice of the existence of the provisions of this paragraph 15 and thereupon, each Grantee (or his legal representative(s)) shall be entitled to exercise all or any of his Options at any time not later than two (2) business days (as defined in the New Share Option Scheme) prior to the record date for ascertaining entitlements to attend and vote at 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 record date in ascertaining entitlements to attend and vote at the proposed general meeting referred to above, allot the relevant Shares to the Grantee credited as fully paid.

16. RIGHTS ON COMPROMISE AND ARRANGEMENT

In the event of a compromise or arrangement between the Company and its creditors (or any class of them) or between the Company and the Shareholders (or any class of them), in connection with a scheme for the 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 the Shareholders or creditors to consider such scheme or arrangement, and thereupon any Grantee may forthwith and until the expiry of the period commencing with such date and ending with the earlier the date falling two (2) calendar months thereafter or the date on which such compromise or arrangement is sanctioned by the court be entitled to exercise his Option (to the extent vested but not already exercised), but the exercise of the Option shall be conditional upon such compromise or arrangement being sanctioned by the court and becoming effective. The Company may thereafter require such Grantee to transfer or otherwise deal with the Shares issued as a result of such exercise of his Option so as to place the Grantee in the same position as nearly as would have been the case had such Shares been subject to such compromise or arrangement. Subject thereto, all Options (whether vested or unvested) then outstanding shall lapse and determine on the date the proposed compromise or arrangement becomes effective.

17. RIGHTS ON WINDING UP OF A GRANTEE

If a Grantee (being a corporation):

- (a) commences winding up by whatever means, whether voluntarily or not; or
- (b) suffers a change in its constitution, management, directors, shareholding or beneficial ownership which in the opinion of the Board is material,

the Option (to the extent not already exercised) shall lapse on the date of the commencement of winding up of the Grantee or on the date of notification by the Company that the said change in constitution, management, directors, shareholding or beneficial ownership is material, as the case may be, and not be exercisable unless the Board otherwise determines in which event the Option (or such remaining part thereof) shall be exercisable within such period as the Board may in its absolute discretion determine following the date of such occurrence. A resolution of the Board resolving that the Grantee's Option has lapsed by reason of material change in the constitution, management, directors, shareholding or beneficial ownership as aforesaid shall be final and conclusive.

18. EFFECTS OF ALTERATION TO CAPITAL

In the event of any capitalisation issue, rights issue, consolidation or sub-division of Shares or reduction of the share capital of the Company (other than an issue of Shares as consideration in respect of a transaction to which the Company is a party) whilst an Option remains outstanding (i.e., in that it is granted and not yet exercised, but has not lapsed or been cancelled), corresponding adjustments (if any) shall be made in:

- (a) the number of Shares to which the New Share Option Scheme or any Options relates;
- (b) the Subscription Price in relation to each outstanding Option; and/or
- (c) the number of Shares in respect of which any further Options may be granted within the 1% Individual Limit and/or the Scheme Mandate Limit and/or the Service Provider Sublimit,

provided that any such adjustments shall be made (i) such that the proportion of the issued share capital of the Company to which an Option entitles the Grantee to subscribe after such adjustment must be the same (rounded to the nearest whole Share) as that to which the Option entitled the Grantee to subscribe immediately before such adjustment; and (ii) on the basis that the aggregate Subscription Price payable by a Grantee on the full exercise of any Option shall remain as nearly as possible the same (but shall not be greater than) as it was before such event, but so that no such adjustment shall be made to the extent that the effect of such adjustment would be to enable any Share to be issued at less than its nominal value. In respect of any adjustment required by this paragraph 18, other than any made on a capitalisation issue, an independent financial adviser or the auditors for the time being of the Company must also confirm to the Board in writing that the adjustments satisfy the foregoing proviso.

