

MEMORANDUM OF ASSOCIATION

AND

BYE-LAWS

OF

WULING MOTORS HOLDINGS LIMITED

五菱汽車集團控股有限公司

(Incorporated in Bermuda with limited liability)

Formerly known as
DRAGON HILL WULING AUTOMOBILE HOLDINGS LIMITED
俊山五菱汽車集團有限公司

Formerly known as
DRAGON HILL HOLDINGS LIMITED
俊山集團有限公司

Formerly known as
Magnum International Holdings Limited
萬能國際集團有限公司

Formerly known as
WATARY INTERNATIONAL HOLDINGS LIMITED

Incorporated on the 24th day of August, 1992

(Incorporating all amendments made up to 27 May 2011)

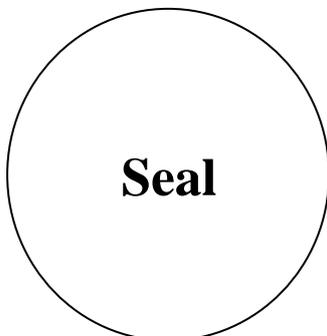


BERMUDA

**CERTIFICATE OF INCORPORATION
ON CHANGE OF NAME**

I HEREBY CERTIFY that in accordance with section 10 of *the Companies Act 1981* **Dragon Hill Wuling Automobile Holdings Limited** by resolution and with the approval of the Registrar of Companies has changed its name and was registered as **Wuling Motors Holdings Limited**, on the **9th** day of **June, 2011**.

Given under my hand and the Seal of the
REGISTRAR OF COMPANIES this
9th day of **June, 2011**.



(sd.)
for **Registrar of Companies**



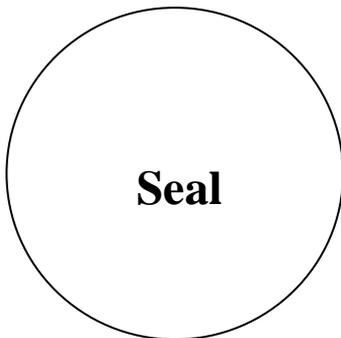
BERMUDA

CERTIFICATE OF SECONDARY NAME

I hereby in accordance with section 10A of *the Companies Act 1981* issue this Certificate of Secondary Name and do certify that on the **9th** day of **June 2011**

Wuling Motors Holdings Limited

was registered with the secondary name by me **五菱汽車集團控股有限公司** in the Register maintained by me under the provisions of section 14 of *the Companies Act 1981*.



Given under my hand and the Seal of the
REGISTRAR OF COMPANIES this
9th day of **June, 2011**.

(sd.)
for **Registrar of Companies**

DRAGON HILL WULING AUTOMOBILE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

SPECIAL RESOLUTION

Passed on 27 May 2011

AT THE ANNUAL GENERAL MEETING OF DRAGON HILL WULING AUTOMOBILE HOLDINGS LIMITED HELD AT THE BALLROOM, 1ST FLOOR, SOUTH PACIFIC HOTEL, 23 MORRISON HILL ROAD, WANCHAI, HONG KONG ON FRIDAY, 27 MAY 2011, THE FOLLOWING RESOLUTION WAS DULY PASSED AS AN SPECIAL RESOLUTION:-

“THAT

- (a) subject to and conditional upon the approval of the Registrar of Companies of Bermuda, the English name of the Company be changed to “Wuling Motors Holdings Limited” (the “Primary Name”) and the Chinese name of “**五菱汽車集團控股有限公司**” (the “Secondary Name”) be adopted as the secondary name of the Company (the “Change of Company Name”) with effect from the respective dates on which the Primary Name and the Secondary Name are entered on the register of companies maintained by the Registrar of Companies in Bermuda;
- (b) Subject to and forthwith upon the Change of Company Name taking effect, the Bye-laws be and are hereby amended in the following manner (the “Amendment to bye-laws”)

Bye-law 1

By deleting the existing definition of “the Company” or “this Company” in the existing Bye-law 1 in its entirety and substituting therefor the following new definition of “the Company”) or “this Company”;

““**the Company**” or “**this Company**” means Wuling Motors Holdings Limited with a secondary name of “**五菱汽車集團控股有限公司**” incorporated in Bermuda on 24th August 1992:”

- (c) any one or more Directors be and are hereby authorized for and on behalf of the Company to execute all such documents, instruments and agreements and to do all such acts or things deemed by them to be incidental to, ancillary to or in connection with the matters contemplated in and for completion of the proposed Change of Company Name and Amendment to Bye-laws.”

Certified True Copy

Lee Shing (sd.)
Chairman

DRAGON HILL WULING AUTOMOBILE HOLDINGS LIMITED
(Incorporated in Bermuda with limited liability)

SPECIAL RESOLUTION

Passed on 3 June 2009

THE ANNUAL GENERAL MEETING OF DRAGON HILL WULING AUTOMOBILE HOLDINGS LIMITED HELD AT FUNCTION ROOM I – II, GROUND FLOOR, CITY GARDEN HOTEL, 9 CITY GARDEN ROAD, NORTH POINT, HONG KONG ON WEDNESDAY, 3 JUNE 2009, THE FOLLOWING RESOLUTION WAS DULY PASSED AS SPECIAL RESOLUTION:-

“**THAT** the Bye-laws of the Company be and are hereby amended in the following manner:

(a) **Bye-law 1**

- (i) by inserting the following new definition of “business day” immediately following the existing definition of “the Bye-laws” or “these presents” in the existing Bye-law 1:

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

- (ii) by inserting the following new definition of “notice” immediately following the existing definition of “month” in the existing Bye-law 1:

““**notice**” mean written notice unless otherwise specifically stated and as further defined in these Bye-laws;”

- (iii) by deleting the existing definition of “ordinary resolution” in the existing Bye-law 1 in its entirety and substituting therefor the following new definition of “ordinary resolution”:

““**ordinary resolution**” mean 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 authorized representative or, where proxies are allowed, by proxy at a general meeting of which notice has been given in accordance with Bye-laws 58 and 59;”

- (iv) by deleting the existing definition of “special resolution” in the existing Bye-law 1 in its entirety and substituting therefor the following new definition of “special resolution”:

““**special resolution**” mean 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 authorized representative or, where proxies are allowed, by proxy at a general meeting of which notice has been given in accordance with Bye-laws 58 and 59 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. Provided that if permitted by the Designed Stock Exchange, 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 per cent. (95%) 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 notice has been given for shorter than the period required under Bye-laws 58 and 59;”

(b) **Bye-law 58**

By deleting the existing Bye-law 58 in its entirety and substituting therefor the following new Bye-law 58:

“58. An annual general meeting shall be called by notice of not less than twenty-one (21) clear days and not less than twenty (20) clear business days and any special general meeting at which the passing of a special resolution is to be considered shall be called by notice of not less than twenty-one (21) clear days and not less than ten (10) clear business days. All other special general meetings may be called by notice of not less than fourteen (14) clear days and not less than ten (10) clear business days but if permitted by the rules of the Designed Stock Exchange. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the place, the day and the hour of meeting and, in case of special business, the general nature of that business.”

(c) **Bye-law 69**

By deleting the existing Bye-law 69 in its entirety and substituting therefor the following new Bye-law 69:

“69. A resolution put to the vote of a general meeting shall be decided by way of a poll.”

(d) **Bye-law 70**

By deleting the existing Bye-law 70 in its entirety and substituting therefor the following new Bye-law 70:

“70. 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 rules of the Designed Stock Exchange.”

(e) **Bye-law 71**

By deleting the existing Bye-law 71 in its entirety and substituting therefor the following new Bye-law 71:

“71. All questions submitted to a meeting shall be decided by a simple majority of votes except where a greater majority is required by the Bye-laws or by the Statutes. In the event of an equality of votes the chairman of the meeting shall be entitled to a second or casting vote.”

(f) **Bye-law 72**

By deleting the existing Bye-law 72 in its entirety and substituting therefor the following:

“72. intentionally deleted.”

(g) **Bye-law 73**

By deleting the existing Bye-law 73 in its entirety and substituting therefor the following:

“73. intentionally deleted.”

(h) **Bye-law 74(A)**

By deleting the wordings “on a show of hands every member present in person or by a count of votes received as electronic record (or, in case of a member being a corporation, by its duly authorised representative) shall have one vote, and” after the words “at any general meeting” in the first sentence of the existing Bye-law 74.

(i) **Bye-law 77**

By deleting the wordings “, whether on a show of hands or on poll,” after the words “in lunacy may vote” and by deleting the wordings “on a poll” after the words “other person may” in the existing Bye-law 77.

(j) **Bye-law 79**

By deleting the wordings “, including subject to Bye-law 74, the right to vote individually on a show of hands” after the words “represent as such member could exercise” in the last sentence of the existing Bye-law 79.

(k) **Bye-law 82**

By deleting the wordings “and on a poll demanded at a meeting or adjourned meeting” after the words “it was originally intended” in the existing Bye-law 82.

(l) **Bye-law 83**

By deleting the wordings “to demand or join in demanding a poll and” after the words “at a general meeting shall be deemed to confer authority” in the paragraph of the existing Bye-law 83.

(m) **Bye-law 86A**

By deleting the wordings “including the right to vote individually on a show of hands” after the words “as if it were an individual member” in the existing Bye-law 86A.”

Certified True Copy

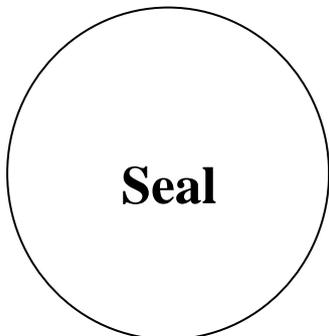
Lee Shing (sd.)
Chairman



BERMUDA

**CERTIFICATE OF INCORPORATION
ON CHANGE OF NAME**

I HEREBY CERTIFY that in accordance with section 10 of the Companies Act 1981 **Dragon Hill Holdings Limited** by resolution and with the approval of the Registrar of Companies has changed its name and was registered as **Dragon Hill Wuling Automobile Holdings Limited** on the **28th** day of **August, 2007**.



Given under my hand and the Seal of
the REGISTRAR OF COMPANIES
this **31st** day of **August, 2007**.

(sd.)
for **Registrar of Companies**



BERMUDA

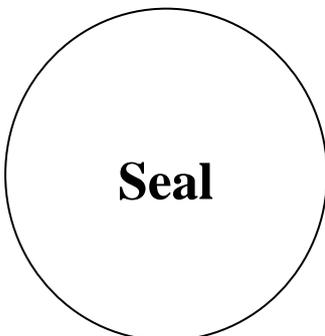
**CERTIFICATE OF REGISTRATION OF
ALRERED MEMORANDUM OF ASSOCIATION**

THIS IS TO CERTIFY that a copy of the Memorandum of Association

of

Dragon Hill Holding Limited

altered in accordance with section 12 of *the Companies Act 1981* (“the Act”) and the consent granted by the Minister under section 6(1) as read with section 12(2) of the Act were delivered to the Registrar of Companies and registered on the **17th** day of **July, 2007** pursuant to section 12(7A) of the Act.



Given under my hand and the Seal of
the REGISTRAR OF COMPANIES
this **25th** day of **July, 2007**.

(sd.)
for **Registrar of Companies**

DRAGON HILL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

ORDINARY RESOLUTION

Passed on 12 July 2007

THE ANNUAL GENERAL MEETING OF DRAGON HILL HOLDINGS LIMITED HELD AT KENNEDY ROOM, LEVEL 7, CONRAD HONG KONG, PACIFIC PLACE, 88 QUEENSWAY, HONG KONG ON THURSDAY, 12 JULY 2007, THE FOLLOWING RESOLUTION WAS DULY PASSED AS ORDINARY RESOLUTION:-

“THAT,

- (a) conditional upon completion of the Proposed Transactions (as defined in the Circular) and subject to the approval of the Registrar of Companies in Bermuda, the name of the Company be changed from “Dragon Hill Holdings Limited” to “Dragon Hill Wuling Automobile Holdings Limited” (the “New English Name”) and a new Chinese name of “俊山五菱汽車集團有限公司” (the “New Chinese Name”), for identification purpose only, be adopted to replace the current Chinese name of “俊山集團有限公司”; and
- (b) any one director of the Company, or any two directors of the Company if the affixation of the common seal is necessary, be and is/are hereby authorised for and on behalf of the Company to execute all such other documents and to do all such acts or things as he/they may in his/their absolute discretion, deem fit, to effect and implement the change of name of the Company.’”

Certified True Copy

Lai Shi Hong, Edward (sd.)
Company Secretary

DRAGON HILL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

SPECIAL RESOLUTIONS

Passed on 25 May 2007

THE ANNUAL GENERAL MEETING OF DRAGON HILL HOLDINGS LIMITED HELD AT FUNCTION ROOM I-II, GROUND FLOOR, CITY GARDEN HOTEL, 9 CITY GARDEN ROAD, NORTH POINT, HONG KONG ON FRIDAY, 25 MAY 2007, THE FOLLOWING RESOLUTIONS WAS DULY PASSED AS SPECIAL RESOLUTION:-

7. **"THAT** the Bye-laws of the Company be and are hereby amended in the following manner:-

(a) by adding the following new definition in Bye-law 1:

““electronic record” shall have the same meaning as ascribed to it under section 2 of the Electronic Transactions Act 1999 of Bermuda as amended from time to time, and includes any electronic code or device necessary to decrypt or interpret the electronic record;”;

(b) by deleting the existing definition of “ordinary resolution” in Bye-law 1 and substituting therefor the following new definition of “ordinary resolution”:

““ordinary resolution” means a resolution passed by a simple majority of the votes cast by such members as being entitled so to do, vote in person or, where a corporate representative is allowed, by a duly authorised corporate representative; or by electronic means or where proxies are allowed, by proxy, at a general meeting of the Company at which a quorum is present and of which not less than 14 days' notice has been duly given;”

(c) by deleting the existing definition of “special resolution” in Bye-law 1 and substituting therefor the following new definition of “special resolution”:

““special resolution” means a resolution passed by not less than three-fourths of the votes cast by such members, as being entitled so to do, vote in person, or, where a corporate representative is allowed, by a duly authorised corporate representative; or by electronic means or, where proxies are allowed, by proxy, at a general meeting of the Company at which a quorum is present and of which not less than 21 days' notice, specifying the intention to propose the resolution as a special resolution, has been duly given, provided that 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 95% in nominal value of the shares giving that right, a resolution may be proposed and passed as a special resolution at a meeting of which less than 21 days' notice has been given;”;

- (d) by deleting the existing definition of “in writing” or “written” in Bye-law 1 and substituting therefor the following new definition of “in writing” or “written”:

““in writing” or “written” includes printing, lithography, electronic record and other means of representing or reproducing words or figures in visible form;”;

- (e) by deleting the existing Bye-law 69 in its entirety and substituting therefor the following new Bye-law 69:

“69. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands or by a count of votes received in the form of electronic record, unless voting by way of a poll is required by the rules of the Designated Stock Exchange or a poll is (before or on the declaration of the result of the show of hands or count of votes as electronic records) demanded by:

- (i) the chairman;
- (ii) at least 3 members present in person or by proxy or by a duly authorized corporate representative for the time being entitled to vote at the meeting;
- (iii) any member or members present in person or by proxy or by a duly authorised corporate representative and representing not less than one-tenth of the total voting rights of all the members having the right to attend and vote at the meeting; or
- (iv) any member or members present in person or by proxy or by a duly authorised corporate representative and holding shares in the Company conferring a right to attend and vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

Unless a poll is so demanded and the demand is not withdrawn, a declaration by the chairman that a resolution has, on a show of hands or count of votes received as electronic record, been carried or carried unanimously or by a particular majority or lost and an entry to that effect in the book of the proceedings of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against that resolution.”

- (f) By deleting the existing Bye-law 71 in its entirety and substituting therefor the following new Bye-law 71:

- “71. All questions submitted to a meeting shall be decided by a simple majority of votes except where a greater majority is required by the Bye-Laws or by the Statues. In the event of an equality of votes whether on a show of hands, count of votes received as electronic record, or on a poll, the chairman of the meeting shall be entitled to a second or casting vote.”
- (g) by deleting the existing Bye-law 74(A) in its entirety and substituting therefor the following new Bye-law 74:
- “74(A). Subject to any rights or restrictions for the time being attached to any class or classes of shares, at any general meeting on a show of hands every member present in person or by a count of votes received as electronic record (or, in the case of a member being a corporation, by its duly authorized representative) shall have one vote and on a poll every member present in person or by proxy or by authorized corporate representative shall have one vote of each share of which he is the holder and which is fully paid up or credited as fully paid up (but so that no amount paid up or credited as paid up on a share in advance of calls or instalments shall be treated for the purpose of this Bye-law as paid up on the share). A person entitled to cast more than one vote upon a poll need not use all his votes or cast all the votes he uses in the same way.”;
- (h) by deleting the words “special resolution” as appeared on the second line of the existing Bye-law 90) and replacing the same with the words “ordinary resolution”;
- (i) by deleting the existing Bye-law 91 in its entirety and substituting therefor the following new Bye-law 91:
- “91. Without prejudice to the power of the Company in pursuance of the provisions of the Bye-laws of the Company to appoint any person to be a Director and subject to the provisions of the Act, the Directors may appoint any person to be a Director as an additional Director or to fill a casual vacancy but so that the maximum number of Directors so appointed shall not exceed the number determined from time to time by the members in general meeting. Any person so appointed shall hold office only until the next following general meeting (in the case of filling a casual vacancy) or until the next following annual general meeting (in the case of an additional Director), and shall then be eligible for re-election at the meeting but shall not be taken into account in detaining the Directors or number of Directors who are to retire by rotation at any annual general meeting.”;
- (j) by deleting the words “a special resolution” as appeared on the existing Bye-law 97 (vii) and replacing the same with the words “an ordinary resolution”;

- (k) by deleting the heading of Bye-law 99 and substituting therefor the following:

“RETIREMENT BY ROTATION AND RE-ELECTION OF DIRECTORS”;

- (l) by deleting the existing Bye-law 99(B) in its entirety and substituting therefor the following new Bye-law 99(B):

“99.(B) Notwithstanding any other provisions in the Bye-laws, at each annual general meeting one-third of the Directors for the time being, or if the number is not three or a multiple of three, then the number nearest to but not less than one-third shall retire from office by rotation provided that every Director shall be subject to retirement at least once every three years or within such other period as the rules of the designated Stock Exchange may from time to time prescribe. A retiring Director shall be eligible for re-election at the annual general meeting at which the retiring Director retires. A Director retiring at a meeting shall retain office until the close of the meeting.”;

- (m) by deleting the existing Bye-law 163 in its entirety and substituting therefor the following new Bye-law 163:

“163. (A) Except where otherwise expressly stated, any notice to be given to or by any person pursuant to these Bye-laws shall be in writing or to the extent permitted by the Statutes and any applicable rules prescribed by the Designated Stock Exchange from time to time and subject to this Bye-law, contained in an electronic communication. A notice calling a meeting of the Directors need not be in writing.

(B) A notice or document (including a share certificate) may be served on or delivered to any member of the Company either personally or by sending it through the post in a prepaid envelope or wrapper addressed to such member at his registered address as appearing in the register or by leaving it at that address addressed to the member or by any other means authorised in writing by the member concerned or by publishing it by way of advertisement in at least one English language newspaper and one Chinese language newspaper circulating generally in Hong Kong. Without limiting the generality of the foregoing but subject to the Statutes and any rules prescribed by the Designated Stock Exchange from time to time, a notice or document may be served or delivered by the Company to any member by electronic means to such address as may from time to time be authorised by the member concerned or by publishing it on a computer network and notifying the member concerned, in such manner as he may from time to time authorise, that it has been so published.

- (C) Any such notice or document may be served or delivered by the Company by reference to the register as it stands at any time not more than fifteen days before the date of service or delivery. No change in the register after that time shall invalidate that service or delivery. Where any notice or document is served or delivered to any person in respect of a share in accordance with these Bye-laws, no person deriving any title or interest in that share shall be entitled to any further service or delivery of that notice or document.
 - (D) Any notice or document required to be sent to or served upon the Company, or upon any officer of the Company may be sent or served by leaving the same or sending it through the post in a prepaid envelope or wrapper addressed to the Company or to such officer at the Company's head office or registered office.
 - (E) The Directors may from time to time specify the form and manner in which a notice may be given to the Company by electronic means, including one or more addresses for the receipt of an electronic communication, and may prescribe such procedures as they fit for verifying the authenticity or integrity of any such electronic communication. Any notice may be given to the Company by electronic means only if it is given in accordance with the requirements specified by the Directors.”; and
- (n) by deleting the existing Bye-law 164 in its entirety and substituting therefor the following new Bye-law 164:

“164. Any notice or other document, if sent by mail, postage prepaid, shall be deemed to have been served or delivered on the day following that on which the letter, envelope, or wrapper containing the same is put into the post. In proving such service it shall be sufficient to prove that the letter, envelope, or wrapper containing the notice or document was properly addressed and put into the post as prepaid mail. Any notice or document not sent by post but left by the Company at a registered address shall be deemed to have been served or delivered on the day it was so left. Any notice or document, if sent by electronic means (including through any relevant system), shall be deemed to be have been given on the day following that on which the electronic communication was sent by or on behalf of the Company. Any notice or document served or delivered by the Company by any other means authorised in writing by the member concerned shall be deemed to have been served when the Company has carried out the action it has been authorised to take for that purpose. Any notice or other document published by way of advertisement or on a computer network shall be deemed to have been served or delivered on the day it was so published.””

8. As special business, to consider and, it thought fit, pass the following resolution as Special Resolution :

“**THAT** the Memorandum of Association of the Company be and is hereby amended in the following manner:-

(a) Clause 6

by deleting the existing Clause 6 of the Memorandum of Association and substituting therefor the following new Clause 6:

“6. The objects of the Company are unrestricted.”