19. LAPSE OF OPTIONS

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

- (a) the expiry of the Option Period;
- (b) the expiry of any of the other periods referred to in paragraphs 11, 12, 13, 14, 16 or 17 above;
- (c) subject to paragraph 15 above, the earliest of the close of business on the second business day (as defined in the New Share Option Scheme) prior to the record date for ascertaining entitlements to attend and vote at the general meeting referred to in paragraph 15 above or the date of the commencement of the winding-up of the Company;
- (d) save as otherwise provided in paragraph 14 above or by the court in relation to the scheme in question, upon the sanctioning pursuant to the Companies Act by the Supreme Court of Bermuda of a compromise or arrangement between the Company and its members or creditors for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies;
- (e) the date on which the Grantee ceases to be an Eligible Participant by reason of the termination of his employment, directorship, appointment or engagement on any one or more of the grounds that he has been guilty of misconduct, or has committed an act of bankruptcy or has become insolvent or has made any arrangement or composition with his creditors generally, or has breached or failed to comply with any provisions of the relevant service contract, letter of appointment or contracts or agreements of the Grantee with the Company or the relevant Subsidiary or Related Entity for the employment, appointment or engagement, or has been convicted of any criminal offence involving his integrity or honesty or on any other ground on which an employer would be entitled to terminate his/her employment or office at common law or pursuant to any applicable laws or under the service contract, letter of appointment or other contract or agreement for the employment, appointment or engagement of the Grantee with the Company or the relevant Subsidiary or Related Entity. A resolution of the Board or the board of directors or governing body of the relevant Subsidiary or Related Entity to the effect that the employment, directorship, appointment or engagement of a Grantee has or has not been terminated on one or more of the grounds specified in this paragraph 19(e) shall be final and conclusive, and binding on the Grantee and, where appropriate, the Grantee's legal personal representative(s);
- (f) the date on which the resignation of the Grantee is received by the Company or the relevant Subsidiary or Related Entity (as the case may be);
- (g) where the Grantee commits a breach of paragraph 8(a) above, the date on which the Board shall exercise the Company's right to cancel the Option;
- (h) if an Option was granted subject to certain conditions, restrictions or limitations, the date on which the Board resolves that the Grantee has failed to satisfy or comply with such conditions, restrictions or limitations; or

- (i) the occurrence of such event or expiry of such period as may have been specifically provided for in the letter in respect of the grant of an Option, if any.

20. RANKING OF SHARES

The Shares to be allotted upon the exercise of an Option will be subject to all the provisions of the Bye-laws and will rank *pari passu* in all respects with the fully paid Shares in issue on the date of allotment or, if that date falls on a business day (as defined in the New Share Option Scheme) when the register of members of the Company is closed, the first business day (as defined in the New Share Option Scheme) of the reopening of the register of members and accordingly will entitle the holders to participate in all dividends or other distributions paid or made on or after the date of allotment or, if that date falls on a day when the register of members of the Company is closed, the first day of the reopening of the register of members, 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 of allotment, or, if later, before the date of registration of the allotment in the register of members of the Company.

21. CANCELLATION OF OPTIONS

Subject to paragraph 8(a) above, any Option granted but not exercised may not be cancelled except with the written consent of the relevant Grantee and the prior approval of the Board. Where the Company cancels Options and makes a new grant of Options to the same Grantee, such new grant of Options may only be made under the New Share Option Scheme with available scheme mandate within the Scheme Mandate Limit and Service Provider Sublimit.

Options cancelled in accordance with the terms of the New Share Option Scheme will be regarded as utilized for the purpose of calculating the Scheme Mandate Limit and the Service Provider Sublimit. Options lapsed in accordance with the terms of the New Share Option Scheme will not be regarded as utilized for the purpose of calculating the Scheme Mandate Limit and the Service Provider Sublimit.

22. ALTERATION TO THE NEW SHARE OPTION SCHEME

- (a) Subject to paragraphs 22(b) and 22(d) below, the New Share Option Scheme may be altered in any respect by resolution of the Board except that:
 - (i) the definitions of “Grantee”, “Option Period”, “Eligible Participant” and “Scheme Period”; and
 - (ii) the provisions of the New Share Option Scheme relating to the matters contained in Rule 17.03 of the Listing Rules,

shall not be altered to the advantage of the Eligible Participants unless with the prior sanction of a resolution of the Shareholders in general meeting, provided that no such alteration shall operate to affect adversely the terms of issue of any Option granted or agreed to be granted prior to such alteration except with the consent or sanction of such majority of the Grantees as would be required of the holders of the Shares under the Bye-Laws for a variation of the rights attached to the Shares. For the avoidance of doubt, no alteration to the New Share Option Scheme shall operate to affect adversely any rights of any Grantee subsisting thereunder and/or under the Option so held by him or her immediately prior to such alteration.

- (b) Subject to paragraph 22(c) below, any change to the terms of any Options granted to a Grantee shall be approved by the Directors, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders in general meeting (as the case may be) in accordance with the terms of the New Share Option Scheme and Chapter 17 of the Listing Rules. The foregoing provisions of this paragraph 22(b) shall not apply where the alterations take effect automatically under the existing terms of the New Share Option Scheme.
- (c) Any change to the authority of the Board to alter the terms of the New Share Option Scheme must first be approved by the Shareholders in general meeting.
- (d) The terms of the New Share Option Scheme and/or any Options amended pursuant to this paragraph 22 must comply with the applicable requirements under Chapter 17 of the Listing Rules. Any alterations to the terms and conditions of the New Share Option Scheme which are of a material nature must be approved by the Shareholders in general meeting.
- (e) Where the terms of the New Share Option Scheme are amended, the Company shall, immediately upon such changes taking effect, provide to all Eligible Participants all details relating to changes in the terms of the New Share Option Scheme during the life of the New Share Option Scheme.

23. TERMINATION OF THE NEW SHARE OPTION SCHEME

The Company by resolution passed at a general meeting of the Shareholders may at any time terminate the operation of the New Share Option Scheme and in such event no further Options will be offered or granted but the provisions of the New Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any Options granted prior thereto or otherwise as may be required in accordance with the provisions of the New Share Option Scheme. All Options granted and accepted prior to such termination and not then exercised shall continue to be valid and (subject to vesting in accordance with the terms of the Offer) exercisable subject to and in accordance with the New Share Option Scheme.

24. GRANT OF OPTIONS TO CONNECTED PERSONS

- (a) Where any Offer is proposed to be made to an Eligible Participant who is a Director, chief executive or substantial shareholder of the Company, or any of their respective associates, such grant must first be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the proposed Grantee of such Options).
- (b) Where any Offer is proposed to be made to an Eligible Participant who is a substantial shareholder or an independent non-executive Director, or any of their respective associates, which would result in the Shares issued and to be issued in respect of all options granted (excluding any Options lapsed in accordance with the terms of the New Share Option Scheme) to such person under the New Share Option Scheme and any other share option scheme(s) of the Company in the 12-month period up to and including the proposed Grant Date for such Options representing in aggregate over 0.1 per cent. (0.1%) of the number of Shares then in issue, such grant of Options must first be approved by the Shareholders in general meeting at which meeting the proposed Grantee and his associates and all the core connected persons of the Company shall abstain from voting on the relevant resolution, except that any such connected person may vote against the relevant resolution at the general meeting provided that his intention to do so has been stated in the circular required to be issued pursuant to the Listing Rules.
- (c) Any proposed change in the terms of Options granted to an Eligible Participant who is a Director, chief executive or substantial shareholder of the Company, or any of their respective associates, must first be approved by the Shareholders in general meeting in the manner as set out in Rule 17.04(4) of the Listing Rules if the initial grant of the Options requires such approval (except where the changes take effect automatically under the existing terms of the New Share Option Scheme). At the meeting of the Shareholders, all the core connected persons of the Company shall abstain from voting on the relevant resolution, except that any such core connected person may vote against the relevant resolution at the general meeting provided that his intention to do so has been stated in the circular required to be issued pursuant to the Listing Rules. Any vote taken at the meeting to approve the proposed change to the terms of such Options must be taken by poll.
- (d) The circular to be issued by the Company to the Shareholders pursuant to paragraphs 24(b) and 24(c) above shall contain the following information:
 - (i) the details of the number and terms (including the Subscription Price) of the Options to be granted to each selected Eligible Participant (which must be fixed before the Shareholders' meeting) and the date of Board meeting for proposing such further grant shall be taken as the date of grant for the purpose of calculating the exercise price of such Options;