(b) Clause 7

by deleting the existing Clause 7 of the Memorandum of Association and substituting therefor the following new Clause 7:

“7. The Company shall have the following powers:

- (i) The powers of a natural person;
- (ii) Subject to the provisions of Section 42 of the Companies Act 1981, the power to issue preference shares which at the option of the holders thereof are to be liable to be redeemed;
- (iii) The power to purchase its own shares in accordance with the provisions of Section 42A of the Companies Act 1981.”

Certified True Copy

Lai Shi Hong, Edward (sd.)
Company Secretary

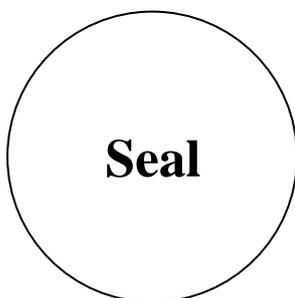


BERMUDA

**CERTIFICATE OF INCORPORATION
ON CHANGE OF NAME**

I HEREBY CERTIFY that in accordance with section 10 of the Companies Act 1981 **Magnum International Holdings Limited** by resolution and with the approval of the Registrar of Companies has changed its name and was registered as **Dragon Hill Holdings Limited** on the **15th** day of **January, 2007**.

Given under my hand and the Seal of
the REGISTRAR OF COMPANIES
this **19th** day of **January, 2007**.



(sd.)
for **Registrar of Companies**

MAGNUM INTERNATIONAL HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

ORDINARY RESOLUTION

Passed on 23 December 2006

AT THE SPECIAL GENERAL MEETING OF MAGNUM INTERNATIONAL HOLDINGS LIMITED HELD AT ROOM 505, 5/F., CHINA INSURANCE GROUP BUILDING, 141 DES VOEUX ROAD CENTRAL, HONG KONG ON SATURDAY ON 23 DECEMBER 2006, THE FOLLOWING RESOLUTION WAS DULY PASSED AS AN ORDINARY RESOLUTION:-

“THAT:

subject to the approval of the Registrar of Companies in Bermuda being obtained, the name of the Company be changed from “Magnum International Holdings Limited” to “Dragon Hill Holdings Limited” and the new Chinese name of “俊山集團有限公司” be adopted by the Company for identification purposes only and the directors of the Company be and are hereby authorised generally to do such acts and things and execute all documents or make such arrangements as they may consider necessary or expedient to effect the change of the Company's name.”

Certified True Copy

Lee Shing (sd.)
Chairman

MAGNUM INTERNATIONAL HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

ORDINARY RESOLUTION

Passed on 27 November 2006

AT THE SPECIAL GENERAL MEETING OF MAGNUM INTERNATIONAL HOLDINGS LIMITED HELD AT UNIT 1301A, 13/F., BANK OF AMERICA TOWER, 12 HARBOUR ROAD, CENTRAL, HONG KONG ON 27 NOVEMBER 2006, THE FOLLOWING RESOLUTION WAS DULY PASSED AS AN ORDINARY RESOLUTION:-

“THAT, conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of, and the permission to deal in, the Consideration Shares (as defined below) with effect from the Business Day following the date on which this resolution is passed:

- (a) every four (4) issued and unissued shares of the Company of HK\$0.001 each (the “Existing Share”) be consolidated into one (1) share of HK\$0.004 each (the “Consolidated Share”) in the share capital of the Company;
- (b) all fractional Consolidated Shares be aggregated and if possible, sold for the benefits of the Company, and any such unsold fractional Consolidated Shares will not be issued and will be considered cancelled by the Company; and
- (c) any Director be and is hereby authorized to do all things and acts sign all documents which he considers desirable or expedient to implement and/or give effect to the above arrangements.”

Certified True Copy

Lee Shing (sd.)
Chairman



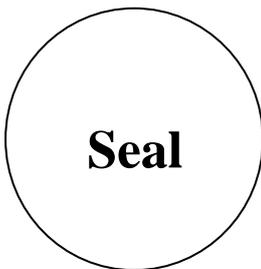
BERMUDA

**CERTIFICATE OF DEPOSIT OF MEMORANDUM OF
REDUCTION OF ISSUED SHARE CAPITAL**

THIS IS TO CERTIFY that a Memorandum of Reduction of Issued Share Capital
of

Magnum International Holdings Limited

was delivered to the Registrar of Companies on the **5th** day of **July, 2006** in
accordance with section 46 of *the Companies Act 1981* ("the Act").



Given under my hand and the Seal of
the REGISTRAR OF COMPANIES
this **28th** day of **July, 2006**

(sd.)
for **Acting Registrar of Companies**

Issued Share Capital prior
to reduction:

HK\$ 61,502,417.500

Present Issued Share Capital:

HK\$ 615,024.175

Authorised Share Capital:

HK\$100,000,000.000



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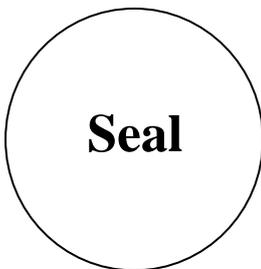
**CERTIFICATE OF DEPOSIT OF
MEMORANDUM OF INCREASE OF SHARE CAPITAL**

THIS IS TO CERTIFY that a Memorandum of Increase of Issued Share Capital
of

Magnum International Holdings Limited

was delivered to the Registrar of Companies on the **5th** day of **July, 2006** in
accordance with section 45(3) of *the Companies Act 1981* (“the Act”).

Given under my hand and the Seal of
the REGISTRAR OF COMPANIES
this **7th** day of **July, 2006**



(sd.)
for **Acting Registrar of Companies**

Capital prior to increase : HK\$ 100,000,000.00

Amount of increase : HK\$ 1,521,400.00

Present Capital : HK\$ 101,521,400.00

MAGNUM INTERNATIONAL HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

SPECIAL RESOLUTION

Passed on 23 May 2006

AT THE SPECIAL GENERAL MEETING OF MAGNUM INTERNATIONAL HOLDINGS LIMITED HELD AT 27TH FLOOR, TWO EXCHANGE SQUARE, 8 CONNAUGHT PLACE, CENTRAL, HONG KONG ON TUESDAY, 23 MAY 2006, THE FOLLOWING RESOLUTION WAS DULY PASSED AS SPECIAL RESOLUTION:-

SPECIAL RESOLUTION NO. 1

“THAT, conditional on (i) the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, the shares of HK\$0.001 each in the capital of the Company following the Capital Reduction (as defined below) becoming effective; (ii) compliance with Section 46 of the Companies Act 1981 of Bermuda; and (iii) the passing of Ordinary Resolution Nos. 3, 4 and 5 set out in the Notice, with effect from 25 May 2006 (Hong Kong time), or such other day and at such time as the board of directors of the Company may determine:

- (a) the issued share capital of the Company be reduced from the amount of HK\$61,502,417.50 to HK\$615,024.175 by HK\$60,887,393.325 and the par value of each share in issue be reduced from HK\$0.10 to HK\$0.001 by cancelling the paid up capital to the extent of HK\$0.099 on each share of HK\$0.10 in issue in the issued share capital of the Company on the date of this resolution (“Capital Reduction”) so that each issued share shall be treated as one fully paid up share of HK\$0.001 in the capital of the Company (“Share”) and any liability of the holders of such Shares to make any further contribution to the capital of the Company on each such Share shall be treated as satisfied;
- (b) subject to and forthwith upon the Capital Reduction taking effect, each authorized but unissued share of HK\$0.10 in the capital of the Company be subdivided into 100 shares of HK\$0.001 each;
- (c) subject to and forthwith upon the Capital Reduction taking effect, the credit arising from the cancellation of paid up capital be transferred to the contributed surplus account of the Company where it will be utilised in accordance with the bye-laws of the Company and all applicable laws including, but not limited to, applied towards setting off the accumulated losses of the Company; and
- (d) any one of the directors of the Company be and is hereby authorised generally to do all such acts, deeds and things as he shall, in his absolute discretion, deem appropriate to effect and implement any of the foregoing.”

SPECIAL RESOLUTION NO. 2

“THAT, conditional on the passing of Ordinary Resolution Nos. 3, 4 and 5 set out in the Notice,

- (a) upon the capital reduction as set out in Special Resolution No. 1 becoming effective, 1,521,400,000 new convertible non-voting preference shares of par value HK\$0.001 each (the “Convertible Preference Shares”) be created in the capital of the Company, having the rights and restrictions as set out in the amendments to the bye-laws of the Company under paragraph (b) of this Special Resolution No. 2, and the authorised share capital of the Company be thereby increased from HK\$ 100,000,000 divided into 100,000,000,000 ordinary shares of HK\$0.001 each to HK\$101,521,400 comprising HK\$100,000,000 divided into 100,000,000,000 ordinary shares of HK\$0.001 each and HK\$1,521,400 divided into 1,521,400,000 Convertible Preference Shares of HK\$0.001 each;
- (b) the existing bye-laws of the Company (“Bye-laws”) be altered by (i) the insertion of a new definition of “Convertible Preference Share(s)” immediately after the existing definition of “share(s)” in Bye-law 1 as follows: “Convertible Preference Shares” shall mean convertible non-voting preference shares of par value HK\$0.001 each in the share capital of the Company, which have the rights and are subject to the limitations and restrictions as set out in Bye-law 6(C) of these Bye-laws:”; and (ii) the insertion of new Bye-law 6(C) in the Bye-laws in the form as set out in the document produced to this Meeting marked Exhibit “A” and signed by the Chairman for the purpose of identification, to incorporate into the Bye-laws the rights and restriction attaching to the Convertible Preference Shares; and
- (c) any two directors of the Company be authorised to take all such actions, execute all such documents and do all such other things on behalf of the Company as they may, in their absolute discretion, consider necessary, desirable or expedient to give effect to this Special Resolution No. 2 including without limitation the implementation of the amendments to the Bye-laws and the issue and allotment of the Convertible Preference Shares.”

Certified True Copy

Ooi Sin Heng (sd.)
Director

MAGNUM INTERNATIONAL HOLDINGS LIMITED

(the "Company")

The following is the full text of the new Bye-law 6(C) to be inserted into the Bye-laws of the Company as referred to in Special Resolution No. 2 set out in the Notice of the Special General Meeting of the Company to be held on Tuesday, 23 May 2006 at 10:30 a.m., which is contained in pages 137 to 140 of the circular of the Company dated 29 April 2006 to its shareholders:

The new Bye-law 6(C) to be inserted immediately after the existing Bye-law 6(B) of the Bye-laws are set out below:

Bye-law 6(C)

"(C) The following are the limitations and restrictions to which the Convertible Preference Shares are subject:

For the purposes of this Bye-law 6(C):

"**approved merchant bank**" means the merchant bank appointed by the Company and agreed by the Dragon Hill Development Limited;

"**Auditors**" means the auditors of the Company for the time being;

"**Business Day**" means a day (excluding a Saturday or a day on which typhoon signal no.8 or above or a "black" rainstorm warning is hoisted in Hong Kong) on which banks in Hong Kong are open for business in Hong Kong throughout their normal business hours;

"**Certificate**" means a certificate issued by the Company in the name of the CP Shareholder in respect of his holding of one or more Convertible Preference Shares;

"**Closing Price**" means the closing price per Ordinary Share on the Designated Stock Exchange, as published by the Designated Stock Exchange for one or more board lots of Ordinary Shares;

"**Conversion Date**" means, subject to paragraph 5(H) in this Bye-law 6(C), 12 noon on the Business Day immediately following the date of the surrender of the relevant Certificate and delivery of the Conversion Notice therefor accompanied by the documents referred to in paragraph 5(B) in this Bye-law 6(C);

"**Conversion Notice**" means a notice, in such form as the Directors may from time to time specify, stating that a CP Shareholder wishes to exercise the Conversion Right in respect of one or more Convertible Preference Shares;

"**Conversion Number**" means, in relation to any Convertible Preference Share, such number of Ordinary Shares as may, upon exercise of the Conversion Right, be subscribed at the Conversion Price in force on the relevant Conversion Date;

“Conversion Price” means an amount in Hong Kong dollars per Ordinary Share of HK\$0.03155 or such adjusted price as may for the time being be applicable in accordance with the terms of this Schedule;

“Conversion Right” means the right, subject to the provisions of the Bye-laws, the Statutes and to any other applicable fiscal or other laws or regulations to convert at any time any Convertible Preference Share, which shall be deemed to have a value equal to the Notional Value, into the Conversion Number of Ordinary Shares;

“Conversion Share(s)” means Ordinary Share(s) to be issued upon an exercise of the Conversion Rights;

“CP Shareholder” means a person or persons who is or are registered in the Register as a holder or jointholders of Convertible Preference Shares;

“Converting Shareholder” means a CP Shareholder all or some of whose Convertible Preference Shares are being or have been converted;

“Dealing Day” means a day on which the Designated Stock Exchange is open for business and on which trading in the Ordinary Shares or other relevant securities is not suspended;

“Directors” means 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;

“Equity Share Capital” means issued share capital excluding any part thereof which neither as respect dividends nor as respects capital carries any right to participate beyond a specified amount in a distribution;

“Hong Kong” means Hong Kong Special Administrative Region of the People's Republic of China;

“Hong Kong Stock Exchange” means The Stock Exchange of Hong Kong Limited;

“Notional Value” means the value of HK\$0.03155 attributed to each Convertible Preference Share;

“Ordinary Shares” means fully paid ordinary shares of HK\$0.001 each (or of such other nominal value in which such ordinary shares are for the time being denominated following any consolidation or sub-division which gives rise to an adjustment to the Conversion Price in accordance with paragraph 8 in this Bye-law 6(C)) in the Company of the class listed on the Hong Kong Stock Exchange or, where the context so requires, shares issued pursuant to the conversion rights attached to convertible securities of the Company, provided that if all of the Ordinary Shares are replaced by other securities (all of which are identical), the expression “Ordinary Shares” shall thereafter refer to those other securities;

“outstanding” means in relation to the Convertible Preference Shares, all the Convertible Preference Shares in issue other than:

- (i) those in respect of which Conversion Rights have been exercised and which have

been cancelled in accordance with this Schedule;

- (ii) those mutilated or defaced Convertible Preference Shares which have been surrendered in exchange for replacement Convertible Preference Shares pursuant to paragraph 16 in this Bye-law 6(C);
- (iii) (for the purpose only of determining how many Convertible Preference Shares are outstanding and without prejudice to their status for any other purpose) those Convertible Preference Shares alleged to have been lost, stolen or destroyed and in respect of which replacement Convertible Preference Shares have been issued pursuant to paragraph 16 in this Bye-law 6(C); and
- (iv) those which have been purchased and cancelled as provided in paragraph 10 in this Bye-law 6(C).

“Record Date” means the date and time by which a subscriber or transferee of securities of the class in question would have to be registered in order to participate in the relevant distribution or rights;

“Registrar's Office” means Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, the Hong Kong branch share registrars of the Company, or such office of such person or such other person as the Company may from time to time designate by notice published in accordance with the Bye-laws;

“Relevant Convertible Preference Shares” means a Convertible Preference Share which is to be converted pursuant to a Conversion Notice;

“Relevant Jurisdiction” means a jurisdiction in which the Company or any of its subsidiaries is incorporated, carries on business or holds any assets;

“In this Bye-law 6(C), references to:

“companies” include references to any bodies corporate however and wherever incorporated;

“distribution” include references to any dividend or other distribution (including a distribution in specie) or capitalisation issue;

“paragraphs” are references to the paragraphs of this bye-law;

“property” include references to shares, securities, cash and other assets or rights of any nature;

“dates and times” are to dates and times in Hong Kong; and

a **“gender”** include any other gender.

2. INCOME

A CP Shareholder shall not be entitled to any dividend distribution whether in cash or otherwise.

3. CAPITAL

On a return of capital on liquidation or otherwise (but not on conversion, mandatory conversion) the Convertible Preference Shares shall confer on the CP Shareholders the right to be paid, in priority to any return of assets in respect of any other class of shares in the capital of the Company, pari passu as between themselves: an amount equal to the aggregate Notional Value of the Convertible Preference Shares. The Convertible Preference Shares shall not confer on the holders thereof any further or other right to participate in the assets of the Company.

4. RANKING

The Company shall not (unless such sanction has been given by the CP Shareholders as would be required for a variation of the special rights attaching thereto or unless otherwise provided in the Bye-laws) create or issue any shares ranking as regards order in the participation in the assets of the Company on a winding up or otherwise in priority to the Convertible Preference Shares and the Company may create or issue, with the prior written consent of the CP Shareholders, shares ranking pari passu in all respects (including as to class) with the Convertible Preference Shares.

5. CONVERSION

- (A) Each Convertible Preference Share shall confer on the holder thereof the Conversion Right.
- (B) Any CP Shareholder may exercise the Conversion Right in respect of one or more Convertible Preference Shares held by him at any time subject to the provisions of the Statutes and any other applicable fiscal and other laws and regulations by delivering a duly signed and completed Conversion Notice to the Registrar's Office accompanied by the Certificates in respect of the Relevant Convertible Preference Shares and such other evidence (if any) as the Directors may reasonably require to prove the title of the person exercising such right (or, if such Certificates have been lost or destroyed, such evidence of title and such indemnity as the Directors may reasonably require).
- (C) The number of Conversion Shares to be issued on each conversion shall be determined by dividing the aggregate Notional Value of the Relevant Convertible Preference Shares by the Conversion Price applicable on the Conversion Date provided that no fraction of an Ordinary Share arising on conversion shall be allotted and all fractional entitlements shall be dealt with in accordance with paragraph 13 in this Bye-law 6(C).

(D) Conversion of the Convertible Preference Shares shall be effected in such manner as the Directors shall subject to the Bye-laws, the Statutes and to any other applicable law and regulations, from time to time determine provided that no Conversion shall take place if to do so would result in the Conversion Shares being issued at a price below their nominal value as at the applicable Conversion Date. Without prejudice to the generality of the foregoing, any Convertible Preference Share may be converted by redemption on the relevant Conversion Date out of:

- (a)** the capital paid up on the Relevant Convertible Preference Shares; or
- (b)** the funds available for dividend or distribution of the Company; or
- (c)** the proceeds of a fresh issue of shares made for the purpose; or
- (d)** any combination of (a), (b) and (c);

and in the case of any premium payable on such a redemption, out of the Company's funds available for dividend or distribution or the Company's share premium account or a combination of the foregoing. Each Conversion Notice shall be deemed to authorise and instruct the Director to retain any redemption moneys otherwise payable to the Converting Shareholder and, in respect of the Relevant Convertible Preference Share, to apply the same in the subscription on such Converting Shareholder's behalf of the Conversion Shares (subject to the treatment of fractions described in paragraph 13 in this Bye-law 6(C)) and, to the extent that conversion shall be effected out of the proceeds of a fresh issue of shares, where appropriate, each Conversion Notice shall be deemed:

- (i)** to appoint any person selected by the Directors as such Converting Shareholder's agent with authority to apply an amount equal to the redemption moneys in respect of the Relevant Convertible Preference Shares in subscribing on such Converting Shareholder's behalf for the Conversion Shares (subject to the treatment of fractions described in paragraph 13 in this Bye-law 6(C)); and
- (ii)** to authorise and instruct the Directors following the allotment of such Conversion Shares to pay the said redemption moneys to such agent who shall be entitled to retain the same for his own benefit without being accountable therefor to such Converting Shareholder;

provided that if the Converting Shareholder has a registered address in any territory where in the absence of a registration statement or any other special formalities the allotment or delivery of any Conversion Shares would or might in the opinion of the Directors be unlawful or impracticable under the laws of such territory or any Relevant Jurisdiction, the Company shall as soon as reasonably practicable after the receipt of the relevant Conversion Notice allot the Conversion Number of the Ordinary Shares to the Converting Shareholder or to one or more third parties selected by the Company and on behalf of the Converting Shareholder sell the same to one or more third parties selected by the

Company for the best consideration then reasonably obtainable by the Company. As soon as reasonably practicable following any such allotment and sale, the Company shall pay the Converting Shareholder an amount equal to the consideration received by it.

- (E) Each CP Shareholder irrevocably authorises the Company to effect the transactions required by paragraph 5(D) in this Bye-law 6(C) and for this purpose the Company may appoint any person to execute transfers, renunciations or other documents on behalf of the CP Shareholder and generally may make all arrangements which appear to it to be necessary or appropriate in connection therewith.
- (F) The Company shall allot and issue the Conversion Shares or, as the case may be, send the amount to which he is entitled pursuant to paragraph 5(C) in this Bye-law 6(C) above to the Converting Shareholder and shall procure that certificates in respect of the Conversion Shares, together with a new certificate for any unconverted Convertible Preference Shares comprised in the Certificate(s) surrendered by the Converting Shareholder, are issued as soon as practicable and in any event not later than 7 days after the relevant Conversion Date.
- (G) If and whenever any conversion takes place after the occurrence of any event falling within any sub-provision of paragraph 8(A) in this Bye-law 6(C) but before the amount of the relevant adjustment to the Conversion Price (if any) shall have been calculated in accordance with the provisions of paragraph 8(A) in this Bye-law 6(C), the Conversion Date shall be deemed to fall on the Business Day after the date the adjustment made to the Conversion Price in respect of the relevant event has become effective.
- (H) 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 at the same time it despatches such notice to each member of the Company shall give notice thereof to all CP Shareholders (together with a notice of the existence of the provisions of this paragraph 5(H)) and thereupon, each CP Shareholder shall be entitled to exercise all or any of his Conversion Rights at any time not later than two Business Days prior to the date of the general meeting of the Company by providing the Company a Conversion Notice duly completed and executed together with the certificates, cashier orders and, where appropriate, other items listed in paragraph 5(B)(i) and (ii) in this Bye-law 6(C) whereupon the Company shall, subject to the Statutes, as soon as possible and, in any event, no later than the Business Day immediately prior to the date of the general meeting, allot the Conversion Shares to the Relevant CP Shareholders credited as fully paid.

6. REDEMPTION

Save as provided in paragraph 5(D) in this Bye-law 6(C), the Convertible Preference Shares are not redeemable.