- (ii) the views of the independent non-executive Directors (excluding any independent non-executive Director who is the Grantee of the Options) to the independent Shareholders as to whether the terms of the grant of Options are fair and reasonable and whether such grant is in the interests of the Company and the Shareholders as a whole, and their recommendation as to voting;
- (iii) the information required under Rule 17.02(2)(c) of the Listing Rules;
- (iv) the information required under Rule 2.17 of the Listing Rules; and
- (v) any other information as may be required under the Listing Rules from time to time.

AGM NOTICE



UNIVERSE ENTERTAINMENT AND CULTURE GROUP COMPANY LIMITED 寰宇娛樂文化集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 1046)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting of Universe Entertainment and Culture Group Company Limited 寰宇娛樂文化集團有限公司 (the “**Company**”) will be held at 18/F, Wyler Centre Phase II, 192-200 Tai Lin Pai Road, Kwai Chung, New Territories, the Hong Kong Special Administrative Region of the People’s Republic of China (“**Hong Kong**”) on Monday, 4th December 2023, at 12:00 noon or in the event that a Tropical Cyclone Warning Signal no. 8 or above or a Black Rainstorm Warning Signal has been issued by the Hong Kong Observatory or the Hong Kong Government has issued an announcement on “Extreme Conditions” at 10:00 a.m. on that day, at the same time and place on the second Business Day (as defined in Note (8) below) after 4th December 2023 or any adjournment (the “**AGM**”) for the following purposes:

ORDINARY BUSINESSES ORDINARY RESOLUTIONS

1. To receive, consider and adopt the audited consolidated financial statements of the Company, the reports of the directors of the Company (individually, a “**Director**” and collectively, the “**Directors**”) and the report of Zhonghui Anda CPA Limited, the independent auditor of the Company (the “**Auditor**”) for the year ended 30th June 2023.
2.
 - (a) To re-elect Mr. Lam Shiu Ming, Daneil as an executive Director;
 - (b) To re-elect Mr. Choi Wing Koon, who has served the Company as an independent non-executive Director for more than nine years, as an independent non-executive Director;
 - (c) To re-elect Ms. Pong Suit Hing as an independent non-executive Director, and
 - (d) To authorise the board of Directors (the “**Board**”) to fix the remuneration of the Directors.
3. To re-appoint Zhonghui Anda CPA Limited as the Auditor and to authorise the Board to fix their remuneration.

AGM NOTICE

SPECIAL BUSINESS ORDINARY RESOLUTIONS

To consider and, if thought fit, pass with or without modification, the following resolutions as ordinary resolutions:

4. (a) **“THAT**
- (i) subject to paragraph 4(a)(iii) of this resolution, the exercise by the Directors during the Relevant Period (as defined in paragraph 4(a)(iv)(aa) of this resolution) of all the powers of the Company to allot, issue, grant, distribute, dispose of and otherwise deal with additional shares of HK\$0.01 each in the share capital of the Company (the **“Share”**), and to make, issue or grant offers, agreements and options (including bonds, warrants, notes, securities or debentures convertible into Shares or options) and rights of exchange or conversion which would or might require the exercise of such powers either during or after the Relevant Period, subject to and in accordance with all applicable laws, be and is hereby generally and unconditionally approved;
 - (ii) the approval in paragraph 4(a)(i) of this resolution shall be in addition to any other authorisations given to the Directors and shall authorise the Directors during the Relevant Period to make, issue or grant offers, agreements and options (including bonds, warrants, notes, securities or debentures convertible into Shares or options) and rights of exchange or conversion which would or might require the exercise of such powers either during or after the Relevant Period;
 - (iii) the aggregate number of Shares allotted, issued, granted, distributed, disposed of or otherwise deal with or agreed conditionally or unconditionally to be allotted, issued, granted, distributed, disposed of or otherwise deal with (whether pursuant to an option, a conversion or otherwise) by the Directors pursuant to the approval in paragraph 4(a)(i) of this resolution, otherwise than pursuant to:
 - (aa) a Rights Issue (as defined in paragraph 4(a)(iv)(bb) of this resolution); or
 - (bb) an exercise of any option granted under any share option scheme (as defined in paragraph 4(a)(iv)(cc) of this resolution); or
 - (cc) any scrip dividend or other similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on the Shares in accordance with the bye-laws of the Company (the **“Bye-Laws”**) in force from time to time; or
 - (dd) an exercise of rights of subscription or conversion under terms of any warrants issued by the Company or any securities which are convertible into Shares,

AGM NOTICE

shall not exceed 20 per cent of the total number of Shares in issue as at the date of passing this resolution and the said approval shall be limited accordingly; and

(iv) for the purpose of this resolution:

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

(A) the conclusion of the next annual general meeting of the Company;

(B) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-Laws in force from time to time or any applicable law of Bermuda to be held; or

(C) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.

(bb) “**Rights Issue**” means an offer of Shares or an issue of options, warrants or other securities of the Company giving the right to subscribe for Shares, open for a period fixed by the Directors to holders of Shares or any class thereof on the register of members on a fixed record date in proportion to their then holdings of such Shares or class thereof (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong).

(cc) “**share option scheme**” means a share option scheme or similar arrangement for the time being, as varied from time to time, adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries and/or other eligible persons of rights to acquire Shares.”

(b) “**THAT**

(i) subject to paragraph 4(b)(ii) of this resolution, the exercise by the Directors during the Relevant Period (as defined in paragraph 4(b)(iii) of this resolution) of all the powers of the Company to repurchase shares of HK\$0.01 each in the share capital of the Company (the “**Share**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or any other stock exchange on which the Shares may be listed and recognised for this purpose by the Securities and Futures Commission of Hong Kong and the Stock Exchange, subject to and in accordance with all applicable laws and regulations of Hong Kong and Bermuda, the memorandum of association of the Company, the bye-laws of the Company (the “**Bye-Laws**”) in force from time to time and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time (the “**Listing Rules**”), be and is hereby generally and unconditionally approved;

AGM NOTICE

- (ii) the total number of Shares to be repurchased or agreed conditionally or unconditionally to be repurchased by the Company pursuant to the approval in paragraph 4(b)(i) of this resolution during the Relevant Period shall not exceed 10 per cent of the total number of Shares in issue as at the date of passing this resolution and the said approval shall be limited accordingly; and
- (iii) for the purpose of this resolution, “**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:
 - (aa) the conclusion of the next annual general meeting of the Company;
 - (bb) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-Laws in force from time to time or any applicable laws of Bermuda to be held; or
 - (cc) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in a general meeting.”
- (c) “**THAT** conditional upon resolution 4(a) and resolution 4(b) as set out in this notice of the AGM dated 30th October 2023 (the “**AGM Notice**”) being passed, the aggregate number of shares of HK\$0.01 each in the share capital of the Company (the “**Share**”) which are repurchased by Company under the authority granted pursuant to resolution 4(b) as set out in the AGM Notice (up to a maximum of 10 per cent of the total number of Shares in issue as at the date of passing of resolution 4(b) as set out in the AGM Notice) shall be added to the total number of Shares that may be allotted and issued or agreed conditionally or unconditionally to be allotted by the Directors pursuant to resolution 4(a) as set out in the AGM Notice.”

5 “**THAT**:

- (a) subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting approval for the listing of, and permission to deal in, the shares of HK\$0.01 each in the share capital of the Company (the “**Share**”) which may fall to be allotted and issued pursuant to the exercise of options which may be granted under the new share option scheme of the Company (the “**New Share Option Scheme**”), a copy of which having been produced before the AGM marked “A” and initialled by the chairman of the meeting for the purpose of identification and a summary of the principal terms of which are set out in Appendix IV to the circular of the Company dated 30th October 2023 to the shareholders of the Company of which this notice forms part), the New Share Option Scheme and the Scheme Mandate Limit (as defined in the New Share Option Scheme) (i.e. 10% of the total number of Shares in issue as at the date of passing resolutions 5(a)) be and is hereby approved and adopted as the share option scheme of the Company with immediate effect after the close of the AGM;

AGM NOTICE

- (b) the Directors be and are hereby authorised to:
 - (i) administer the New Share Option Scheme;
 - (ii) grant options to subscribe for Shares in accordance with the rules of the New Share Option Scheme;
 - (iii) allot, issue and deal with such number of Shares as may be required to be issued from time to time pursuant to the exercise of options under the New Share Option Scheme in each case, subject to the Scheme Mandate Limit and, as appropriate and applicable, the Service Provider Sublimit (as defined in the New Share Option Scheme) (i.e. 3% of the total number of Shares in issue as at the date of passing resolution 5(a) as set out in the AGM Notice);
 - (iv) modify and/or amend the New Share Option Scheme from time to time in accordance with the rules of the New Share Option Scheme and subject to the Listing Rules;
 - (v) make application at appropriate time or times to the Stock Exchange for the listing of, and permission to deal in, the Shares which may fall to be allotted and issued pursuant to the exercise of options which may be granted under the New Share Option Scheme; and
 - (vi) do all such acts and execute and deliver all such documents and make such arrangements that he or she shall, in his or her sole opinion and absolute discretion, consider necessary, desirable or expedient to implement or give effect to the New Share Option Scheme.”

- 6 “**THAT** conditional upon the passing of resolution 5(a) as set out in the AGM Notice, the Service Provider Sublimit (as defined in the new share option scheme of the Company, a copy of which having been produced before the AGM marked “A” and initialled by the chairman of the meeting for the purpose of identification and a summary of the principal terms of which are set out in Appendix IV to the circular of the Company dated 30th October 2023 to the shareholders of the Company) be and is hereby approved and adopted and the Directors be and are hereby authorised to do all such acts and execute and deliver all such documents and make such arrangements that he or she shall, in his or her sole opinion and absolute discretion, consider necessary, desirable or expedient to implement or give effect to the Service Provider Sublimit.”

AGM NOTICE

SPECIAL BUSINESS SPECIAL RESOLUTION

To consider and, if thought fit, pass with or without modification, the following resolution as special resolution:

7. **“THAT**
- (a) the proposed amendments to the existing bye-laws of the Company set out in Appendix III to the circular of the Company dated 30th October 2023 to the shareholders of the Company of which this notice forms part be and are hereby approved and the new bye-laws of the Company incorporating such amendments, a copy of which having been produced before the AGM marked “B” and initialled by the chairman of the meeting for the purpose of identification, be and is hereby adopted as the new bye-laws of the Company in substitution for and to the exclusion of the existing bye-laws of the Company with immediate effect after the close of the AGM; and
 - (b) any one of the Directors or the Company Secretary of the Company be and is hereby authorised to do all such acts and execute and deliver all such documents and make such arrangements that he or she shall, in his or her sole opinion and absolute discretion, consider necessary, desirable or expedient to implement or give effect to resolution 7(a), including without limitation, attending to the necessary filings with the Registrar of Companies in Bermuda and Hong Kong.”