7. CONVERSION SHARES

The Conversion Shares shall, save as provided for in these provisions, rank pari passu in all respects with the Ordinary Shares in issue at the time the Conversion Shares are issued, and shall, subject to the proviso of paragraph 5(C) in this Bye-law 6(C) and this paragraph 7, entitle the holders thereof to all distributions paid or made on the Ordinary Shares by reference to a Record Date falling after the Conversion Date, provided that if a Record Date after the Conversion Date is in respect of any distribution in respect of any financial period of the Company ended prior to such Conversion Date, the holders of the Conversion Shares will not be entitled to such distribution.

8. ADJUSTMENTS TO THE CONVERSION PRICE

- (A) Subject as hereinafter provided, the Conversion Price shall from time to time be adjusted in accordance with the following relevant provisions and so that if the event giving rise to any such adjustment shall be such as would be capable of falling within more than one of sub-paragraphs (i) to (v) inclusive of this paragraph 8, it shall fall within the first of the applicable paragraphs to the exclusion of the remaining paragraphs:
- (i) If and whenever there shall be an alteration in the nominal value of the Ordinary Shares by reason of any consolidation or sub-division, the Conversion Price in force immediately prior thereto shall be adjusted by multiplying it by a fraction of which the numerator shall be the nominal value of one Ordinary Share immediately after such alteration and of which the denominator shall be the nominal value of one Ordinary Share immediately before such alteration and such adjustment shall become effective on the date on which such alteration takes effect.
 - (ii) If and whenever the Company shall capitalise any amount of profits or reserves (including any share premium account or contributed surplus account) and apply the same in paying up in full the nominal value of any Ordinary Shares (other than any Ordinary Shares credited as fully paid out of distributable profits or reserves (including any share premium account or contributed surplus account) and issued in lieu of the whole or any part of a cash dividend or specie distribution which the holders of the Ordinary Shares concerned would or could otherwise have received and which would not have constituted a Capital Distribution), the Conversion Price in force immediately prior to the Record Date therefor shall be adjusted by a fraction of which the numerator shall be the aggregate nominal amount of the issued Ordinary Shares immediately before such issue and of which the denominator shall be the aggregate nominal amount of the issued Ordinary Shares immediately after such issue. Such adjustment shall be effective immediately after the Record Date for such issue.

- (iii) If and whenever the Company shall make any Capital Distribution, the Conversion Price in force immediately prior to such distribution shall be adjusted by multiplying it by the following fraction:

$$\frac{K - L}{K}$$

where:

- K** is the Closing Price of one Ordinary Share on the Dealing Day immediately preceding the date on which the Capital Distribution is announced or (failing any such announcement), the Dealing Day immediately preceding the Record Date for the Distribution;
- L** is the fair market value on the date of such announcement or (as the case may require) the Dealing Day immediately preceding the Record Date for the Capital Distribution, as determined in good faith by an approved merchant bank or the auditors for the time being of the Company of the portion of the Capital Distribution which is attributable to one Ordinary Share.

Provided that:

- (a) if in the opinion of the relevant approved merchant bank or the auditors for the time being of the Company (as the case may be), the use of the fair market value as aforesaid produces a result which is significantly inequitable, it may instead determine (and in such event the above formula shall be construed accordingly) the amount of the said Closing Price which should properly be attributed to the value of the Capital Distribution; and
- (b) the provisions of this sub-paragraph (iii) shall not apply in relation to the issue of Ordinary Shares paid out of profits or reserves and issued in lieu of a cash dividend nor to a purchase by the Company of its own Ordinary Shares in accordance with the provisions of the Companies Act.

Each such adjustment shall be effective (if appropriate retroactively) from the commencement of the day next following the Record Date for the Capital Distribution.

- (iv) If and whenever the Company shall offer to holders of Shares new Shares for subscription by way of rights, or shall grant to holders of Shares any options or warrants to subscribe for new Ordinary Shares, at a price which is less than 90 per cent of the market price (as defined in paragraph 8(B) in this Bye-law 6(C)) at the date of the announcement of the terms of the offer or grant, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the date of the announcement of such offer or grant by the following fraction:

$$\frac{K + L}{M}$$

where:

- K** is the number of Ordinary Shares in issue immediately before the date of such announcement;
- L** is the number of Ordinary Shares which the aggregate of the amount (if any) payable for the rights, options or warrants and of the amount payable for the total number of new Ordinary Shares comprised therein would purchase at such market price; and
- M** is the number of Ordinary Shares in issue immediately before the date of such announcement plus the aggregate number of Ordinary Shares offered for subscription or comprised in the options or warrants.

Such adjustment shall become effective (if appropriate retroactively) from the commencement of the day next following the Record Date for the offer or grant.

- (v) If and whenever the Company shall purchase any Ordinary Shares or securities issued by the Company or any of its subsidiaries which are convertible into or exchangeable for Ordinary Shares or any rights to acquire Ordinary Shares (other than on the Designated Stock Exchange) and the Directors of the Company cancel such Ordinary Shares, securities convertible into or exchangeable for Shares or rights to acquire Ordinary Shares, the Directors of the Company may if they consider it appropriate make an adjustment to the Conversion Price, provided that the Directors of the Company shall have appointed an approved merchant bank to consider whether, for any reason whatever as a result of such purchases, an adjustment should be made to the Conversion Price fairly and appropriately to reflect the relative interests of the persons affected by such purchases by the Company and, if such approved merchant bank shall consider in its opinion that it is appropriate to make an adjustment to the Conversion Price, the Directors of the Company shall make an adjustment to the Conversion Price in such manner as such approved merchant bank shall certify to be, in its opinion, appropriate. Such adjustment shall become effective (if appropriate retroactively) from the close of business in Hong Kong on the Business Day immediately

- preceding the date on which such purchases by the Company are made.
- (B) For the purposes of paragraph 8(A) in this Bye-law 6(C):
- “**announcement**” shall include the releases of an announcement to the press or the delivery or transmission by telephone, telex or otherwise of an announcement to the Designated Stock Exchange and “date of announcement” shall mean the date on which the announcement is first so released, delivered or transmitted;
- “**capital distribution**” means any distribution paid or made by the Company on Ordinary Shares to the extent that the amount of such distribution exceeds the amount calculated by reference to P - D where:
- P** is the aggregate of the net consolidated profits less the aggregate of the net consolidated losses of the Company and its subsidiaries after taxation and minority interests but before extraordinary items in respect of the financial period ending on 31 December 2006 and each subsequent financial period in respect of which an audited consolidated profit and loss account of the Company and its subsidiaries (or, if it has at the relevant time no subsidiaries, an audited profit and loss account of the Company) has been published, as shown by such profit and loss account(s);
- D** is the aggregate amount of all distributions then already paid or made by the Company on Ordinary Shares in respect of any and all financial periods ending on or after 31 December 2006; provided that if such amount is greater than “P”, then “D” shall be deemed to be equal to “P”;
- “market price” means the average of the closing prices of one Ordinary Share on the Designated Stock Exchange in respect of dealings in board lots for the five consecutive Dealing Days ending on the last Dealing Day preceding the day on or as of which the market price is to be ascertained.
- (C) The provisions of sub-paragraphs (ii), (iii), and (iv) of paragraph 8(A) in this Bye-law 6(C) shall not apply to:
- (i) an issue of fully paid Ordinary Shares upon the exercise of any conversion rights attached to securities convertible into Ordinary Shares or upon exercise of any rights (including the Conversion Rights attaching to the Convertible Preference Shares) to acquire Ordinary Shares;
 - (ii) an issue of Ordinary Shares or other securities of the Company or any subsidiary of the Company wholly or partly convertible into, or rights to acquire, Ordinary shares to directors or employees of the Company or any of its subsidiaries or their personal representatives pursuant to the Share Option Scheme;
 - (iii) an issue by the Company of Ordinary Shares or by the Company or any other subsidiary of the Company of securities wholly or partly convertible into or rights to acquire Ordinary Shares, in any such case in consideration or part consideration for the acquisition of any other securities, assets or business;

- (iv) an issue of Ordinary Shares pursuant to a scrip dividend scheme where an amount not less than the nominal amount of the Ordinary Shares so issued is capitalised and the market value of such Ordinary Shares is not more than 110 per cent of the amount of the dividend which holders of the Ordinary shares could elect to or would otherwise receive in cash, for which purpose the “market value” of an Ordinary Share shall mean the average of the closing prices on the Designated Stock Exchange for five (or more) consecutive Dealing Days falling within the period of one month ending on the last day on which holders of Ordinary Shares may elect to receive or (as the case may be) not to receive the relevant dividend in cash; or
 - (v) the issue of the Convertible Preference Shares.
- (D) Any adjustment to the Conversion Price shall be made to the nearest one cent so that any amount under half a cent shall be rounded down and any amount of half a cent or more shall be rounded up and in no event shall any adjustment (otherwise than upon the consolidation of Ordinary Shares into Ordinary Shares of a larger nominal amount) involve an increase in the Conversion Price. In addition to any determination which may be made by the Directors of the Company every adjustment to the Conversion Price shall be certified either (at the option of the Company) by the auditors for the time being of the Company or by an approved merchant bank.
 - (E) Notwithstanding anything contained in this Schedule, no adjustment shall be made to the Conversion Price in any case in which the amount by which the same would be reduced in accordance with the foregoing provisions of paragraph 8 in this Bye-law 6(C) would be less than one cent and any adjustment that would otherwise than be required to be made shall not be carried forward.
 - (F) If the Company or any of its subsidiaries shall in any way modify the rights attached to any share or loan capital so as wholly or partly to convert or make convertible such share or loan capital into, or attach thereto any rights to acquire, Ordinary Shares, the Company shall appoint an approved merchant bank to consider whether any adjustment to the Conversion Price is appropriate (and if such approved merchant bank shall certify that any such adjustment is appropriate the Conversion Price shall be adjusted accordingly).
 - (G) Whenever the Conversion Price is adjusted as herein provided, the Company shall give notice to the CP Shareholders that the Conversion Price has been adjusted (setting forth the event giving rise to the adjustment, the Conversion Price in effect prior to such adjustment, the adjusted Conversion Price and the effective date thereof) and shall at all times thereafter so long as any of the Conversion Rights remains exercisable make available for inspection at the principal place of business for the time being of the Company and the Registrar's Office prior to the Conversion Date a signed copy of the said certificate of the auditors or (as the case may be) of the relevant approved merchant bank and a certificate signed by a Director of the Company setting out the brief particulars of the event giving rise to the adjustment, the Conversion Price in effect prior to such

adjustment, the adjusted Conversion Price end this effective date thereof.

9. UNDERTAKINGS

So long as any Convertible Preference Share remains capable of being converted into Ordinary Shares:

- (i) the Company will use its best endeavours (i) to maintain a listing for all the issued Ordinary Shares on the Hong Kong Stock Exchange, (ii) if and when the issued Convertible Preference Shares are listed on the Hong Kong Stock Exchange to maintain such listing for all the issued Convertible Preference Shares on the Hong Kong Stock Exchange and (iii) to obtain and maintain a listing on the Hong Kong Stock Exchange for all Conversion Shares issued on the exercise of the Conversion Rights;
- (ii) the Company will send to each CP Shareholder, by way of information, one copy of every circular, notice or other document sent to any other shareholders in the Company in their capacity as shareholders, at the same time as it is sent to such other shareholders;
- (iii) the Company shall procure that there shall be sufficient authorised but unissued share capital available for the purposes of satisfying the requirements of any Conversion Notice as may be given and the terms of any other securities for the time being in issue which are convertible into or have the right to subscribe for shares in the Company;
- (iv) the Company shall not, without the consent of the CP Shareholders as a class (obtained in the manner provided in the Bye-laws) or unless otherwise permitted pursuant to these provisions:
 - (a) modify, vary, alter or abrogate the rights attaching to the Ordinary Shares as a class, which (for the avoidance of doubt) shall not be deemed to be so modified, varied, altered or abrogated by the creation or issue of any shares or securities contemplated by these provisions; or
 - (b) change the date to which its annual accounts are made up from 31 December, or
 - (c) effect any repayment of the Convertible Preference Shares otherwise than as provided for in these provisions; or
 - (d) issue any shares (other than Ordinary Shares) constituting Equity Share Capital of the Company;
- (v) except in such manner as may be permitted by the Bye-laws or the Statutes, the Company shall not reduce its share capital or any uncalled liability in respect thereof or any share premium account.

10. PURCHASE

Subject to the Statutes, the Company or any of its subsidiaries may at any time purchase any of the Convertible Preference Shares in the open market or by tender (available to all CP Shareholders alike) at any price. Any Convertible Preference Shares so purchased or otherwise acquired by the Company or any of its subsidiaries may not be resold and in case such Convertible Preference Shares are purchased or otherwise acquired by the Company, such Convertible Preference Shares are to be cancelled, provided that nothing in this paragraph shall prohibit transfers of Convertible Preference Shares from any subsidiary of the Company to any other subsidiary of the Company.

11. MEETINGS

- (A) Subject to paragraph 9(ii) in this Bye-law 6(C), the Convertible Preference Shares shall not confer on the holders thereof the right to receive notice of, or to attend and vote at, a general meeting of the Company, unless a resolution is to be proposed at a general meeting of the Company for winding up the Company or a resolution is to be proposed which if passed would (subject to any consents required for such purpose being obtained) vary or abrogate the rights or privileges of the CP Shareholders, in which event the Convertible Preference Shares shall confer on the holders thereof the right to receive notice of, and to attend and vote at, that general meeting, save that such holders may not vote upon any business dealt with at such general meeting except the election of a chairman, any motion for adjournment and the resolution for winding up or the resolution which if passed would (subject to any consents required for such purpose being obtained) so vary or abrogate the rights and privileges of the CP Shareholders.
- (B) If the CP Shareholders are entitled to vote on any resolution, then at the relevant general meeting or separate general meeting of the CP Shareholders, on a show of hands every CP Shareholder who is present in person or (being a corporation) by a duly authorized representative shall have one vote and on a poll every CP Shareholder who is present in person or by proxy or attorney or (being a corporation) by a duly authorized representative shall have one vote for each Conversion Share which would have been issued to him/it had he/it exercised the Conversion Right 48 hours preceding the date of such general meeting or separate general meeting of the CP Shareholders.

12. PAYMENTS

- (A) Unless any other manner of payment is agreed between the Company and any CP Shareholder, payment of any cash distributions and moneys due on conversion or redemption to such CP Shareholder shall be made by the Company posting a cheque in Hong Kong dollars (or in the case of payments which are to be made in another currency, such other currency) addressed to that CP Shareholder at his registered address appearing on the Register as at the relevant Record Date and at his risk.

- (B) Subject to paragraph 12(A) in this Bye-law 6(C), where any property (including Conversion Shares and share certificates in respect of them) is to be allotted, transferred or delivered to any CP Shareholder the Company may make such arrangements with regard to such allotment, transfer or delivery as it may deem appropriate and in particular, without limitation, may appoint any person on behalf of that CP Shareholder to execute any transfers, renunciations or other document and may make arrangements for the delivery of any document or property to that CP Shareholder at his/its risk. All share certificates and other documents of title to which any person is entitled shall be posted to him/it by the Company addressed to him/it at his/its registered address appearing on the Register as at the relevant Record Date or, if none, the date of posting and at his/its risk.
- (C) All payments or distributions with respect to Convertible Preference Shares held jointly by two or more persons shall be paid or made to whichever of such persons is named first in the Register and the making of any payment or distribution in accordance with this sub-provision shall discharge the liability of the Company in respect thereof.

13. FRACTIONS

No fraction of an Ordinary Share arising on conversion shall be allotted to the holder of the Relevant Convertible Preference Share(s) otherwise entitled thereto but such fractions will, when practicable, be aggregated and sold and the net proceeds of sale will then be distributed pro rata among such holders unless in respect of any holding of Relevant Convertible Preference Shares the amount to be so distributed would be less than HK\$100, in which case such amount will not be so distributed but will be retained for the benefit of the Company. Unless otherwise agreed between the Company and a Converting Shareholder, if more than one Convertible Preference Share shall fall to be converted pursuant to any one Conversion Notice, the number of Ordinary Shares to be issued upon conversion shall be calculated on the basis of the aggregate Notional Values of the Relevant Convertible Preference Shares. For the purpose of implementing the provisions of this paragraph 13, the Company may appoint some person to execute transfers, renunciations or other documents on behalf of persons entitled to any such fraction and generally may make all arrangements which appear to it to be necessary or appropriate for the settlement and disposal of fractional entitlements.

14. TAXATION

- (A) All payments of amounts equal to the Notional Value, nominal amounts and premium (if any) in respect of Convertible Preference Shares shall be made without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of Bermuda or Hong Kong or any authority therein or thereof (other than any withholding or deduction on account of any income tax, capital gains tax or other tax or duties of a similar nature) unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event, subject to the Company having sufficient profits available for distribution, the Company shall pay such additional amounts as may be

necessary in order that the net amounts received by the CP Shareholders after such withholding or deduction shall equal the respective amounts of the Notional Value and premium (if any) which would have been receivable in respect of the Convertible Preference Shares in the absence of such withholding or deduction, except that no such additional amounts shall be payable with respect to any CP Shareholder:

- (i) who is liable to such taxes duties, assessments or governmental charges in respect of any Convertible Preference Share by reason of such holder having some connection with Bermuda or Hong Kong, as the case may be, other than by virtue of being a CP Shareholder, or
- (ii) receiving such payment in Bermuda or Hong Kong, as the case may be, and who would be able to avoid such withholding or deduction by satisfying any statutory requirements or by making a declaration or non-residence or other similar claim for exemption to the Bermuda or Hong Kong tax authority, as the case may be, but fails to do so.

15. RESTRICTED HOLDERS

No Conversion Rights may be exercised by any CP Shareholder who is a Restricted Holder (as hereinafter defined), and the exercise of any Conversion Rights by a CP Shareholder shall constitute a confirmation, representation and warranty by the Converting Shareholder to the Company that such Converting Shareholder is not a Restricted Holder and that all necessary governmental, regulatory or other consents or approvals and all formalities have been obtained and observed by such Converting Shareholder to enable him to exercise legally and validly the relevant Conversion Rights, to hold the Conversion Shares allotted and issued upon exercise of the Conversion Rights and the Company to legally and validly allot the Conversion Shares. For the purposes of this paragraph 15, a "Restricted Holder" means a CP Shareholder who is a resident or national of any jurisdiction other than Hong Kong under the laws and regulations of which an exercise of Conversion Rights by such CP Shareholder or the performance by the Company of the obligations expressed to be assumed by it under this Schedule or the allotment and issue and holding of the Conversion Shares cannot be carried out lawfully or cannot be carried out lawfully without the Company first having to take certain actions in such jurisdiction.

16. REPLACEMENT OF CERTIFICATES

If any Certificate is mutilated, defaced, destroyed, stolen or lost, it may be replaced at the Registrar's Office upon payment by the claimant of such costs as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Company may reasonably require and on payment of such fee not exceeding HK\$50 as the Company may determine. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

17. NOTICES

Except in the case of a Conversion Notice, a notice given pursuant to these provisions may be revoked with the consent in writing of the Company. Notices to CP Shareholders shall be given in accordance with the Bye-laws.

18. TRANSFERS AND CERTIFICATES

- (A) The provisions of the Bye-laws relating to the transfer of shares and share certificates shall apply in relation to the Convertible Preference Shares, subject to these provisions.
- (B) The Company shall maintain and keep a full and complete register at such location in Bermuda (but not in Hong Kong) as it shall from time to time determine of the Convertible Preference Shares and the CP Shareholders from time to time, such register shall contain details of conversion and/or cancellation and the destruction of any Convertible Preference Shares and the issue of any replacement Certificates issued in substitution for any mutilated, defaced, lost, stolen or destroyed Certificates and of sufficient identification details of all CP Shareholders from time to time.

19. PRESCRIPTION

Any CP Shareholder who has failed to claim distributions or other property or rights within six years of their having been made available to him will not thereafter be able to claim such distributions or other property or rights which shall be forfeited and reverted to the Company. The Company shall retain such distributions or other property or rights but shall not at any time be a trustee in respect of any such distributions or other property or rights nor accountable for any income or other benefits derived therefrom.

20. SEVERABILITY

If at any time one or more provisions hereof is or becomes invalid, illegal, unenforceable or incapable of performance in any respect under the laws of any Relevant Jurisdiction, the validity, legality, enforceability or performance in that jurisdiction of the remaining provisions hereof or the validity, legality, enforceability or performance under the laws of any other Relevant Jurisdiction of these or any other provisions hereof shall not thereby in any way be affected or impaired.”

Certified True Copy

Ooi Sin Heng (sd.)
Director



BERMUDA

THE COMPANIES ACT 1981
NOTICE OF ADDRESS OF BRANCH REGISTER
Pursuant to section 65(3)

Name of company Magnum International Holding Limited

Registration Number EC 17625

In accordance with section 65(3) of the Companies Act, 1981, I hereby give notice that a branch register of the above mentioned Company is being kept at

Tengis Limited

Level 25, Three Pacific Place

1 Queen's Road East

Hong Kong

Effective Date : 16 January 2006

Signed (Sd.)

State whether Director or Secretary Assiatant Secretary

Date 8 February 2006

MAGNUM INTERNATIONAL HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

SPECIAL RESOLUTION

Passed on 10 June 2004

AT THE ANNUAL GENERAL MEETING OF MAGNUM INTERNATIONAL HOLDINGS LIMITED HELD AT THE GARDEN ROOMS, 2/F., THE ROYAL GARDEN HOTEL, 69 MODY ROAD, TSIMSHATSUI EAST, KOWLOON, HONG KONG ON THURSDAY, 10 JUNE 2004, THE FOLLOWING RESOLUTION WAS DULY PASSED AS SPECIAL RESOLUTION:-

“THAT the Bye-laws of the Company be amended in the following manner:

(a) Bye-law 1

- (i) by inserting the definition of “associate” immediately after the definition of “the Act” as follows:

“associate” shall have the meaning attributed to it in the rules of the Designated Stock Exchange;

- (ii) by replacing the words “Section 2 of the Securities and Futures (Clearing Houses) Ordinance (Chapter 420 of the Laws of Hong Kong)” by “the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)” in the definition of “clearing house”;

(b) Bye-law 54

by inserting the following new Bye-law 54(ii) after the existing Bye-law 54(i):

- (ii) 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";

by re-numbering the existing Bye-laws 54(ii) to (iv) as new Bye-laws 54(iii) to (v).

(c) **Bye-law 74**

by re-numbering the existing Bye-law 74 as new Bye-law 74(A) and inserting a new Bye-law 74(B) as follows:

“Where any member is, under the rules of the Designated Stock Exchange, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such member in contravention of such requirement or restriction shall not be counted.”;

(d) **Bye-law 89**

by deleting the existing Bye-law 89 in its entirety and substituting therefor a new Bye-law 89 as follows:

“No person other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for election as a Director at any general meeting unless a Notice signed by a Member (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also a Notice signed by the person to be proposed of his willingness to be elected shall have been lodged at the head office or at the Registration Office provided that the minimum length of the period, during which such Notice(s) are given, shall be at least seven (7) days and that 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 (7) days prior to the date of such general meeting.”;

(e) **Bye-laws 112(A), 112(E) and 112(F)**

by deleting the following provision in Bye-law 112(A)

“Subject to the provisions of the Act, the Directors may exercise 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 as Directors or other officers of such company) and any Director may vote in favour of the exercise of such voting rights in the manner aforesaid notwithstanding that he may be, or be about to be, appointed a Director or other officer of such a company and that as such he is or may become interested in the exercises of such voting rights in the manner aforesaid.”

by deleting the existing Bye-laws 112(E) *and* 112(F) in its entirety and substituting therefor a new Bye-law 112(E) as follows:

- “(i) 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 associates is materially interested, and if he shall do so his vote shall not be counted (nor is he to be counted in the quorum for the resolution) but this prohibition shall not apply to any of the following matters namely:
- (a) any contract or arrangement for the giving by the Company or any its subsidiaries of any security or indemnity to the Director or his associate(s) in respect of money lent by him or any of his associate(s) or obligations incurred or undertaken by him or any of them at the request of or for the benefit of the Company or any of its subsidiaries;
 - (b) any contract or arrangement for the giving by the Company or any of its subsidiaries 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 associate(s) has himself/themselves assumed responsibility in whole or in part whether alone or jointly under a guarantee or indemnity or by the giving of security;
 - (c) any contract or arrangement by a Director or his associate(s) to subscribe for shares or debentures or other securities of the Company or any of its subsidiaries to be issued pursuant to any offer or invitation to the members or debenture holders or to the public which does not provide the Director or his associate(s) any privilege not accorded to any other members or debenture holders or to the public;
 - (d) any 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 associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;
 - (e) 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 or any of *its* subsidiaries by virtue only of his/their interest in shares or debentures or other securities of the Company or any of its subsidiaries;

- (f) any contract, arrangement or proposal concerning any other company in which a 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 or his associate(s) is/are beneficially interested in shares of that company, provided that the Director, and any of his associates are not in aggregate beneficially interested in 5% or more of the issued shares or of the voting rights of any class of shares of such company (or of any third company through which his interest or that of any of his associate(s) is derived); or
 - (g) any proposal or arrangement for the benefit of employees of the Company or its subsidiaries or its associated companies including the adoption, modification or operation of a pension fund or retirement, death or disability benefit scheme which relates both to directors, his associates and employees of the Company or of any of its subsidiaries or its associated companies and does not give the Director, or his associate(s), as such any privilege or advantage not generally accorded to the employees to whom such scheme or fund relates; or
 - (h) any proposal concerning the adoption, modification or operation of any share scheme or any share incentive or share option scheme involving the issue or grant of options over shares or other securities by the Company to, or for the benefit of the employees of the Company or its subsidiaries or its associated companies under which the Director or his associate(s) may benefit.
- (ii) A company shall be deemed to be a company in which a Director and/or his associate(s) has an interest of 5% or more if and so long as (but only if and so long as) he and /or his associate(s) (either directly or indirectly) is/are the holders of or beneficially interested in 5% or more of the issued shares 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 associate(s) 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 Director and/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 and/or his associate(s) is/are interested only as a unit holder.
- (iii) Where a company in which a Director and/or his associate(s) has an interest of 5% or more is materially interested in a transaction, then that Director and/or his associate(s) shall also be deemed materially interested in such transaction.

- (iv) 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) as to the entitlement of any Director (other than such chairman) to vote or be counted in quorum and such question is not resolved by his voluntarily agreeing to abstain from voting or not to be counted in the quorum, such question shall be referred to the chairman 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.

- (v) The Company may by ordinary resolution ratify any transaction not duly authorised by reason of a contravention of this Bye-Law provided that no Director and/or his associate(s) who is /are materially interested in such transaction shall vote upon such ordinary resolution in respect of any shares in the Company in which they are interested.”

Certified True Copy

Lim Teong Leong (sd.)
Chairman of the Meeting



BERMUDA

**THE COMPANY ACT 1981
(the Act)**

NOTICE OF ADDRESS OF REGISTERED OFFICE

Pursuant to section 62 of the Act

Name of Company : **Magnum International Holding Limited**

In accordance with section 62(2) of the Companies Act, 1981, I hereby give notice that the address of the registered office of the Company is-

Canon's Court,
22 Victoria Street
Hamilton HM 12,
Bermuda.

Signed: (sd.)

State whether Director or Secretary: **ASSISTANT SECRETARY**

Date : 1st day of October, 2003

FORM NO. 13a



BERMUDA

THE COMPANIES ACT 1981
NOTICE OF ADDRESS OF BRANCH REGISTER
Pursuant to section 65(2)

Name of company Magnum International Holding Limited

Registration Number EC 17625

In accordance with section 65(2) of the Companies Act 1981, I hereby give notice that the register of members of the above mentioned Company is being kept at

Butterfield Fund Services (Bermuda) Limited

3rd Floor, Rosebank Centre

11 Bermudiana Road

Pembroke HM08, Bermuda

Signed (Sd.)

State whether Director or Secretary Assistant Secretary

Date 28 October 2002

MAGNUM INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

SPECIAL RESOLUTION

Passed on 26 June 1997

AT THE SPECIAL GENERAL MEETING OF MAGNUM INTERNATIONAL HOLDINGS LIMITED HELD AT TANG ROOM, 4TH FLOOR, HOTEL FURAMA KEMPINSKI, 1 CONNAUGHT ROAD CENTRAL, HONG KONG ON 26 JUNE 1997, THE FOLLOWING RESOLUTION WAS DULY PASSED AS SPECIAL RESOLUTION:-

"THAT the Bye-laws of the Company be amended in the following manner:

- (a) In Bye-law 1, by inserting a new definition for "Clearing House" after the existing definition for "capital" as follows:

"Clearing House" means a recognised clearing house within the meaning of Section 2 of the Securities and Futures (Clearing Houses) Ordinance (Chapter 420 of the Laws of Hong Kong) or 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;
- (b) In Bye-law 1, by inserting a new definition for "corporate representative" after the existing definition for "the Company" as follows:

"corporate representative" means any person appointed to act in that capacity pursuant to Bye-laws 86 to 86A;
- (c) In Bye-law 1, in both of the definitions for "ordinary resolution" and "special resolution" by inserting the words "where a corporate representative is allowed, by a duly authorised corporate representative or," after the words "vote in person or," in the third line of both definitions, respectively.
- (d) In Bye-law 7(A), by inserting the words "by a duly" after the words "by proxy or" in the 16th, 22nd and 25th lines respectively, and the word "corporate" after the word "authorised" in the 17th, 22nd and 25th lines, respectively.
- (e) In Bye-law 12(A), by deleting "HK\$2 for every certificate after the first or such lesser sum as the Directors shall from time to time determine" and substituting the words "such fee, if any, not exceeding the fee as for the time being approved by the Designated Stock Exchange".

- (f) In Bye-law 13, by deleting “HK\$2 (or such higher amount as shall for the time being be approved by the Designated Stock Exchange on which the shares of the Company are listed)” and substituting the words “the fee as for the time being approved by the Designated Stock Exchange”.
- (g) In Bye-law 24, by inserting the words “by a duly” after the words “proxy or” in the 4th line and the word “corporate” after the word “authorized” in the 4th line.
- (h) By deleting the existing Bye-law 41(A) and substituting therefor the following new Bye-law 41(A):

41.(A) All transfers of shares may be effected by transfer in writing in any usual or common form or in any other form acceptable to the Directors and may be under hand or by means of mechanically imprinted signatures.
- (i) In Bye-law 44(i), by deleting “fee of HK\$2 (or such higher amount as shall for the time being be approved by the Designated Stock Exchange on which the shares of the Company are listed) or such lesser sum as the Directors may from time to time require” and substituting the words “such fee, if any, not exceeding the fee as for the time being approved by the Designated Stock Exchange”.
- (j) In Bye-law 63, by inserting the words “by a duly authorised corporate” after the words “proxy or” in the 3rd line.
- (k) In Bye-law 69, by inserting the words “by a duly authorised corporate” after the words “by proxy or” in each of sub-sections (ii), (iii) and (iv), respectively.
- (l) By deleting the existing Bye-law 74 and substituting therefor the following new Bye-law 74:

74. Subject to any rights or restrictions for the time being attached to any class or classes of shares, at any general meeting on a show of hands every member present in person or by a duly authorised corporate representative or by proxy shall have one vote, and on a poll every member present in person or by proxy or by a duly authorised corporate representative shall have one vote for each share of which he is the holder and which is fully paid up or credited as fully paid up (so that no amount paid up or credited as paid up on a share in advance of calls or instalments shall be treated for the purpose of this Bye-law as paid up on the share). A person entitled to cast more than one vote upon a poll need not use all his votes or cast all the votes he uses in the same way.
- (m) In Bye-law 76, by inserting of the words “a duly authorised corporate” after the words “proxy or by” in the 2nd line.

- (n) By deleting the existing Bye-law 79 and substituting therefor the following new Bye-law 79:

79. Any member, whether an individual or a corporation, entitled to attend and vote at a meeting of the Company or a meeting of the holders of any class of shares in the Company shall be entitled to appoint another person as his proxy to attend and vote instead of him. Votes may be given either personally or by proxy or by a duly authorised corporate representative. A member who is the holder of two or more shares may appoint more than one proxy to attend and vote on the same occasion provided that, if more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed. A proxy need not be a member. In addition, a proxy or proxies representing either an individual member 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, including subject to Bye-law 74, the right to vote individually on a show of hands.

- (o) In Bye-law 86, by inserting the word “corporate” after the words “act as its” in the 4th line, and with the insertion of the following as the final two sentences:

“References in these Bye-laws to a member present in person at a meeting shall, unless the context otherwise requires, include a corporation which is a member represented at the meeting by such duly authorised corporate representative or by one or more proxies. Nothing contained in this Bye-law shall prevent a corporation which is a member of the Company from appointing one or more proxies to represent it pursuant to Bye-law 79.”

- (p) By inserting after the existing Bye-law 86 the following new Bye-law 86A:

86A. Where a member is a Clearing House (or its nominee), it may appoint such person or persons as it thinks fit to act as its proxy or proxies or as its corporate representative or representatives, in so far as the Act allows, at any meeting of the Company or at any meeting of any class of members provided that, if more than one proxy or corporate representative is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy or corporate representative is so appointed. A person so appointed under the provisions of this Bye-law shall be entitled to exercise the same powers on behalf of the Clearing House (or its nominee) which he represents as that Clearing House (or its nominee) could exercise as if it were an individual member (including the right to vote individually on a show of hands) notwithstanding the provisions of Bye-law 74.”

Certified True Copy

Alexander Hung Chak Sum (sd.)
Chairman of the Meeting

FORM NO. 3a



BERMUDA

**CERTIFICATE OF INCORPORATION
ON CHANGE OF NAME**

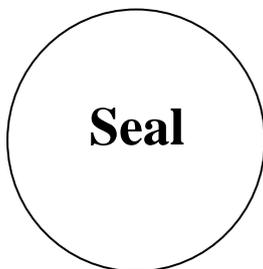
I hereby certify that

WATARY INTERNATIONAL HOLDINGS LIMITED

having by resolution and with the approval of the Registrar of Companies changed its name, is now registered under the name of

Magnum International Holdings Limited

Given under my hand the **23rd day of January, 1995**



(sd.)

for Registrar of Companies



BERMUDA

THE COMPANIES ACT 1981

**CERTIFICATE OF DEPOSIT OF
MEMORANDUM OF INCREASE OF SHARE CAPITAL**

THIS IS TO CERTIFY that a Memorandum of Increase of Share Capital

of

WATARY INTERNATIONAL HOLDINGS LIMITED

was deposited in the Office of the Registrar of Companies
on the

23rd day of January, 1995

IN WITNESS WHEREOF I have hereto set my
hand this

23rd day of January, 1995

(sd.)
for REGISTRAR OF COMPANIES

Capital prior to increase	<u>HK\$ 80,000,000</u>
Amount of increase	<u>HK\$ 20,000,000</u>
Present Capital	<u>HK\$100,000,000</u>

WATARY INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

ORDINARY RESOLUTION

Passed on 13 January 1995

AT THE SPECIAL GENERAL MEETING OF WATARY INTERNATIONAL HOLDINGS LIMITED HELD AT ANNAPURNA ROOM, PACIFIC PLACE, CONFERENCE CENTRE, LEVEL 5, ONE PACIFIC PLACE, 88 QUEENSWAY, HONG KONG ON FRIDAY, THE 13TH DAY OF JANUARY, 1995, THE FOLLOWING RESOLUTION WAS DULY PASSED AS ORDINARY RESOLUTION:-

“THAT subject to the approval of the Registrars of Companies in Hong Kong and in Bermuda, the name of the Company be changed to Magnum International Holdings Limited.”

Certified True Copy

Cheng Lung Don, Horace (sd.)
Chairman of the Meeting



BERMUDA

THE COMPANIES ACT 1981

**CERTIFICATE OF DEPOSIT OF
MEMORANDUM OF INCREASE OF SHARE CAPITAL**

THIS IS TO CERTIFY that a Memorandum of Increase of Share Capital

of

WATARY INTERNATIONAL HOLDINGS LIMITED

was deposited in the Office of the Registrar of Companies

on the

17th day of November, 1992

IN WITNESS WHEREOF I have hereto set my
hand this

17th day of November, 1992

(sd.)

for REGISTRAR OF COMPANIES

Capital prior to increase	<u>HK\$ 100,000.00</u>
Amount of increase	<u>HK\$ 79,900,000.00</u>
Present Capital	<u>HK\$ 80,000,000.00</u>



BERMUDA

THE COMPANIES ACT 1981
**CERTIFICATE OF DEPOSIT OF
MEMORANDUM OF ASSOCIATION
AND CONSENT GRANTED BY THE MINISTER**

THIS IS TO CERTIFY that a Memorandum of Association
of

WATARY INTERNATIONAL HOLDINGS LIMITED

and the consent granted by the Minister under section 6(1) of the Act was delivered to the Office of the Registrar of Companies on the **24 day of August, 1992** in accordance with the provisions of section 14(2) of the Act.

IN WITNESS WHEREOF I have
hereto set my hand this

24th day of August, 1992

(sd.)
for Registrar of Companies

Minimum Capital of the Company : HK\$ 100,000.00

Authorised Capital of the Company : HK\$ 100,000.00



BERMUDA

Incorporations Department
Messrs. Appleby, Spurling & Kempe
Barristers & Attorneys
41 Cedar Avenue
Hamilton HM09

Attention : Mrs. Ruby Rawlins

RE : WATARY INTERNATIONAL HOLDINGS LIMITED

Please be advised that the Registration number for the above-captioned company is:

EC – 17625

I should be grateful if this number could be quoted on ALL correspondence to this Department.

(sd.)
for REGISTRAR OF COMPANIES

INCORPORATED ON : 24th day of August, 1992



BERMUDA

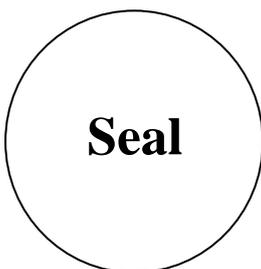
CERTIFICATE OF INCORPORATION

I hereby in accordance with the provisions of section 14 of the Companies Act, 1981, issue this Certificate of Incorporation and do certify that on the 24th day of August 1992.

WATARY INTERNATIONAL HOLDINGS LIMITED

was registered by me in the Register maintained by me under the provisions of the said section and that the status of the said company is that of a ~~local~~ / exempted company.

Given under my hand this 24th day of August 1992



(sd.)
for Registrar of Companies



BERMUDA

THE COMPANIES ACT 1981

CONSENT

Pursuant to section 6 (1)

In exercise of the powers conferred upon him by section 6 (1) of the Companies Act 1981, the Minister of Finance hereby gives his consent to

WATARY INTERNATIONAL HOLDINGS LIMITED

to be registered as a ~~local~~ / exempted company under the Companies Act 1981, subject to the provisions of the said Act.

Dated this **24th day of August 1992**

(sd.)
Minister of Finance



BERMUDA

THE COMPANIES ACT 1981

NOTICE OF ADDRESS OF REGISTERED OFFICE

Pursuant to section 62

Name of Company WATARY INTERNATIONAL HOLDINGS LIMITED

In accordance with section 62(2) of the Companies Act, 1981, I hereby give notice that the address of the registered office of the above-mentioned Company is -

Cedar House

41 Cedar Avenue

Hamilton HM 12, Bermuda

Signed _____

State whether Director or Secretary Acting Secretary

Date 24th August, 1992

MEMORANDUM OF ASSOCIATION

OF

WULING MOTORS HOLDINGS LIMITED
五菱汽車集團控股有限公司

Formerly known as

DRAGON HILL WULING AUTOMOBILE HOLDINGS LIMITED
俊山五菱汽車集團有限公司

Formerly known as

DRAGON HILL HOLDINGS LIMITED
俊山集團有限公司

Formerly known as

MAGNUM INTERNATIONAL HOLDINGS LIMITED
萬能國際集團有限公司

Formerly known as

WATARY INTERNATIONAL HOLDINGS LIMITED



BERMUDA
THE COMPANIES ACT 1981

**MEMORANDUM OF ASSOCIATION OF
COMPANY LIMITED BY SHARES**
(Section 7(1) and (2))

**MEMORANDUM OF ASSOCIATION
OF**

WATARY INTERNATIONAL HOLDINGS LIMITED

(hereinafter referred to as “the Company”)

1. The liability of the members of the Company is limited to the amount (if any) for the time being unpaid on the shares respectively held by them.
2. We, the undersigned, namely,

<u>NAME / ADDRESS</u>	<u>BERMUDIAN STATUS</u> (Yes / No)	<u>NATIONALITY</u>	<u>NUMBER OF SHARES SUBSCRIBED</u>
Angela S. Berry Cedar House, 41 Cedar Avenue, Hamilton HM 12, Bermuda	Yes	British	1
Ruby L. Rawlins Cedar House, 41 Cedar Avenue, Hamilton HM 12, Bermuda	Yes	British	1
Marcia De Couto Cedar House, 41 Cedar Avenue, Hamilton HM 12, Bermuda	Yes	British	1
Rosalind Johnson Cedar House, 41 Cedar Avenue, Hamilton HM 12, Bermuda	Yes	British	1

do hereby respectively agree to take such number of shares of the Company as may be allotted to us respectively by the provisional directors of the Company, not exceeding the number of shares for which we have respectively subscribed, and to satisfy such calls as may be made by the directors, provisional directors or promoters of the Company in respect of the shares allotted to us respectively.

3. The Company is to be an exempted Company as defined by the Companies Act 1981.

4. The Company has power to hold land situated in Bermuda not exceeding in all, including the following parcels -

Not Applicable

5. The authorised share capital of the Company is **\$100,000.00** divided into shares of HK ten cents each. The minimum subscribed share capital of the Company is \$100,000.00 in Hong Kong currency.

6. The objects for which the Company are unrestricted (*Note 5*).

7. The Company shall have the following powers (*Note 5*):
 - (i) The powers of a natural person;
 - (ii) Subject to the provisions of Section 42 of the Companies Act 1981, the power to issue preference shares which at the option of the holders thereof are to be liable to be redeemed;
 - (iii) The power to purchase its own shares in accordance with the provisions of Section 42A of the Companies Act 1981.

Signed by each subscriber in the presence of at least one witness attesting the signature thereof -

Angela S. Berry (sd)	Witness (sd)
Ruby L. Rawlins (sd)	Witness (sd)
Marcia De Couto (sd)	Witness (sd)
Rosalind Johnson (sd)	Witness (sd)
(Subscribers)	(Witnesses)

SUBSCRIBED this 18th day of August, 1992.