By order of the Board
Universe Entertainment and Culture Group Company Limited
Lam Shiu Ming, Daneil
Chairman and Executive Director

Hong Kong, 30th October 2023

Registered Office:
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

*Head office and principal place of
business in Hong Kong:*
18th Floor
Wyler Centre Phase II
192-200 Tai Lin Pai Road
Kwai Chung
New Territories
Hong Kong

AGM NOTICE

Notes:

- (1) The register of members of the Company will be closed from Wednesday, 29th November 2023 to Monday, 4th December 2023 (both days inclusive) during which period no transfer of share(s) of HK\$0.01 each in the share capital of the Company (the “**Share**”) will be effected. In order to determine the eligibility to attend and vote at the AGM or any adjourned meeting thereof (as the case may be), all transfer of Share(s), accompanied by the relevant share certificate(s) with the properly completed transfer form(s) either overleaf or separately, must be lodged with the branch share registrar and transfer office of the Company in Hong Kong, Tricor Abacus Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m., on Tuesday, 28th November 2023.
- (2) A member entitled to attend and vote at the AGM is entitled to appoint another person as his/her proxy to attend and vote instead of him/her. A member who is the holder of two or more Shares may appoint more than one proxy to attend and vote on his/her behalf. A proxy needs not be a member of the Company. If more than one proxy is so appointed, the appointment shall specify the number and class of Shares in respect of which each proxy is so appointed.
- (3) A form of proxy for use at the AGM is enclosed with the circular of the Company dated 30th October 2023 to the shareholders of the Company (the “**AGM Circular**”) of which this notice forms part. In order to be valid, the form of proxy completed in accordance with the instructions set out therein, together with the power of attorney or other authority, if any, under which it is signed, or a certified copy of such power of attorney, must be deposited at Company’s branch share registrar and transfer office in Hong Kong, Tricor Abacus Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours before the time appointed for holding of the AGM or any adjournment thereof (as the case may be). Completion and delivery of the form of proxy will not preclude you from attending and voting in person at the AGM should you so wish and in such event the form of proxy shall be deemed to be revoked.
- (4) Where there are joint registered holders of any Share, any one of such joint holders may vote at the AGM, either in person or by proxy, in respect of such Shares as if he/she were solely entitled thereto, but if more than one of such joint holders be present at the AGM the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint registered holders and for this purpose seniority shall be determined by the order in which the names stand in the register of members in respect of the joint holding.
- (5) An explanatory statement regarding the general mandate for the repurchase of Shares sought in resolution 4(b) (as set out in the AGM Notice) is set out in appendix II to the AGM Circular of which this notice forms part.
- (6) All of the above resolutions will be voted by way of poll at the AGM.
- (7) As at the date hereof, the executive Directors are Mr. Lam Shiu Ming, Daneil, Mr. Lam Kit Sun and the independent non-executive Directors are Mr. Choi Wing Koon, Mr. Tang Yiu Wing and Ms. Pong Suet Hing.
- (8) Business Day means any day (excluding Saturday) on which no Tropical Cyclone Warning Signal no. 8 or above or Black Rainstorm Warning Signal has been issued by the Hong Kong Observatory nor the Hong Kong Government has issued an announcement on “Extreme Conditions” at 10:00 a.m. on that day and on which banks in Hong Kong are generally open for business.
- (9) In the event that a Tropical Cyclone Warning Signal no. 8 or above or a Black Rainstorm Warning Signal has been issued by the Hong Kong Observatory or the Hong Kong Government has issued an announcement on “Extreme Conditions” at 10:00 a.m. on 4th December 2023, the AGM will not be held on that day, but will be held at the same time and place on the second Business Day after 4th December 2023.
- (10) The Chinese language version of this notice is translated from the English version. In the event of any discrepancies or conflicts between the contents of the Chinese version and the English version of this notice, the English version shall prevail.