STAMP DUTY (To be affixed)

THE COMPANIES ACT 1981

SECOND SCHEDULE

(Section 11(2))

A company may by reference include in its memorandum any of the following objects that is to say the business of –

- (a) insurance and re-insurance of all kinds;
- (b) packaging of goods of all kinds;
- (c) buying, selling and dealing in goods of all kinds;
- (d) designing and manufacturing of goods of all kinds;
- (e) mining and quarrying and exploration for metals, minerals, fossil fuels and precious stones of all kinds and their preparation for sale or use;
- (f) exploring for, the drilling for, the moving, transporting and refining petroleum and hydro carbon products including oil and oil products;
- (g) scientific research including the improvement, discovery and development of processes, inventions, patents and designs and the construction, maintenance and operation of laboratories and research centres;
- (h) land, sea and air undertakings including the land, ship and air carriage of passengers, mails and goods of all kinds;
- (i) ships and aircraft owners, managers, operators, agents, builders and repairers;
- (j) acquiring, owning, selling, chartering, repairing or dealing in ships and aircraft;
- (k) travel agents, freight contractors and forwarding agents;
- (l) dock owners, wharfingers, warehousemen;
- (m) ship chandlers and dealing in rope, canvas oil and ship stores of all kinds;
- (n) all forms of engineering;
- (o) developing, operating, advising or acting as technical consultants to any other enterprise or business;
- (p) farmers, livestock breeders and keepers, graziers, butchers, tanners and processors of and dealers in all kinds of live and dead stock, wool, hides, tallow, grain, vegetables and other produce;

- (q) acquiring by purchase or otherwise and holding as an investment inventions, patents, trade marks, trade names, trade secrets, designs and the like;
- (r) buying, selling, hiring, letting and dealing in conveyances of any sort;
- (s) employing, providing, hiring out and acting as agent for artists, actors, entertainers of all sorts, authors, composers, producers, directors, engineers and experts or specialists of any kind;
- (t) to acquire by purchase or otherwise hold, sell, dispose of and deal in real property situated outside Bermuda and in personal property of all kinds wheresoever situated; and
- (u) to enter into any guarantee, contract of indemnity or suretyship and to assure, support or secure with or without consideration or benefit the performance of any obligations of any person or persons and to guarantee the fidelity of individuals filling or about to fill situations of trust or confidence.

THE COMPANIES ACT 1981

FIRST SCHEDULE

(Section 11(1))

A company limited by shares may exercise all or any of the following powers subject to any provision of the law or its memorandum –

1. to carry on any other business capable of being conveniently carried on in connection with its business or likely to enhance the value of or making profitable any of its property or rights;
2. to acquire or undertake the whole or any part of the business, property and liabilities of any person carrying on any business that the company is authorized to carry on;
3. to apply for register, purchase, lease, acquire, hold, use, control, licence, sell, assign or dispose of patents, patent rights, copyrights, trade marks, formulae, licences, inventions, processes, distinctive marks and similar rights;
4. to enter into partnership or into any arrangement for sharing of profits, union of interests, co-operation, joint venture, reciprocal concession or otherwise with any person carrying on or engaged in or about to carry on or engage in any business or transaction that the company is authorized to carry on or engage in or any business or transaction capable of being conducted so as to benefit the company;
5. to take or otherwise acquire and hold securities in any other body corporate having objects altogether or in part similar to those of the company or carrying on any business capable of being conducted so as to benefit the company;
6. subject to section 96 to lend money to any employee or to any person having dealings with the company or with whom the company proposes to have dealings or to any other body corporate any of whose shares are held by the company;
7. to apply for, secure or acquire by grant, legislative enactment, assignment, transfer, purchase or otherwise and to exercise, carry out and enjoy any charter, licence, power authority, franchise, concession, right or privilege, that any government or authority or any body corporate or other public body may be empowered to grant, and pay for, aid in and contribute toward carrying it into effect and to assume any liabilities or obligations incidental thereto;
8. to establish and support or aid in the establishment and support of associations, institutions, funds or trusts for the benefit of employees or former employees of the company or its predecessors, or the dependents or connections of such employees or former employees, and grant pensions and allowances, and make payments towards insurance or for any object similar to those set forth in this paragraph, and to subscribe or guarantee money for charitable, benevolent, educational or religious objects or for any exhibition or for any public, general or useful objects;

9. to promote any company for the purpose of acquiring or taking over any of the property and liabilities of the company or for any other purpose that may benefit the company;
10. to purchase, lease, take in exchange, hire or otherwise acquire any personal property and any rights or privileges that the company considers necessary or convenient for the purposes of its business;
11. to construct, maintain, alter, renovate and demolish any buildings or works necessary or convenient for its objects;
12. to take land in Bermuda by way of lease or letting agreement for a term not exceeding twenty-one years, being land "bonafide" required for the purposes of the business of the company and with the consent of the Minister granted in his discretion to take land in Bermuda by way of lease or letting agreement for a similar period in order to provide accommodation or recreational facilities for its officers and employees and when no longer necessary for any of the above purposes to terminate or transfer the lease or letting agreement;
13. except to the extent, if any, as may be otherwise expressly provided in its incorporating Act or memorandum and subject to the provisions of this Act every company shall have power to invest the moneys of the Company by way of mortgage of real or personal property of every description in Bermuda or elsewhere and to sell, exchange, vary, or dispose of such mortgage as the company shall from time to time determine;
14. to construct, improve, maintain, work, manage, carry out or control any roads, ways, tramways, branches or sidings, bridges, reservoirs, watercourses, wharves, factories, warehouses, electric works, shops, stores and other works and conveniences that may advance the interests of the company and contribute to, subsidize or otherwise assist or take part in the construction, improvement, maintenance, working, management, carrying out or control thereof;
15. to raise and assist in raising money for, and aid by way of bonus, loan, promise, endorsement, guarantee or otherwise, any person and guarantee the performance or fulfilment of any contracts or obligations of any person, and in particular guarantee the payment of the principal of and interest on the debt obligations of any such person;
16. to borrow or raise or secure the payment of money in such manner as the company may think fit;
17. to draw, make, accept, endorse, discount, execute and issue bills of exchange, promissory notes, bills of lading, warrants and other negotiable or transferable instruments;
18. when properly authorized to do so, to sell, lease, exchange or otherwise dispose of the undertaking of the company or any part thereof as an entirety or substantially as an entirety for such consideration as the company thinks fit;

19. to sell, improve, manage, develop, exchange, lease, dispose of, turn to account or otherwise deal with the property of the company in the ordinary course of its business;
20. to adopt such means of making known the products of the company as may seem expedient, and in particular by advertising, by purchase and exhibition of works of art or interest, by publication of books and periodicals and by granting prizes and rewards and making donations;
21. to cause the company to be registered and recognized in any foreign jurisdiction, and designate persons therein according to the laws of that foreign jurisdiction or to represent the company and to accept service for and on behalf of the company of any process or suit;
22. to allot and issue fully-paid shares of the company in payment or part payment of any property purchased or otherwise acquired by the company or for any past services performed for the company;
23. to distribute among the members of the company in cash, kind, specie or otherwise as may be resolved, by way of dividend, bonus or any other manner considered advisable, any property of the company, but not so as to decrease the capital of the company unless the distribution is made for the purpose of enabling the company to be dissolved or the distribution, apart from this paragraph, would be otherwise lawful;
24. to establish agencies and branches;
25. to take or hold mortgages, hypothecs, liens and charges to secure payment of the purchase price, or of any unpaid balance of the purchase price, of any part of the property of the company of whatsoever kind sold by the company, or for any money due to the company from purchasers and others and to sell or otherwise dispose of any such mortgage, hypothec, lien or charge;
26. to pay all costs and expenses of or incidental to the incorporation and organization of the company;
27. to invest and deal with the moneys of the company not immediately required for the objects of the company in such manner as may be determined;
28. to do any of the things authorized by this subsection and all things authorized by its memorandum as principals, agents, contractors, trustees or otherwise, and either alone or in conjunction with others;
29. to do all such other things as are incidental or conducive to the attainment of the objects and the exercise of the powers of the company.

Every company may exercise its powers beyond the boundaries of Bermuda to the extent to which the laws in force where the powers are sought to be exercised permit.

BYE-LAWS

OF

WULING MOTORS HOLDINGS LIMITED
五菱汽車集團控股有限公司

Formerly known as
DRAGON HILL WULING AUTOMOBILE HOLDINGS LIMITED
俊山五菱汽車集團有限公司

Formerly known as
DRAGON HILL HOLDINGS LIMITED
俊山集團有限公司

Formerly known as
MAGNUM INTERNATIONAL HOLDINGS LIMITED
萬能國際集團有限公司

Formerly known as
WATARY INTERNATIONAL HOLDINGS LIMITED

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THE COMPANIES ACT 1981 OF BERMUDA

Company Limited by Shares

BYE-LAWS

(As adopted by Resolution passed on 30 October 1992
and with amendments up to 27 May 2011)

OF

WULING MOTORS HOLDINGS LIMITED
五菱汽車集團控股有限公司

Formerly known as
DRAGON HILL WULING AUTOMOBILE HOLDINGS LIMITED
俊山五菱汽車集團有限公司

Formerly known as
DRAGON HILL HOLDINGS LIMITED
俊山集團有限公司

Formerly known as
MAGNUM INTERNATIONAL HOLDINGS LIMITED
萬能國際集團有限公司

Formerly known as
WATARY INTERNATIONAL HOLDINGS LIMITED

PRELIMINARY

1. In these regulations unless there is something in the subject or context inconsistent therewith:

"**the Act**" means the Companies Act 1981 of Bermuda as modified from time to time;

"**associate**" shall have the meaning attributed to it in the rules of the Designated Stock Exchange; (*Note 3*)

"**Bermuda**" means the Islands of Bermuda;

"**BD\$**" means Bermuda Dollars;

"**the Bye-laws**" or "**these presents**" means the Bye-laws of the Company for the time being in force;

"**business day**" mean a day on which the Designated Stock Exchange generally is open for the business of dealing in securities in Hong Kong. For the avoidance of doubt, where the Designated Stock Exchange is closed for the business of dealing in securities in Hong Kong on a business day by reason of a Number 8 or higher typhoon signal, black rainstorm warning, such day shall for the purposes of these Bye-laws be counted as a business day; (*Note 6*)

"**capital**" means the share capital from time to time of the Company;

"**clearing house**" means a recognized clearing house within the meaning of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) or a clearing house recognized by the laws of the jurisdiction in which the shares of the Company are listed or quoted on a stock exchange in such jurisdiction; (*Notes 2 and 3*)

"**the Company**" or "**this Company**" means Wuling Motors Holdings Limited with a secondary name of “五菱汽車集團控股有限公司” incorporated in Bermuda on 24th August 1992; (*Note 7*)

"**corporate representative**" means any person appointed to act in that capacity pursuant to Bye-laws 86 to 86A; (*Note 2*)

"**Designated Stock Exchange**" means 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;

"**the Directors**" means the Board of Directors of the Company or the Directors present at a meeting of Directors at which a quorum is present, and references in the Bye-Laws to Directors shall be to both executive and non-executive Directors unless otherwise indicated;

"**dollars**" or "**HK\$**" means Hong Kong Dollars;

"**electronic record**" shall have the same meaning as ascribed to it under section 2 of the Electronic Transactions Act 1999 of Bermuda as amended from time to time, and includes any electronic code or device necessary to decrypt or interpret the electronic record; (*Note 5*)

"**member**" means a person who is entered on the register as the holder of shares in the capital of the Company;

"**Memorandum of Association**" means the Memorandum of Association of the Company for the time being in force;

"**month**" means calendar month;

"notice" mean written notice unless otherwise specifically stated and as further defined in these Bye-laws; (*Note 6*)

"office" means the registered office for the time being of the Company;

"ordinary resolution" mean 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 authorized representative or, where proxies are allowed, by proxy at a general meeting of which notice has been given in accordance with Bye-laws 58 and 59; (*Notes 2, 5 and 6*)

"paid up" or "paid" includes credited as paid up or paid;

"published in the newspapers" means published as a paid advertisement in English in at least one English language newspaper and in Chinese in at least one Chinese language newspaper, being in each case a newspaper published daily and circulating generally in Hong Kong in accordance with the rules of the Designated Stock Exchange;

"the Principal Register" means the register of members of the Company maintained in Bermuda;

"the register" means the Principal Register of members and, where applicable, any branch register of members of the Company to be kept pursuant to the Act;

"secretary" includes any person appointed to perform the duties of secretary temporarily and any duly appointed assistant or acting secretary;

"seal" means the common seal of the Company or where the context permits, the duplicate seal of the Company for use in any particular state, country or territory outside Bermuda;

"share(s)" means share(s) in the capital of the Company and includes stock except where a distinction between stock and shares is expressed or implied;

"Convertible Preference Shares" shall mean convertible non-voting preference shares of par value HK\$0.001 each in the share capital of the Company, which have the rights and are subject to the limitations and restrictions as set out in Bye-law 6(C) of these Bye-laws; (*Note 4*)

"shareholders" means the duly registered holders of shares;

"special resolution" mean 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 authorized representative or, where proxies are allowed, by proxy at a general meeting of which notice has been given in accordance with Bye-laws 58 and 59 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. Provided that if permitted by the Designated Stock Exchange, 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 per cent. (95%) 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 notice has been given for shorter than the period required under Bye-laws 58 and 59; (*Notes 2, 5 and 6*)

"in writing" or **"written"** includes printing, lithography, electronic record and other means of representing or reproducing words or figures in visible form; (*Note 5*)

"year" means calendar year.

2. (A) The singular includes the plural and vice versa. Words importing any gender include the other genders.
 - (B) Save as aforesaid any words or expressions defined in the Act shall if not inconsistent with the subject or context bear the same meaning in these presents.
 - (C) The headings shall not affect the construction of these presents.
3. Subject to the provisions of the Act, the Company may at any time and from time to time by special resolution alter or amend the Memorandum of Association or the Bye-Laws in whole or in part.

CAPITAL AND SHARES

4. (A) The capital of the Company at the date of adoption of these presents is HK\$80,000,000 divided into 800,000,000 shares of HK\$0.10 each.
 - (B) Subject to the provisions of the Act and of the Bye-Laws relating to new shares, all unissued shares in the Company including any new shares created upon an increase of capital shall be under the control of the Directors who may offer, allot, grant options over or otherwise dispose of them to such persons, on such terms and conditions and at such times as the Directors shall in their sole and absolute discretion think fit, but so that no shares shall be issued at a discount.
5. (A) The Company may at any time pay a commission or brokerage to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares in the Company or procuring or agreeing to procure subscriptions (whether absolute or conditional) for any shares in the Company but so that the conditions and requirements of the Act shall be observed and complied with and in each case the commission or brokerage shall not exceed 10 per cent of the price at which the shares are issued.
 - (B) Subject to the provisions of the Act, the Directors may with the approval of members in general meeting issue warrants to subscribe for any class of shares or securities of the Company on such terms as they may from time to time determine. Where share warrants are issued to bearer, no new 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 and have received an indemnity in satisfactory form with regard to the issue of

any new warrant.

6. (A) Subject to the provisions, if any, in that behalf of the Memorandum of Association and without prejudice to any special rights previously conferred on the holders of existing shares, any share may be issued with such preferred, deferred or other special rights or such restrictions, whether in regard to dividend, voting, return of share capital or otherwise, as the Company may from time to time by ordinary resolution determine (or, in the absence of any such determination or so far as the same shall not make specific provision but subject to the provisions of the Act and the Bye-Laws, as the Directors may determine) and subject to the provisions of the Act any preference share may, with the sanction of a special resolution, be issued or converted into shares that, at a determinable date or at the option of the Company or, if so authorised by the Memorandum of Association, the holder, are liable to be redeemed on such terms and in such manner as the Company before the issue or conversion may by such special resolution determine.
- (B) The Company may by ordinary resolution, before the issue of any new shares, make any provisions as to the issue and allotment of such shares including, but without prejudice to the generality of the foregoing, a provision that the new shares or any of them shall be offered in the first instance to all the holders for the time being of shares of any class in proportion to the number of the shares held by them respectively but in default of any such determination, such shares may be dealt with as if they formed part of the capital of the Company existing prior to the issue of the same.
- (C) The following are the limitations and restrictions to which the Convertible Preference Shares are subject: *(Note 4)*

For the purposes of this Bye-law 6(C):

“approved merchant bank” means the merchant bank appointed by the Company and agreed by the Dragon Hill Development Limited;

“Auditors” means the auditors of the Company for the time being;

“Business Day” means a day (excluding a Saturday or a day on which typhoon signal no.8 or above or a "black" rainstorm warning is hoisted in Hong Kong) on which banks in Hong Kong are open for business in Hong Kong throughout their normal business hours;

“Certificate” means a certificate issued by the Company in the name of the CP Shareholder in respect of his holding of one or more Convertible Preference Shares;

“Closing Price” means the closing price per Ordinary Share on the Designated Stock Exchange, as published by the Designated Stock Exchange for one or more board lots of Ordinary Shares;

“Conversion Date” means, subject to paragraph 5(H) in this Bye-law 6(C), 12 noon on the Business Day immediately following the date of the surrender of the relevant Certificate and delivery of the Conversion Notice therefor accompanied by the documents referred to in paragraph 5(B) in this Bye-law 6(C);

“Conversion Notice” means a notice, in such form as the Directors may from time to time specify, stating that a CP Shareholder wishes to exercise the Conversion Right in respect of one or more Convertible Preference Shares;

“Conversion Number” means, in relation to any Convertible Preference Share, such number of Ordinary Shares as may, upon exercise of the Conversion Right, be subscribed at the Conversion Price in force on the relevant Conversion Date;

“Conversion Price” means an amount in Hong Kong dollars per Ordinary Share of HK\$0.03155 or such adjusted price as may for the time being be applicable in accordance with the terms of this Schedule;

“Conversion Right” means the right, subject to the provisions of the Bye-laws, the Statutes and to any other applicable fiscal or other laws or regulations to convert at any time any Convertible Preference Share, which shall be deemed to have a value equal to the Notional Value, into the Conversion Number of Ordinary Shares;

“Conversion Share(s)” means Ordinary Share(s) to be issued upon an exercise of the Conversion Rights;

“CP Shareholder” means a person or persons who is or are registered in the Register as a holder or jointholders of Convertible Preference Shares;

“Converting Shareholder” means a CP Shareholder all or some of whose Convertible Preference Shares are being or have been converted;

“Dealing Day” means a day on which the Designated Stock Exchange is open for business and on which trading in the Ordinary Shares or other relevant securities is not suspended;

“Directors” means 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;

“Equity Share Capital” means issued share capital excluding any part thereof which neither as respect dividends nor as respects capital carries any right to participate beyond a specified amount in a distribution;

“Hong Kong” means Hong Kong Special Administrative Region of the People's Republic of China;

“Hong Kong Stock Exchange” means The Stock Exchange of Hong Kong Limited;

“Notional Value” means the value of HK\$0.03155 attributed to each Convertible Preference Share;

“Ordinary Shares” means fully paid ordinary shares of HK\$0.001 each (or of such other nominal value in which such ordinary shares are for the time being denominated following any consolidation or sub-division which gives rise to an adjustment to the Conversion Price in accordance with paragraph 8 in this Bye-law 6(C)) in the Company of the class listed on the Hong Kong Stock Exchange or, where the context so requires, shares issued pursuant to the conversion rights attached to convertible securities of the Company, provided that if all of the Ordinary Shares are replaced by other securities (all of which are identical), the expression “Ordinary Shares” shall thereafter refer to those other securities;

“outstanding” means in relation to the Convertible Preference Shares, all the Convertible Preference Shares in issue other than:

- (i) those in respect of which Conversion Rights have been exercised and which have been cancelled in accordance with this Schedule;
- (ii) those mutilated or defaced Convertible Preference Shares which have been surrendered in exchange for replacement Convertible Preference Shares pursuant to paragraph 16 in this Bye-law 6(C);
- (iii) (for the purpose only of determining how many Convertible Preference Shares are outstanding and without prejudice to their status for any other purpose) those Convertible Preference Shares alleged to have been lost, stolen or destroyed and in respect of which replacement Convertible Preference Shares have been issued pursuant to paragraph 16 in this Bye-law 6(C); and
- (iv) those which have been purchased and cancelled as provided in paragraph 10 in this Bye-law 6(C).

“Record Date” means the date and time by which a subscriber or transferee of securities of the class in question would have to be registered in order to participate in the relevant distribution or rights;

“Registrar's Office” means Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, the Hong Kong branch share registrars of the Company, or such office of such person or such other person as the Company may from time to time designate by notice published in accordance with the Bye-laws;

“Relevant Convertible Preference Shares” means a Convertible Preference Share which is to be converted pursuant to a Conversion Notice;

“Relevant Jurisdiction” means a jurisdiction in which the Company or any of its subsidiaries is incorporated, carries on business or holds any assets;

“In this Bye-law 6(C), references to:

“**companies**” include references to any bodies corporate however and wherever incorporated;

“**distribution**” include references to any dividend or other distribution (including a distribution in specie) or capitalisation issue;

“**paragraphs**” are references to the paragraphs of this bye-law;

“**property**” include references to shares, securities, cash and other assets or rights of any nature;

“**dates and times**” are to dates and times in Hong Kong; and

a “**gender**” include any other gender.

2. **INCOME**

A CP Shareholder shall not be entitled to any dividend distribution whether in cash or otherwise.

3. **CAPITAL**

On a return of capital on liquidation or otherwise (but not on conversion, mandatory conversion) the Convertible Preference Shares shall confer on the CP Shareholders the right to be paid, in priority to any return of assets in respect of any other class of shares in the capital of the Company, pari passu as between themselves: an amount equal to the aggregate Notional Value of the Convertible Preference Shares. The Convertible Preference Shares shall not confer on the holders thereof any further or other right to participate in the assets of the Company.

4. **RANKING**

The Company shall not (unless such sanction has been given by the CP Shareholders as would be required for a variation of the special rights attaching thereto or unless otherwise provided in the Bye-laws) create or issue any shares ranking as regards order in the participation in the assets of the Company on a winding up or otherwise in priority to the Convertible Preference Shares and the Company may create or issue, with the prior written consent of the CP Shareholders, shares ranking pari passu in all respects (including as to class) with the Convertible Preference Shares.

5. CONVERSION

- (A) Each Convertible Preference Share shall confer on the holder thereof the Conversion Right.
- (B) Any CP Shareholder may exercise the Conversion Right in respect of one or more Convertible Preference Shares held by him at any time subject to the provisions of the Statutes and any other applicable fiscal and other laws and regulations by delivering a duly signed and completed Conversion Notice to the Registrar's Office accompanied by the Certificates in respect of the Relevant Convertible Preference Shares and such other evidence (if any) as the Directors may reasonably require to prove the title of the person exercising such right (or, if such Certificates have been lost or destroyed, such evidence of title and such indemnity as the Directors may reasonably require).
- (C) The number of Conversion Shares to be issued on each conversion shall be determined by dividing the aggregate Notional Value of the Relevant Convertible Preference Shares by the Conversion Price applicable on the Conversion Date provided that no fraction of an Ordinary Share arising on conversion shall be allotted and all fractional entitlements shall be dealt with in accordance with paragraph 13 in this Bye-law 6(C).
- (D) Conversion of the Convertible Preference Shares shall be effected in such manner as the Directors shall subject to the Bye-laws, the Statutes and to any other applicable law and regulations, from time to time determine provided that no Conversion shall take place if to do so would result in the Conversion Shares being issued at a price below their nominal value as at the applicable Conversion Date. Without prejudice to the generality of the foregoing, any Convertible Preference Share may be converted by redemption on the relevant Conversion Date out of:

 - (a) the capital paid up on the Relevant Convertible Preference Shares; or
 - (b) the funds available for dividend or distribution of the Company; or
 - (c) the proceeds of a fresh issue of shares made for the purpose; or
 - (d) any combination of (a), (b) and (c);

and in the case of any premium payable on such a redemption, out of the Company's funds available for dividend or distribution or the Company's share premium account or a combination of the foregoing. Each Conversion Notice shall be deemed to authorise and instruct the Director to retain any redemption moneys otherwise payable to the Converting Shareholder and, in respect of the Relevant Convertible Preference Share, to apply the same in the subscription on such Converting Shareholder's behalf of the Conversion Shares (subject to the treatment of fractions described in paragraph 13 in this Bye-law 6(C)) and, to the extent that conversion shall be effected out of the proceeds of a fresh issue of shares, where appropriate, each Conversion Notice shall be deemed:

- (i) to appoint any person selected by the Directors as such Converting Shareholder's agent with authority to apply an amount equal to the redemption moneys in respect of the Relevant Convertible Preference Shares in subscribing on such Converting Shareholder's behalf for the Conversion Shares (subject to the treatment of fractions described in paragraph 13 in this Bye-law 6(C)); and
- (ii) to authorise and instruct the Directors following the allotment of such Conversion Shares to pay the said redemption moneys to such agent who shall be entitled to retain the same for his own benefit without being accountable therefor to such Converting Shareholder;

provided that if the Converting Shareholder has a registered address in any territory where in the absence of a registration statement or any other special formalities the allotment or delivery of any Conversion Shares would or might in the opinion of the Directors be unlawful or impracticable under the laws of such territory or any Relevant Jurisdiction, the Company shall as soon as reasonably practicable after the receipt of the relevant Conversion Notice allot the Conversion Number of the Ordinary Shares to the Converting Shareholder or to one or more third parties selected by the Company and on behalf of the Converting Shareholder sell the same to one or more third parties selected by the Company for the best consideration then reasonably obtainable by the Company. As soon as reasonably practicable following any such allotment and sale, the Company shall pay the Converting Shareholder an amount equal to the consideration received by it.

- (E) Each CP Shareholder irrevocably authorises the Company to effect the transactions required by paragraph 5(D) in this Bye-law 6(C) and for this purpose the Company may appoint any person to execute transfers, renunciations or other documents on behalf of the CP Shareholder and generally may make all arrangements which appear to it to be necessary or appropriate in connection therewith.
- (F) The Company shall allot and issue the Conversion Shares or, as the case may be, send the amount to which he is entitled pursuant to paragraph 5(C) in this Bye-law 6(C) above to the Converting Shareholder and shall procure that certificates in respect of the Conversion Shares, together with a new certificate for any unconverted Convertible Preference Shares comprised in the Certificate(s) surrendered by the Converting Shareholder, are issued as soon as practicable and in any event not later than 7 days after the relevant Conversion Date.
- (G) If and whenever any conversion takes place after the occurrence of any event falling within any sub-provision of paragraph 8(A) in this Bye-law 6(C) but before the amount of the relevant adjustment to the Conversion Price (if any) shall have been calculated in accordance with the provisions of paragraph 8(A) in this Bye-law 6(C), the Conversion Date shall be deemed to fall on the Business Day after the date the adjustment made to the Conversion Price in respect of the relevant event has become effective.
- (H) 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 at the same time it despatches such notice to each member of the Company shall give notice thereof to all CP Shareholders (together with a notice of the existence of the provisions of this paragraph 5(H)) and thereupon, each CP Shareholder shall be entitled to exercise all or any of his Conversion Rights at any time not later than two Business Days prior to the date of the general meeting of the Company by providing the Company a Conversion Notice duly completed and executed together with the certificates, cashier orders and, where appropriate, other items listed in paragraph 5(B)(i) and (ii) in this Bye-law 6(C) whereupon the Company shall, subject to the Statutes, as soon as possible and, in any event, no later than the Business Day immediately prior to the date of the general meeting, allot the Conversion Shares to the Relevant CP Shareholders credited as fully paid.

6. REDEMPTION

Save as provided in paragraph 5(D) in this Bye-law 6(C), the Convertible Preference Shares are not redeemable.

7. CONVERSION SHARES

The Conversion Shares shall, save as provided for in these provisions, rank pari passu in all respects with the Ordinary Shares in issue at the time the Conversion Shares are issued, and shall, subject to the proviso of paragraph 5(C) in this Bye-law 6(C) and this paragraph 7, entitle the holders thereof to all distributions paid or made on the Ordinary Shares by reference to a Record Date falling after the Conversion Date, provided that if a Record Date after the Conversion Date is in respect of any distribution in respect of any financial period of the Company ended prior to such Conversion Date, the holders of the Conversion Shares will not be entitled to such distribution.

8. ADJUSTMENTS TO THE CONVERSION PRICE

(A) Subject as, hereinafter provided, the Conversion Price shall from time to time be adjusted in accordance with the following relevant provisions and so that if the event giving rise to any such adjustment shall be such as would be capable of falling within more than one of sub-paragraphs (i) to (v) inclusive of this paragraph 8, it shall fall within the first of the applicable paragraphs to the exclusion of the remaining paragraphs:

- (i) If and whenever there shall be an alteration in the nominal value of the Ordinary Shares by reason of any consolidation or sub-division, the Conversion Price in force immediately prior thereto shall be adjusted by multiplying it by a fraction of which the numerator shall be the nominal value of one Ordinary Share immediately after such alteration and of which the denominator shall be the nominal value of one Ordinary Share immediately before such alteration and such adjustment shall become effective on the date on which such alteration takes effect.
- (ii) If and whenever the Company shall capitalise any amount of profits or reserves (including any share premium account or contributed surplus account) and apply the same in paying up in full the nominal value of any Ordinary Shares (other than any Ordinary Shares credited as fully paid out of distributable profits or reserves (including any share premium account or contributed surplus account) and issued in lieu of the whole or any part of a cash dividend or specie distribution which the holders of the Ordinary Shares concerned would or could

otherwise have received and which would not have constituted a Capital Distribution), the Conversion Price in force immediately prior to the Record Date therefor shall be adjusted by a fraction of which the numerator shall be the aggregate nominal amount of the issued Ordinary Shares immediately before such issue and of which the denominator shall be the aggregate nominal amount of the issued Ordinary Shares immediately after such issue. Such adjustment shall be effective immediately after the Record Date for such issue.

- (iii) If and whenever the Company shall make any Capital Distribution, the Conversion Price in force immediately prior to such distribution shall be adjusted by multiplying it by the following fraction:

$$\frac{K - L}{K}$$

where:

K is the Closing Price of one Ordinary Share on the Dealing Day immediately preceding the date on which the Capital Distribution is announced or (failing any such announcement), the Dealing Day immediately preceding the Record Date for the Distribution;

L is the fair market value on the date of such announcement or (as the case may require) the Dealing Day immediately preceding the Record Date for the Capital Distribution, as determined in good faith by an approved merchant bank or the auditors for the time being of the Company of the portion of the Capital Distribution which is attributable to one Ordinary Share.

Provided that:

if in the opinion of the relevant approved merchant bank or the auditors for the time being of the Company (as the case may be), the use of the fair market value as aforesaid produces a result which is significantly inequitable, it may instead determine (and in such event the above formula shall be construed accordingly) the amount of the said Closing Price which should properly be attributed to the value of the Capital Distribution; and

- (b) the provisions of this sub-paragraph (iii) shall not apply in relation to the issue of Ordinary Shares paid out of profits or reserves and issued in lieu of a cash dividend nor to a purchase by the Company of its own Ordinary Shares in accordance with the provisions of the Companies Act.

Each such adjustment shall be effective (if appropriate retroactively) from the commencement of the day next following the Record Date for the Capital Distribution.

- (iv) If and whenever the Company shall offer to holders of Shares new Shares for subscription by way of rights, or shall grant to holders of Shares any options or warrants to subscribe for new Ordinary Shares, at a price which is less than 90 per cent of the market price (as defined in paragraph 8(B) in this Bye-law 6(C)) at the date of the announcement of the terms of the offer or grant, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the date of the announcement of such offer or grant by the following fraction:

$$\frac{K + L}{M}$$

where:

- K** is the number of Ordinary Shares in issue immediately before the date of such announcement;
- L** is the number of Ordinary Shares which the aggregate of the amount (if any) payable for the rights, options or warrants and of the amount payable for the total number of new Ordinary Shares comprised therein would purchase at such market price; and
- M** is the number of Ordinary Shares in issue immediately before the date of such announcement plus the aggregate number of Ordinary Shares offered for subscription or comprised in the options or warrants.

Such adjustment shall become effective (if appropriate retroactively) from the commencement of the day next following the Record Date for the offer or grant.

(v) If and whenever the Company shall purchase any Ordinary Shares or securities issued by the Company or any of its subsidiaries which are convertible into or exchangeable for Ordinary Shares or any rights to acquire Ordinary Shares (other than on the Designated Stock Exchange) and the Directors of the Company cancel such Ordinary Shares, securities convertible into or exchangeable for Shares or rights to acquire Ordinary Shares, the Directors of the Company may if they consider it appropriate make an adjustment to the Conversion Price, provided that the Directors of the Company shall have appointed an approved merchant bank to consider whether, for any reason whatever as a result of such purchases, an adjustment should be made to the Conversion Price fairly and appropriately to reflect the relative interests of the persons affected by such purchases by the Company and, if such approved merchant bank shall consider in its opinion that it is appropriate to make an adjustment to the Conversion Price, the Directors of the Company shall make an adjustment to the Conversion Price in such manner as such approved merchant bank shall certify to be, in its opinion, appropriate. Such adjustment shall become effective (if appropriate retroactively) from the close of business in Hong Kong on the Business Day immediately preceding the date on which such purchases by the Company are made.

(B) For the purposes of paragraph 8(A) in this Bye-law 6(C):

“announcement” shall include the releases of an announcement to the press or the delivery or transmission by telephone, telex or otherwise of an announcement to the Designated Stock Exchange and **“date of announcement”** shall mean the date on which the announcement is first so released, delivered or transmitted;

“capital distribution” means any distribution paid or made by the Company on Ordinary Shares to the extent that the amount of such distribution exceeds the amount calculated by reference to P - D where:

P is the aggregate of the net consolidated profits less the aggregate of the net consolidated losses of the Company and its subsidiaries after taxation and minority interests but before extraordinary items in respect of the financial period ending on 31 December 2006 and each subsequent financial period in respect of which an audited consolidated profit and loss account of the Company and its subsidiaries (or, if it has at the

relevant time no subsidiaries, an audited profit and loss account of the Company) has been published, as shown by such profit and loss account(s);

D is the aggregate amount of all distributions then already paid or made by the Company on Ordinary Shares in respect of any and all financial periods ending on or after 31 December 2006; provided that if such amount is greater than “P”, then “D” shall be deemed to be equal to “P”;

“market price” means the average of the closing prices of one Ordinary Share on the Designated Stock Exchange in respect of dealings in board lots for the five consecutive Dealing Days ending on the last Dealing Day preceding the day on or as of which the market price is to be ascertained.

(C) The provisions of sub-paragraphs (ii), (iii), and (iv) of paragraph 8(A) in this Bye-law 6(C) shall not apply to:

(i) an issue of fully paid Ordinary Shares upon the exercise of any conversion rights attached to securities convertible into Ordinary Shares or upon exercise of any rights (including the Conversion Rights attaching to the Convertible Preference Shares) to acquire Ordinary Shares;

(ii) an issue of Ordinary Shares or other securities of the Company or any subsidiary of the Company wholly or partly convertible into, or rights to acquire, Ordinary shares to directors or employees of the Company or any of its subsidiaries or their personal representatives pursuant to the Share Option Scheme;

(iii) an issue by the Company of Ordinary Shares or by the Company or any other subsidiary of the Company of securities wholly or partly convertible into or rights to acquire Ordinary Shares, in any such case in consideration or part consideration for the acquisition of any other securities, assets or business;

(iv) an issue of Ordinary Shares pursuant to a scrip dividend scheme where an amount not less than the nominal amount of the Ordinary Shares so issued is capitalised and the market value of such Ordinary Shares is not more than 110 per cent of the amount of the dividend which holders of the Ordinary shares could elect to or would otherwise receive in cash, for which purpose the “market value” of an Ordinary Share shall mean the average of the closing prices on

the Designated Stock Exchange for five (or more) consecutive Dealing Days falling within the period of one month ending on the last day on which holders of Ordinary Shares may elect to receive or (as the case may be) not to receive the relevant dividend in cash; or

- (v) the issue of the Convertible Preference Shares.
- (D) Any adjustment to the Conversion Price shall be made to the nearest one cent so that any amount under half a cent shall be rounded down and any amount of half a cent or more shall be rounded up and in no event shall any adjustment (otherwise than upon the consolidation of Ordinary Shares into Ordinary Shares of a larger nominal amount) involve an increase in the Conversion Price. In addition to any determination which may be made by the Directors of the Company every adjustment to the Conversion Price shall be certified either (at the option of the Company) by the auditors for the time being of the Company or by an approved merchant bank.
- (E) Notwithstanding anything contained in this Schedule, no adjustment shall be made to the Conversion Price in any case in which the amount by which the same would be reduced in accordance with the foregoing provisions of paragraph 8 in this Bye-law 6(C) would be less than one cent and any adjustment that would otherwise than be required to be made shall not be carried forward.
- (F) If the Company or any of its subsidiaries shall in any way modify the rights attached to any share or loan capital so as wholly or partly to convert or make convertible such share or loan capital into, or attach thereto any rights to acquire, Ordinary Shares, the Company shall appoint an approved merchant bank to consider whether any adjustment to the Conversion Price is appropriate (and if such approved merchant bank shall certify that any such adjustment is appropriate the Conversion Price shall be adjusted accordingly).
- (G) Whenever the Conversion Price is adjusted as herein provided, the Company shall give notice to the CP Shareholders that the Conversion Price has been adjusted (setting forth the event giving rise to the adjustment, the Conversion Price in effect prior to such adjustment, the adjusted Conversion Price and the effective date thereof) and shall at all times thereafter so long as any of the Conversion Rights remains exercisable make available for inspection at the principal place of business for the time being of the Company and the Registrar's Office prior to the Conversion Date a signed copy of the said

certificate of the auditors or (as the case may be) of the relevant approved merchant bank and a certificate signed by a Director of the Company setting out the brief particulars of the event giving rise to the adjustment, the Conversion Price in effect prior to such adjustment, the adjusted Conversion Price and this effective date thereof.

9. UNDERTAKINGS

So long as any Convertible Preference Share remains capable of being converted into Ordinary Shares:

- (i)** the Company will use its best endeavours (i) to maintain a listing for all the issued Ordinary Shares on the Hong Kong Stock Exchange, (ii) if and when the issued Convertible Preference Shares are listed on the Hong Kong Stock Exchange to maintain such listing for all the issued Convertible Preference Shares on the Hong Kong Stock Exchange and (iii) to obtain and maintain a listing on the Hong Kong Stock Exchange for all Conversion Shares issued on the exercise of the Conversion Rights;
- (ii)** the Company will send to each CP Shareholder, by way of information, one copy of every circular, notice or other document sent to any other shareholders in the Company in their capacity as shareholders, at the same time as it is sent to such other shareholders;
- (iii)** the Company shall procure that there shall be sufficient authorised but unissued share capital available for the purposes of satisfying the requirements of any Conversion Notice as may be given and the terms of any other securities for the time being in issue which are convertible into or have the right to subscribe for shares in the Company;
- (iv)** the Company shall not, without the consent of the CP Shareholders as a class (obtained in the manner provided in the Bye-laws) or unless otherwise permitted pursuant to these provisions:
 - (a)** modify, vary, alter or abrogate the rights attaching to the Ordinary Shares as a class, which (for the avoidance of doubt) shall not be deemed to be so modified, varied, altered or abrogated by the creation or issue of any shares or securities contemplated by these provisions; or
 - (b)** change the date to which its annual accounts are made up from 31 December, or

- (c) effect any repayment of the Convertible Preference Shares otherwise than as provided for in those provisions; or
- (d) issue any shares (other than Ordinary Shares) constituting Equity Share Capital of the Company;
- (v) except in such manner as may be permitted by the Bye-laws or the Statutes, the Company shall not reduce its share capital or any uncalled liability in respect thereof or any share premium account.

10. PURCHASE

Subject to the Statutes, the Company or any of its subsidiaries may at any time purchase any of the Convertible Preference Shares in the open market or by tender (available to all CP Shareholders alike) at any price. Any Convertible Preference Shares so purchased or otherwise acquired by the Company or any of its subsidiaries may not be resold and in case such Convertible Preference Shares are purchased or otherwise acquired by the Company, such Convertible Preference Shares are to be cancelled, provided that nothing in this paragraph shall prohibit transfers of Convertible Preference Shares from any subsidiary of the Company to any other subsidiary of the Company.

11. MEETINGS

- (A) Subject to paragraph 9(ii) in this Bye-law 6(C), the Convertible Preference Shares shall not confer on the holders thereof the right to receive notice of, or to attend and vote at, a general meeting of the Company, unless a resolution is to be proposed at a general meeting of the Company for winding up the Company or a resolution is to be proposed which if passed would (subject to any consents required for such purpose being obtained) vary or abrogate the rights or privileges of the CP Shareholders, in which event the Convertible Preference Shares shall confer on the holders thereof the right to receive notice of, and to attend and vote at, that general meeting, save that such holders may not vote upon any business dealt with at such general meeting except the election of a chairman, any motion for adjournment and the resolution for winding up or the resolution which if passed would (subject to any consents required for such purpose being obtained) so vary or abrogate the rights and privileges of the CP Shareholders.

- (B) If the CP Shareholders are entitled to vote on any resolution, then at the relevant general meeting or separate general meeting of the CP Shareholders, on a show of hands every CP Shareholder who is present in person or (being a corporation) by a duly authorized representative shall have one vote and on a poll every CP Shareholder who is present in person or by proxy or attorney or (being a corporation) by a duly authorized representative shall have one vote for each Conversion Share which would have been issued to him/it had he/it exercised the Conversion Right 48 hours preceding the date of such general meeting or separate general meeting of the CP Shareholders.

12. PAYMENTS

- (A) Unless any other manner of payment is agreed between the Company and any CP Shareholder, payment of any cash distributions and moneys due on conversion or redemption to such CP Shareholder shall be made by the Company posting a cheque in Hong Kong dollars (or in the case of payments which are to be made in another currency, such other currency) addressed to that CP Shareholder at his registered address appearing on the Register as at the relevant Record Date and at his risk.
- (B) Subject to paragraph 12(A) in this Bye-law 6 (C), where any property (including Conversion Shares and share certificates in respect of them) is to be allotted, transferred or delivered to any CP Shareholder the Company may make such arrangements with regard to such allotment, transfer or delivery as it may deem appropriate and in particular, without limitation, may appoint any person on behalf of that CP Shareholder to execute any transfers, renunciations or other document and may make arrangements for the delivery of any document or property to that CP Shareholder at his/its risk. All share certificates and other documents of title to which any person is entitled shall be posted to him/it by the Company addressed to him/it at his/its registered address appearing on the Register as at the relevant Record Date or, if none, the date of posting and at his/its risk.
- (C) All payments or distributions with respect to Convertible Preference Shares held jointly by two or more persons shall be paid or made to whichever of such persons is named first in the Register and the making of any payment or distribution in accordance with this sub-provision shall discharge the liability of the Company in respect thereof.

13. FRACTIONS

No fraction of an Ordinary Share arising on conversion shall be allotted to the holder of the Relevant Convertible Preference Share(s) otherwise entitled thereto but such fractions will, when practicable, be aggregated and sold and the net proceeds of sale will then be distributed pro rata among such holders unless in respect of any holding of Relevant Convertible Preference Shares the amount to be so distributed would be less than HK\$100, in which case such amount will not be so distributed but will be retained for the benefit of the Company. Unless otherwise agreed between the Company and a Converting Shareholder, if more than one Convertible Preference Share shall fall to be converted pursuant to any one Conversion Notice, the number of Ordinary Shares to be issued upon conversion shall be calculated on the basis of the aggregate Notional Values of the Relevant Convertible Preference Shares. For the purpose of implementing the provisions of this paragraph 13, the Company may appoint some person to execute transfers, renunciations or other documents on behalf of persons entitled to any such fraction and generally may make all arrangements which appear to it to be necessary or appropriate for the settlement and disposal of fractional entitlements.

14. TAXATION

(A) All payments of amounts equal to the Notional Value, nominal amounts and premium (if any) in respect of Convertible Preference Shares shall be made without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of Bermuda or Hong Kong or any authority therein or thereof (other than any withholding or deduction on account of any income tax, capital gains tax or other tax or duties of a similar nature) unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event, subject to the Company having sufficient profits available for distribution, the Company shall pay such additional amounts as may be necessary in order that the net amounts received by the CP Shareholders after such withholding or deduction shall equal the respective amounts of the Notional Value and premium (if any) which would have been receivable in respect of the Convertible Preference Shares in the absence of such withholding or deduction, except that no such additional amounts shall be payable with respect to any CP Shareholder:

- (i) who is liable to such taxes duties, assessments or governmental charges in respect of any Convertible Preference Share by reason of such holder having some connection with Bermuda or Hong Kong, as the case may be, other than by virtue of being a CP Shareholder, or
- (ii) receiving such payment in Bermuda or Hong Kong, as the case may be, and who would be able to avoid such withholding or deduction by satisfying any statutory requirements or by making a declaration or non-residence or other similar claim for exemption to the Bermuda or Hong Kong tax authority, as the case may be, but fails to do so.

15. RESTRICTED HOLDERS

No Conversion Rights may be exercised by any CP Shareholder who is a Restricted Holder (as hereinafter defined), and the exercise of any Conversion Rights by a CP Shareholder shall constitute a confirmation, representation and warranty by the Converting Shareholder to the Company that such Converting Shareholder is not a Restricted Holder and that all necessary governmental, regulatory or other consents or approvals and all formalities have been obtained and observed by such Converting Shareholder to enable him to exercise legally and validly the relevant Conversion Rights, to hold the Conversion Shares allotted and issued upon exercise of the Conversion Rights and the Company to legally and validly allot the Conversion Shares. For the purposes of this paragraph 15, a "Restricted Holder" means a CP Shareholder who is a resident or national of any jurisdiction other than Hong Kong under the laws and regulations of which an exercise of Conversion Rights by such CP Shareholder or the performance by the Company of the obligations expressed to be assumed by it under this Schedule or the allotment and issue and holding of the Conversion Shares cannot be carried out lawfully or cannot be carried out lawfully without the Company first having to take certain actions in such jurisdiction.

16. REPLACEMENT OF CERTIFICATES

If any Certificate is mutilated, defaced, destroyed, stolen or lost, it may be replaced at the Registrar's Office upon payment by the claimant of such costs as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Company may reasonably require and on payment of such fee not exceeding HK\$50 as the Company may determine. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

17. NOTICES

Except in the case of a Conversion Notice, a notice given pursuant to these provisions may be revoked with the consent in writing of the Company. Notices to CP Shareholders shall be given in accordance with the Bye-laws.

18. TRANSFERS AND CERTIFICATES

(A) The provisions of the Bye-laws relating to the transfer of shares and share certificates shall apply in relation to the Convertible Preference Shares, subject to these provisions.

(B) The Company shall maintain and keep a full and complete register at such location in Bermuda (but not in Hong Kong) as it shall from time to time determine of the Convertible Preference Shares and the CP Shareholders from time to time, such register shall contain details of conversion and/or cancellation and the destruction of any Convertible Preference Shares and the issue of any replacement Certificates issued in substitution for any mutilated, defaced, lost, stolen or destroyed Certificates and of sufficient identification details of all CP Shareholders from time to time.

19. PRESCRIPTION

Any CP Shareholder who has failed to claim distributions or other property or rights within six years of their having been made available to him will not thereafter be able to claim such distributions or other property or rights which shall be forfeited and reverted to the Company. The Company shall retain such distributions or other property or rights but shall not at any time be a trustee in respect of any such distributions or other property or rights nor accountable for any income or other benefits derived therefrom.

20. SEVERABILITY

If at any time one or more provisions hereof is or becomes invalid, illegal, unenforceable or incapable of performance in any respect under the laws of any Relevant Jurisdiction, the validity, legality, enforceability or performance in that jurisdiction of the remaining provisions hereof or the validity, legality, enforceability or performance under the laws of any other Relevant Jurisdiction of these or any other provisions hereof shall not thereby in any way be affected or impaired.

(end of Bye-law 6)

7. (A) If at any time the capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may subject to the provisions of the Act, be varied or abrogated with the consent in writing of the holders of 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 any such separate general meeting all the provisions of the Bye-Laws as to general meetings of the Company shall mutatis mutandis apply, but so that the necessary quorum (other than at an adjourned meeting) shall be two persons at least holding or representing by proxy or by a duly authorised corporate representative not less than one-third of the issued shares of the class, that every holder of shares of the class shall be entitled on a poll to one vote for every such share held by him, that any holder of shares of the class present in person or by proxy or by a duly authorised corporate representative may demand a poll and that at any adjourned meeting of such holders two holders present in person or by proxy or by a duly authorised corporate representative (whatever the number of shares held by them) shall be a quorum. (*Note 2*)
- (B) The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.
8. Except as otherwise expressly provided by the Bye-Laws or required by law or ordered by a court of competent jurisdiction, no person shall be recognised by the Company as holding any share upon any trust and the Company shall not be bound by or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share or (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.
9. (I) (A) Subject to the Statutes and, where applicable, the rules of any Designated Stock Exchange, the Company may, in accordance with an employees' share scheme provide, money on such terms as the Board thinks fit for the acquisition of fully paid shares in the Company or its holding company. For the purposes of this Bye-law, an employees' share scheme is a scheme for encouraging or facilitating the holding of shares or debentures in the Company by or for the benefit of the bona fide employees or former employees of the Company, the Company's subsidiary or holding company or subsidiary of the Company's holding company, or the wives, husbands, widows, widowers or children or step-children under the age of twenty-one of such employees or former employees.

- (B) Subject to the Statues and where applicable the rules of any Designated Stock Exchange, the Company may make loans to persons (other than directors) employed in good faith by the Company with a view to enabling those persons to acquire fully paid shares in the Company or its holding company to be held by them by way of beneficial ownership.
 - (C) The conditions by which the provision of money and the provision of loans referred to in paragraphs (A) and (B) of this bye-law are made may include a provision stating that when an employee ceases to be employed by the Company, the shares bought with such financial assistance shall or may be sold to the Company or such other company on such terms as the Board thinks fit.
- (II) Paragraph (I) of this bye-law shall be subject to the following provisions, unless the Statues otherwise require:-
 - (a) the Company may in accordance with any scheme for the time being in force and approved by the members in general meeting provide directly or indirectly money or other financial assistance for the purposes of or in connection with the purchase of, or subscription for, fully or partly paid shares in the Company or any holding company of the Company, being a purchase of or subscription for shares by a trustee of or to be held by or for the benefits of employees of the Company, any of its subsidiaries, any holding company of the Company or any subsidiary of any such holding company including any director holding a salaried employment or office with or in any such company and so that the residual beneficiary of any such trust may be or include a charitable object; and
 - (b) the Company may give financial assistance on such terms as the Directors think fit to directors and bona fide employees of the Company, any of its subsidiaries, any holding company of the Company and/or any subsidiary of any such holding company in order that they may buy shares (fully or partly paid) in the Company or any holding company of the Company and such terms may include a reference that, when a director ceases to be a director of, or an employee ceases to be employed by, the Company or such other company, shares bought with such financial assistance shall or may be sold to the Company or such other company on such terms as the Directors think fit.

10. Subject to the provisions of the Statutes and the Memorandum of Association and where applicable, subject further to compliance with the rules and regulations of the Designated Stock Exchange on which the shares of the Company are listed and any other relevant regulatory authority, the Directors may exercise the power of the Company to purchase or otherwise acquire its own shares and/or warrants upon such terms and subject to such conditions as the Directors may deem fit. Where the Directors exercise the power of the Company to purchase for redemption a redeemable share, purchases not made through the market or by tender shall be limited to a maximum price and if purchases are made by tender, the tenders shall be available to all members alike.

REGISTER OF MEMBERS AND SHARE CERTIFICATES

11. (A) Subject to the Act, the Directors shall cause to be kept at such place as they shall deem fit a register of the members and there shall be entered therein the particulars required under the Act.
- (B) The Company may establish and maintain a branch register of members in accordance with Bye-Law 159.
- (C) Except where the register is closed in accordance with the Act, the Principal Register and any branch register shall during business hours be open to the inspection of any member without charge.
- (D) The reference to business hours is subject to such reasonable restrictions as the Company in general meeting may impose, but so that not less than 2 hours in each day are to be allowed for inspection.
- (E) (i) Any member or other person may require a copy of the register or of any part thereof on payment of the fees prescribed in sub-paragraph (ii) below. The Company shall cause any copy so required by any person to be sent to that person within a period of 10 days commencing on the date next after the date on which the request in writing is received by the Company;
- (ii) The fees payable under sub-paragraph (i) above shall be as follows:
- | | | |
|-----|--|---------------------|
| (a) | for the first one hundred entries or part thereof copied | BD\$5 (or HK\$39) |
| (b) | for the next one thousand entries or part thereof copied | BD\$20 (or HK\$156) |
| (c) | for every subsequent one thousand entries or part thereof copied | BD\$20 (or HK\$156) |

12. (A) Every person whose name is entered as a member in the register shall be entitled without payment to receive within 2 months after allotment or lodgment of transfer (or within such other period as the conditions of issue shall provide) one certificate for all his shares or, if he shall so request, in a case where the allotment or transfer is of a number of shares in excess of the number for the time being forming a Designated Stock Exchange board lot, upon payment, in the case of a transfer, of such fee, if any, not exceeding the fee as for the time being approved by the Designated Stock Exchange, such number of certificates for shares in a Designated Stock Exchange board lots or multiples thereof as he shall request and one for the balance (if any) of the shares in question, provided that in respect of a share or shares held jointly by several persons the Company shall not be bound to issue a certificate or certificates to each such person and the issue and delivery of a certificate or certificates to one of several joint holders shall be sufficient delivery to all such holders. *(Note 2)*
- (B) Every certificate for shares or debentures or representing any other form of security of the Company shall be issued under the seal.
- (C) Every share certificate hereafter issued shall specify the number of shares in respect of which it is issued and may otherwise be in such form as the Directors may from time to time prescribe.
13. If a share certificate is defaced, worn out, lost or destroyed, it may be replaced on payment of such fee, if any, not exceeding the fee as for the time being approved by the Designated Stock Exchange and on such terms, if any, as to publication of notices, evidence and indemnity and to payment of any exceptional costs and the reasonable out-of-pocket expenses of the Company in investigating such evidence and preparing such indemnity as the Directors may think fit and, where it is defaced or worn out, after delivery of the defaced or worn out certificate to the Company. *(Note 2)*
14. If any share shall stand in the names of 2 or more persons, the person first named in the register shall be deemed the sole holder thereof as regards service of notices and, subject to the provisions of the Bye-Laws, all or any other matters connected with the Company, except the transfer of the share.

LIEN

15. The Company shall have a first and paramount lien on every share (not being a fully paid up share) for all moneys (whether presently payable or not) called or payable at a fixed time in respect of that share; and the Company shall also have a first and paramount lien and charge on all shares (other than fully paid up shares) standing registered in the name of a single member for all the debts and liabilities of such member or his estate to the Company and whether the same shall have been incurred before or after notice to the Company of any equitable or other interest of any person other than such member and whether the period for the payment or discharge of the same shall have actually arrived or not and notwithstanding that the same are joint debts or liabilities of such member or his estate and any other person, whether a member of the Company or not; but the Directors may at any time declare any share

to be for some specified period wholly or in part exempt from the provisions of this Bye-Law. The Company's lien, if any, on a share shall extend to all dividends, bonuses and distributions payable in respect thereof.

16. The Company may sell, in such manner as the Directors think fit, any shares on which the Company has a lien but no sale shall be made unless some sum in respect of which the lien exists is presently payable or the liability or engagement in respect of which such lien exists is liable to be presently fulfilled or discharged nor until the expiration of 14 days after a notice in writing, stating and demanding payment of such sum presently payable or specifying the liability or engagement and demanding fulfilment or discharge thereof and giving notice of intention to sell in default, shall have been given to the registered holder for the time being of the share, or the person entitled thereto by reason of the death, mental disorder or bankruptcy of the registered holder.
17. The net proceeds of such sale after the payment of the costs thereof shall be received by the Company and applied in or towards payment, fulfilment or discharge of debt or liability or engagement in respect whereof the lien exists, so far as the same is presently payable or due to be fulfilled or discharged, and any residue shall (subject to a like lien for debts or liabilities or engagements not presently payable or due to be fulfilled or discharged as existed upon the shares prior to the sale and upon surrender, if required by the Company, for cancellation of the certificate for the shares sold) be paid to the person who was the holder of such shares immediately before the sale of such shares. For giving affect to any such sale the Directors may authorise some person to transfer the shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the shares comprised in any such transfer 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 in reference to the sale.

CALLS ON SHARES

18. The Directors may from time to time make such calls as they may think fit upon the members in respect of all or any part of the moneys unpaid on the shares held by them respectively (whether on account of the nominal value of the shares and/or by way of premiums) and not by the conditions of issue or allotment thereof made payable at a date fixed by or in accordance with such terms of issue or allotment; and each member shall (subject to receiving at least 14 days' notice specifying the time and place of payment and to whom such call shall be paid) pay to the Company at the time and place and to the person so specified the amount called on his shares. A call shall be deemed to have been made when the resolution of the Directors authorising such call is passed and may be made payable in one sum or by instalments. A call may be revoked or postponed as the Directors may determine. A person upon whom a call is made shall remain liable on such call notwithstanding any subsequent transfer of the shares in respect of which the call was made.
19. A copy of the notice referred to in Bye-Law 18 shall be sent to the members in the manner in which notices may be sent to members by the Company as herein provided.

20. In addition to the giving of notice in accordance with Bye-Law 18, notice of the person appointed to receive payment of every call and of the time and place appointed for payment may be given to the members affected by notice to be published in the newspapers.
21. The joint holders of a share shall be jointly and severally liable to pay all calls and instalments due in respect of such share or other moneys due in respect thereof.
22. The Directors may from time to time at their discretion extend the time fixed for any call and may extend such time as regards all or any of the members whom, by reason of residence outside Hong Kong or other cause, the Directors may deem entitled to any such extension but no member shall be entitled to any such extension except as a matter of grace and favour.
23. 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 upon the sum at such rate not exceeding, without the sanction of the Company in general meeting, 20 per cent per annum as the Directors shall fix from the day appointed for the payment thereof to the time of the actual payment but the Directors shall be at liberty to waive payment of that interest wholly or in part.
24. No member shall be entitled to receive any dividend or bonus or to be present and vote (save as proxy for another member who is entitled) at any general meeting, either personally or by proxy or by a duly authorised corporate representative or be reckoned in a quorum or to exercise any other privilege as a member until all calls and instalments due from him to the Company, whether alone or jointly with any other person, together with interest and expenses (if any) shall have been paid. (*Note 2*)
25. 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 the Bye-Laws; and it shall not be necessary to prove the appointment of the Directors who made such call nor any other matters whatsoever and the proof of the matters aforesaid only shall be conclusive evidence of the existence of the debt.
26. Any sum (whether on account of the nominal value of the share and/or by way of premium) which by the terms of issue or allotment of a share becomes payable upon allotment or at any date fixed by or in accordance with such terms of issue or allotment shall for all the purposes of the Bye-Laws be deemed to be a call duly made, notified and payable on the date on which by the terms of issue or allotment the same becomes payable. In case of non-payment all the relevant provisions of the Bye-Laws as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

27. The Directors may make arrangements on the issue of shares for differences in the amount of calls to be paid and in the times of payment between one allottee or holder and another.
28. The Directors may, if they think 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 not yet payable upon any shares held by him; and upon all or any of the moneys so advanced may (until the same would, but for such advance, become presently payable) pay interest at such rate (not exceeding, without the sanction of the Company in general meeting, 6 per cent per annum) as may be agreed upon between the member paying the sum in advance and the Directors. The Directors may at any time repay the amount so advanced or any part thereof upon giving to such member not less than one month's notice in writing of their intention in that behalf, unless before the expiration of such notice the amount proposed to be repaid shall have been called up on the shares in respect of which it was advanced in which event the same shall be applied in or towards satisfaction of the call under the applicable provisions of the Bye-Laws.

FORFEITURE OF SHARES

29. If a member fails to pay in full any call or instalment of a call on the day appointed for the payment thereof, the Directors may at any time thereafter during such time as any part of the call or instalment remains unpaid, without prejudice to the provisions of Bye-Law 24, serve a notice on him requiring payment of so much of the call or instalment as is unpaid together with any interest which may have accrued and which may still accrue up to the date of actual payment.
30. The notice shall name a further day (not earlier than 14 days after the date of service of the notice) on or before which and the place where the payment required by the notice is to be made and shall state that in the event of non-payment at or before the time and at the place appointed the shares in respect of which the call was made will be liable to be forfeited.
31. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends and bonuses declared in respect of the forfeited shares but not paid before the forfeiture. The Directors may accept a surrender of any share liable to be forfeited hereunder and in such case, references in these presents to forfeiture shall include surrender.
32. Until cancelled in accordance with the requirements of the Act, any share so forfeited shall be deemed to be the property of the Company and may be sold, reallocated or otherwise disposed of either to the person who was, before the forfeiture, the holder thereof or entitled thereto or to any other person on such terms and in such manner as the Directors think fit and at any time before a sale or disposition thereof the forfeiture may be cancelled on such terms as the Directors think fit.

- 33.** A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares but shall, notwithstanding, remain liable to pay to the Company all calls already made and moneys which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares and without any deduction or allowance for the value of the shares at the date of forfeiture (together with interest thereon at such rate not exceeding 10 per cent per annum as the Directors may prescribe from the date of forfeiture if the Directors think fit to enforce payment of such interest) but his liability shall cease if and when the Company shall receive payment in full of all such calls, monies and interests 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 and/or by way of premium, shall, notwithstanding that such 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, if later, the date of actual payment.
- 34.** A statutory declaration in writing to the effect that the declarant is a Director or the secretary of the Company and that a share in the Company has been duly forfeited or surrendered on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. The Company may receive the consideration, if any, given for the share on any sale, reallocation or disposition thereof and may, subject to the restrictions contained in the Bye-Laws, execute a transfer of the share in favour of the person to whom the share is sold, reallocated or disposed of and he shall thereupon be registered as the holder of the share and shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, reallocation or disposal of the share.
- 35.** When any share shall have been forfeited, notice of the resolution 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.
- 36.** (A) Notwithstanding any such forfeiture as aforesaid, the Directors may at any time, before any shares so forfeited shall have been sold, reallocated or otherwise disposed of, permit the shares forfeited to be redeemed upon the terms of payment of all calls and interest due upon and expenses incurred in respect of the shares and upon such further terms (if any) as they think fit.
- (B) The forfeiture of a share shall not prejudice the right of the Company to any call already made or instalment payable thereon.
- (C) 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.

STOCK

37. To the extent permitted by Statutes, the Company may from time to time by ordinary resolution convert any paid up shares into stock and may from time to time by like resolution reconvert any stock into paid up shares of any denomination.
38. The holders of stock may transfer the same or any part thereof in the same manner and subject to the same regulations as and subject to which the shares from which the stock arose might prior to conversion have been transferred or as near thereto as circumstances admit provided that the Directors may from time to time if they think fit, fix the minimum amount of stock transferable and restrict or forbid the transfer of fractions of that minimum but so that such minimum shall not exceed the nominal amount of the shares from which the stock arose. No warrants to bearer shall be issued in respect of any stock.
39. The holders of stock shall, according to the amount of the stock held by them, have the same rights, privileges and advantages as regards dividends, participation in assets on a winding up, voting at meetings and other matters as if they held the shares from which the stock arose but no such privilege or advantage (except participation in the dividends and profits of the company) shall be conferred by an amount of stock which would not, if existing in shares, have conferred such privilege or advantage.
40. Such of the provisions of the Bye-Laws as are applicable to paid up shares shall apply to stock and the words "share" and "member" herein shall include "stock" and "stockholder".

TRANSFER OF SHARES

41. (A) All transfers of shares may be effected by transfer in writing in any usual or common form or in any other form acceptable to the Directors and may be under hand or by means of mechanically imprinted signatures. *(Note 2)*
- (B) The instrument of transfer shall be executed by or on behalf of both the transferor and the transferee provided that the Directors may dispense with the execution of the instrument of transfer by the transferee in any case which they think fit in their discretion to do so.
- (C) The transferor shall remain the holder of the shares concerned until the name of the transferee is entered in the register in respect thereof.

42. Nothing in the Bye-Laws shall preclude the Directors from recognising a renunciation of the allotment or provisional allotment of any share by the allottee in favour of some other person. The Directors in their sole and absolute discretion and without assigning any reason therefor may decline to register any transfer of shares which are not fully paid up to a person of whom they do not approve and they may also refuse to register any transfer of share (not being a fully paid up share) on which the Company has a lien. The Directors shall not register a transfer to a person who is known to them to be an infant or a person of unsound mind or under any other legal disability but the Directors shall not be bound to enquire into the age or soundness of mind or legal ability of any transferee.
43. Every instrument of transfer shall be left at the office or at such other place as the Directors may appoint for registration accompanied by the certificate of the shares to be transferred and such other evidence as the Directors may reasonably require to prove the title of the transferor or his right to transfer the shares. If the Directors refuse to register a transfer they shall within 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. All instruments of transfer which are registered shall be retained by the Company but any instrument of transfer which the Directors may decline to register shall (except in the case of fraud) be returned to the person depositing the same together with the share certificate and such other evidence as aforesaid within 2 months after the date on which the transfer was lodged with the Company.
44. The Directors may also decline to recognise any instrument of transfer unless:
- (i) such fee, if any, not exceeding the fee as for the time being approved by the Designated Stock Exchange is paid to the Company for registering any transfer or other document relating to or affecting the title to the shares involved or for otherwise making an entry in the register relating to such shares; (*Note 2*)
 - (ii) the instrument of transfer is in respect of only one class of shares;
 - (iii) if applicable, the instrument of transfer is properly stamped; and
 - (iv) in the case of a transfer to joint holders, the number of joint holders to whom the share is to be transferred does not exceed 4.
45. Upon every transfer of shares the certificate relating to the shares to be transferred held by the transferor shall be given up to be cancelled and shall forthwith be cancelled accordingly and a new certificate shall be issued without charge to the transferee in respect of the shares transferred to him and if any of the shares included in the certificate so given up shall be retained by the transferor a new certificate in respect thereof shall be issued to him without charge.

46. The registration of transfers, may on giving 14 days' notice and published in the newspapers, be suspended and the register closed at such times and for such periods as the Directors may from time to time determine provided always that such registration shall not be suspended or the register closed for more than 30 days in any year.

UNTRACED SHAREHOLDERS

47. (A) Without prejudice to the rights of the Company under paragraph (B) of this Bye-Law, the Company may cease sending dividend warrants by post if such warrants have been left uncashed on 2 consecutive occasions, provided however that the Company may exercise the power to cease sending dividend warrants by post after the first occasion on which such a warrant is returned undelivered.
- (B) The Company shall have the power to sell, in such manner as the Directors think fit, any shares of a member who is untraceable, but no such sale shall be made unless:
- (i) all cheques or warrants, being not less than 3 in total number, for any sum payable in cash to the holder of such shares in respect of them sent in the manner authorised by the Bye-Laws of the Company have remained uncashed for a period of 12 years;
 - (ii) the Company has not at any time during the 12 year period received any indication of the existence of the member or of any person who is entitled to such shares; and
 - (iii) upon expiry of the 12 year period, the Company has caused an advertisement to be published in the newspapers giving notice of its intention to sell such shares and a period of 3 months has elapsed since the date of such advertisement and the Company has notified the Designated Stock Exchange of such intention.

To give effect to any such sale the Directors may authorise any 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 moneys 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 shall 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 moneys 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.

TRANSMISSION OF SHARES

- 48.** In the case of the death of a member, the survivor or survivors where the deceased was a joint holder and the legal personal representatives of the deceased where he was a sole holder shall be the only persons recognised by the Company as having any title to his interest in the share; but nothing herein contained shall release the estate of the deceased (whether sole or joint holder) from any liability in respect of any share which had been held by him jointly with other persons or solely.
- 49.** Any person to whom the right to any share has been transmitted by death, bankruptcy or operation of law may, upon such evidence being produced as may from time to time properly be required by the Directors and subject as hereinafter provided, elect either to be registered himself as holder of the shares, whether in whole or part, or to have some person nominated by him registered as the transferee thereof, whether in whole or part, but the Directors shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the shares by the original member before the event giving rise to the transmission. The merger of any 2 or more corporations under the laws of one or more foreign countries or states shall constitute a transmission by operation of law for the purposes of this Bye-Law.
- 50.** If the person so becoming entitled shall elect to be registered himself, whether in whole or part in respect of the shares involved, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If he shall elect to have another person registered in respect of the shares the right to which has been so transmitted, he shall testify his election by executing in favour of that person a transfer of the relevant shares. All the limitations, restrictions and provisions of the Bye-Laws relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the transmission had not occurred and the notice or transfer were a transfer signed by the original registered holder.
- 51.** Any person to whom the right to any share has been transmitted by operation of law 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. Provided always that the Directors may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within 90 days the Directors may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share until the requirements of the notice have been complied with but, subject to the requirements of Bye-Law 75 being met, such person may vote at meetings of the Company.

ALTERATION OF CAPITAL

- 52.** The Company in general meeting may, from time to time, whether or not all the shares for the time being authorised shall have been issued and whether or not all the shares for the time being issued shall have been fully paid up, by ordinary resolution increase its share capital by the creation of new shares, such new capital to be of such amount and to be divided into shares of such respective amounts as the resolution shall prescribe.

53. Except so far as otherwise provided by the conditions of issue or by the Bye-Laws, any new shares issued as a consequence of an alteration of capital shall be subject to the same provisions with reference to the payments of calls and instalments, liens, transfer, transmission, forfeiture, cancellation, surrender, voting and otherwise as the shares in the original capital.
54. The Company may from time to time by ordinary resolution:
- (i) consolidate and divide all or any of its capital into shares of larger amount than its existing shares; on any consolidation of fully paid shares into shares of larger amount, the Directors may settle any difficulty which may arise as they think expedient and in particular (but without prejudice to the generality of the foregoing) may as between the holders of the shares to be consolidated determine which particular shares are to be consolidated into each consolidated share and if it shall happen that any person shall become entitled to fractions of a consolidated share or shares, such fractions may be sold by some person appointed by the Directors for that purpose and the person so appointed may transfer the shares so sold to the purchaser thereof and the validity of such transfer shall not be questioned and so that the net proceeds of such sale (after deduction of the expenses of such sale) may either be distributed among the persons who would otherwise be entitled to a fraction or fractions of a consolidated share or shares rateably in accordance with their rights and interests or may be paid to the Company for the Company's benefit;
 - (ii) 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 included 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"; (*Note 3*)
 - (iii) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the Memorandum of Association subject, nevertheless, to the provisions of the Act; and so that the resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may have any such preferred or other special rights over or may have such deferred rights or be subject to any such restrictions as compared with the others as the Company has power to attach to unissued or new shares; (*Note 3*)
 - (iv) 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; and (*Note 3*)

(v) change the currency denomination of its share capital. *(Note 3)*

55. The Company may by special resolution reduce its capital, any capital redemption reserve fund or any share premium account or other undistributable reserve in any manner prescribed by the Act.

GENERAL MEETINGS

56. The Company shall in each year hold a general meeting as its annual general meeting in addition to any other meetings in that year and shall specify the meeting as such in the notices calling it and not more than 15 months shall elapse between the date of one annual general meeting of the Company and that of the next. The annual general meeting shall be held at such time and place as the directors shall appoint. All general meetings other than annual general meetings shall be called special general meetings.

57. The Directors may, whenever they think fit, convene a special general meeting. A special general meeting shall also be convened on the written requisition of any 2 or more members holding at the date of the deposit of the requisition aggregate not less than one-tenth of such of the paid up capital of the Company as at the date of the deposit carries the right of voting at general meetings of the Company. Such requisition must state the objects of the meeting and must be signed by the requisitionists and deposited at the office. If the Directors do not within 21 days from the date of the deposit of such requisition proceed duly to convene a special general meeting, the requisitionists themselves or any of them representing more than one half of the total voting rights of all of them may convene the special general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Directors, and all reasonable expenses incurred by the requisitionists as a result of the failure of the Directors to convene such a meeting shall be reimbursed to them by the Company.

NOTICE OF GENERAL MEETINGS

58. An annual general meeting shall be called by notice of not less than twenty-one (21) clear days and not less than twenty (20) clear business days and any special general meeting at which the passing of a special resolution is to be considered shall be called by notice of not less than twenty-one (21) clear days and not less than ten (10) clear business days. All other special general meetings may be called by notice of not less than fourteen (14) clear days and not less than ten (10) clear business days but if permitted by the rules of the Designed Stock Exchange. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the place, the day and the hour of meeting and, in case of special business, the general nature of that business. *(Note 6)*

59. Subject to the foregoing Bye-Law, the notice of every general meeting shall be given in manner hereinafter mentioned or in such other manner, if any, as may be prescribed by the Company in general meeting to such persons as are under the Bye-laws entitled to receive such notices from the Company Provided that subject to the provisions of the Act a meeting of the Company shall, notwithstanding that it is called by shorter notice than that specified in this Article, be deemed to have been duly called if it is so agreed:
- (i) in the case of a meeting called as the annual general meeting, by all the members entitled to attend and vote thereat; and
 - (ii) in the case of any other meeting, by a majority in number of the members having a right to attend and vote at the meeting, being a majority together holding not less than 95 per cent in nominal value of the shares giving that right.
60. The accidental omission to give notice of a meeting to or the non-receipt of notice of a meeting by any person entitled to receive notice shall not invalidate any resolution passed or any proceedings at any meeting.
61. In cases where instruments of proxy are or are to be sent out with notices, the accidental omission to send such instruments of proxy to or the non-receipt of such instruments of proxy by any person entitled to receive notice shall not invalidate any resolution passed or any proceedings at any such meeting.

PROCEEDINGS AT GENERAL MEETINGS

62. All business shall be deemed special that is transacted at a special general meeting and at an annual general meeting, with the exception of the declaration and sanctioning of a dividend, making a call in accordance with the provisions of the Bye-Laws, the reading, consideration and adoption of the accounts, balance sheet and the reports of the Directors and other documents required to be annexed to the balance sheet, the election of Directors in the place of those retiring at the meeting whether by rotation or otherwise, the appointment of the auditors (where special notice of the intention for such appointment is not required by the Act) and the fixing, or the determination of the method of fixing, of the remuneration of the Directors and of the auditors.
63. For all purposes the quorum for a general meeting shall be 2 members entitled to vote present in person or by separate proxy or by a duly authorised corporate representative. No business shall be transacted at any general meeting unless the requisite quorum shall be present at the commencement of the business provided that the absence of a quorum shall not preclude the appointment, choice or election of a chairman which shall not be treated as part of the business of the meeting. *(Note 2)*

64. If within 15 minutes from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of members, shall be dissolved; in any other case it shall stand adjourned to the same day in the next week and at such time and place as shall be decided by the Directors.
65. Each Director shall be entitled to attend and speak at any general meeting of the Company and at any separate meeting of the holders of any class of shares in the Company.
66. The president of the Company if there be one or the chairman or, in his absence, the deputy chairman, if any, shall preside as chairman at every general meeting of the Company.
67. If there is no such president, chairman or deputy chairman, as the case may be, or if at any meeting none of such persons is present within 15 minutes after the time appointed for holding the meeting or is willing to act as chairman, the Directors present shall choose one of their number as chairman and if only one Director shall be present he shall, if willing to act, preside as chairman. If no Director shall be present or if all the Directors present decline to take the chair or if the chairman chosen shall retire from the chair, then the members present shall choose one of their own number to be the chairman.
68. The chairman may, with the consent of any meeting at which a quorum is present and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place as the meeting shall determine, but no business shall be transacted at any adjourned meeting other than the business which might lawfully have been transacted at the meeting from which the adjournment took place. When a meeting is adjourned for 14 days or more, at least 7 clear days' written notice specifying the place, the day and the hour of the adjourned meeting shall be given as in the case of an original meeting but it shall not be necessary to specify in such notice the nature of the business to be transacted at the adjourned meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
69. A resolution put to the vote of a general meeting shall be decided by way of a poll.
(Notes 2, 5 and 6)
70. 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 rules of the Designed Stock Exchange. *(Note 6)*
71. All questions submitted to a meeting shall be decided by a simple majority of votes except where a greater majority is required by the Bye-laws or by the Statutes. In the event of an equality of votes the chairman of the meeting shall be entitled to a second or casting vote. *(Notes 5 and 6)*
72. intentionally deleted. *(Note 6)*
73. intentionally deleted. *(Note 6)*

VOTES OF MEMBERS

- 74(A).** Subject to any rights or restrictions for the time being attached to any class or classes of shares, at any general meeting on a poll every member present in person or by proxy or by authorised corporate representative shall have one vote of each share of which he is the holder and which is fully paid up or credited as fully paid up (but so that no amount paid up or credited as paid up on a share in advance of calls or instalments shall be treated for the purpose of this Bye-law as paid up on the share). A person entitled to cast more than one vote upon a poll need not use all his votes or cast all the votes he uses in the same way. (*Notes 2, 3, 5 and 6*)
- 74(B).** Where any member is, under the rules of the Designed Stock Exchange, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such member in contravention of such requirement or restriction shall not be counted. (*Note 3*)
- 75.** Any person entitled under Bye-Law 49 to be registered as a shareholder may vote at any general meeting in respect thereof in the same manner as if he were the registered holder of such shares provided that at least 48 hours before the time of the holding of the meeting or adjourned meeting (as the case may be) at which he proposes to vote, he shall satisfy the Directors of his right to be registered as the holder of such shares or the Directors shall have previously admitted his right to vote at such meeting in respect thereof.
- 76.** In the case of joint holders the vote of the senior who tenders a vote, whether in person or by proxy or by a duly authorised corporate representative, 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. 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. (*Note 2*)
- 77.** A member of unsound mind or in respect of whom an order has been made by any court having jurisdiction in lunacy may vote by his committee, receiver, curator bonis or other person in the nature of a committee, receiver or curator bonis appointed by that court and any such committee, receiver, curator bonis or other person may vote by proxy. (*Note 6*)
- 78.** If (a) any objection shall be raised to the qualification of any voter or (b) any votes have been counted which ought not to have been counted or which might have been rejected or (c) any votes are not counted which ought to have been counted, the objection or error shall not vitiate the decision of the meeting or adjourned meeting on any resolution unless the same is raised or pointed out at the meeting or, as the case may be, the adjourned meeting at which the vote objected to is given or tendered or at which the error occurs. Any objection or error shall be referred to the chairman of the meeting and shall only vitiate the decision of the meeting on any resolution if the chairman decides that the same may have affected the decision of the meeting. The decision of the chairman on such matters shall be final and conclusive.

- 79.** Any member, whether an individual or a corporation, entitled to attend and vote at a meeting of the Company or a meeting of the holders of any class of shares in the Company shall be entitled to appoint another person as his proxy to attend and vote instead of him. Votes may be given either personally or by proxy or by a duly authorized corporate representative. A member who is the holder of two or more shares may appoint more than one proxy to attend and vote on the same occasion provided that, if more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed. A proxy need not be a member. In addition, a proxy or proxies representing either an individual member 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. *(Notes 2 and 6)*
- 80.** The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorized in writing or, if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised.
- 81.** The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the office or at the place or one of such places (if any) as may be specified for that purpose in or by way of note to the notice convening the meeting or in any notice of any adjourned meeting or, in either case, in any document sent therewith or in the instrument of proxy issued by the Company not less than 48 hours before the time for holding the meeting or adjourned meeting or poll (as the case may be) at which the person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid. Delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the meeting or poll concerned.
- 82.** No instrument appointing a proxy shall be valid after the expiration of 12 months from the date of its execution unless it states that it is valid for all meetings whatsoever until revoked with the exception that any instrument may be used at any adjournment of the meeting for which it was originally intended provided that in all these cases the meeting was originally held within 12 months from such date. *(Note 6)*
- 83.** The instrument appointing a proxy to vote at a general meeting shall be deemed to confer authority to vote on any amendment of a resolution put to the meeting for which it is given as the proxy thinks fit. *(Note 6)*
- 84.** 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 the revocation of the proxy or power of attorney or other authority under which the proxy was executed or transfer of the share in respect of which the proxy is given provided that no intimation in writing of the death, insanity, revocation or transfer has been received at the office or such other place as was specified for the deposit of instrument of proxy or by the chairman of the meeting at least 2 hours before the commencement of the meeting or adjourned meeting at which the instrument of proxy is used.

- 85.** An instrument appointing a proxy whether for a specified meeting or otherwise may be in any usual or common form or in any other form which the Directors may approve provided that no provision contained herein shall prohibit, and the Directors shall not prohibit, the use of a two-way proxy form and the Directors may, if they think fit, send out with the notice of any meeting forms of instruments of proxy for use at the meeting.
- 86.** Any corporation which is a member of the Company may, by resolution of its directors or other governing body or by power of attorney, authorize such person as it thinks fit to act as its corporate representative at any meeting of the Company or of any class of members of the Company and the person so authorized shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member of the Company. References in these Bye-laws to a member present in person at a meeting shall, unless the context otherwise requires, include a corporation which is a member represented at the meeting by such duly authorized corporate representative or by one or more proxies. Nothing contained in this Bye-law shall prevent a corporation which is a member of the Company from appointing one or more proxies to represent its pursuant to Bye-law 79. *(Note 2)*
- 86A.** Where a member is a Clearing House (or its nominee), it may appoint such person or persons as it thinks fit to act as its proxy or proxies or as its corporate representative or representatives, in so far as the Act allows, at any meeting of the Company or at any meeting of any class of members provided that, if more than one proxy or corporate representative is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy or corporate representative is so appointed. A person so appointed under the provisions of this Bye-law shall be entitled to exercise the same powers on behalf of the Clearing House (or its nominee) which he represents as that Clearing House (or its nominee) could exercise as if it were an individual member notwithstanding the provisions of Bye-law 74. *(Notes 2 and 6)*

OFFICE

- 87.** The office shall be at such place in Bermuda as the Directors shall from time to time appoint.

DIRECTORS

- 88.** Subject to the provisions of the Bye-Laws and the Act, the Company may by ordinary resolution elect any person to be a Director either to fill a casual vacancy or as an addition to the existing Directors.
- 89.** No person other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for election as a Director at any general meeting unless a Notice signed by a Member (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also a Notice signed by the person to be proposed of his willingness to be elected shall have been lodged at the head office or at the Registration Office provided that the minimum length of the period, during which such Notice(s) are given, shall be at least seven (7) days and that the

period for lodgment of such Notice(s) shall commence no earlier than the day after the dispatch 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. *(Note 3)*

- 90.** The Company may at a special general meeting called for that purpose, by ordinary resolution remove any Director before the expiration of his period of office (notwithstanding anything in the Bye-Laws or in any agreement between the Company and such Director but without prejudice to any claim which such Director may have against the Company for damages under any such agreement) and may by ordinary resolution elect another person in his stead 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 14 days before the meeting and at such meeting, such director shall be entitled to be heard on the motion for his removal. Any person so elected shall hold office for such time only as the Director in whose place he is elected would have held the same if he had not been removed. *(Note 5)*
- 91.** Without prejudice to the power of the Company in pursuance of the provisions of the Bye-laws of the Company to appoint any person to be a Director and subject to the provisions of the Act, the Directors may appoint any person to be a Director as an additional Director or to fill a casual vacancy but so that the maximum number of Directors so appointed shall not exceed the number determined from time to time by the members in general meeting. Any person so appointed shall hold office only until the next following general meeting (in the case of filling a casual vacancy) or until the next following annual general meeting (in the case of an additional Director), and shall then be eligible for re-election at the meeting but shall not be taken into account in detaining the Directors or number of Directors who are to retire by rotation at any general meeting. *(Note 5)*
- 92.** A Director shall not be required to hold any qualification shares and a Director or alternate Director (as the case may be) who is not a member shall be entitled to receive notice of and to attend and speak at any general meeting of the Company and of all classes of shares of the Company.
- 93.** (A) The Directors shall be entitled to receive by way of remuneration for their services such sum as shall from time to time be determined by the Company in general meeting, such sum (unless otherwise directed by the resolution by which it is voted) to be divided amongst the Directors in such proportions and in such manner as the Directors may agree or, failing such agreement, equally, except that in such event any Director holding office for less than the whole of the relevant period in respect of which the remuneration is paid shall only rank in such division in proportion to the time during such period for which he has held office.
- (B) The Directors shall obtain the approval of the Company in general meeting before making any payment to any Director or past Director by way of compensation for loss of office or as consideration for or in connection with his retirement from office (not being a payment to which the Director is contractually entitled).

- 94.** Any Director who, by request of the Directors or the Company, goes or resides outside the jurisdiction in which he normally resides for any purpose of the Company or holds any executive office or who serves on any committee or who otherwise performs services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director may be paid such extra remuneration by way of salary, commission, participation in profits or otherwise as the Directors may determine.
- 95.** The Directors shall also be entitled to be repaid all travelling, hotel and other expenses reasonably incurred by them respectively in or about the performance of their duties as Directors including their expenses of travelling to and from board meetings, committee meetings or general meetings or otherwise incurred whilst engaged on, in or about the business of the Company.
- 96.** The Directors may establish and maintain or procure the establishment and maintenance of any contributory or non-contributory pension or superannuation funds or death or disability benefits for the benefit of, or give or procure the giving of donations, gratuities, pensions, allowances or emoluments to, any persons who are or were at any time in the employment or service of the Company or of any company which is a subsidiary of the Company or is allied or associated with the Company or with any such subsidiary company or who are or were at any time Directors or officers of the Company or any such other company as aforesaid and holding or who have held any salaried employment or office in the Company or such other company and the wives, widows, families and dependants of any such persons. The Directors may also establish and subsidise or subscribe to any institutions, associations, clubs or funds calculated to be for the benefit of or to advance the interests and well-being of the Company or of any such other company as aforesaid or of any such persons as aforesaid and may make payments for or towards the insurance of any such persons as aforesaid and subscribe or guarantee money for charitable or benevolent objects or for any exhibition or for any public, general or useful object. The Directors may do all or any of the matters aforesaid, either alone or in conjunction with any such other company as aforesaid. Any Director holding any such employment or office shall be entitled to participate in and retain for his own benefit any such donation, gratuity, pension, allowance or emolument.
- 97.** Without prejudice to the provisions for retirement by rotation herein contained, the office of a Director shall be vacated if the Director:
- (i) becomes bankrupt or has a receiving order made against him or suspends payment or makes any arrangement or composition with his creditors generally;
 - (ii) becomes a lunatic or of unsound mind or a patient for any purpose of any statute relating to mental health and the Directors resolve that his office be vacated;
 - (iii) (not being a Director appointed to an office in the management or business of the Company under Bye-Law 108 whose contract precludes resignation) resigns his office by notice in writing to the Company;

- (iv) is convicted of an indictable offence;
- (v) has his office vacated or becomes prohibited from being a Director under any of the provisions of the Act or any order made under the Act;
- (vi) absents himself from the meetings of the Directors during a continuous period of 6 months, without special leave of absence from the Directors and his alternate Director (if any) shall not during such period have attended in his stead and the Directors pass a resolution that his office be vacated by reason of such absence;
- (vii) shall be removed from office by a ordinary resolution of the Company under Bye-Law 90; or *(Note 5)*
- (viii) becomes prohibited from being a director by any provisions of the Statutes.

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

RETIREMENT BY ROTATION AND RE-ELECTION OF DIRECTORS *(Note 5)*

- 99.** (A) The Directors shall be elected or appointed in the first place at the statutory meeting of members and thereafter in accordance with Bye-Law 99(B) herein unless the Statutes otherwise require in which case at each annual general meeting and shall hold office until the next appointment of Directors or until their successors are elected or appointed.
- (B) Notwithstanding any other provisions in the Bye-laws, at each annual general meeting one-third of the Directors for the time being, or if the number is not three or a multiple of three, then the number nearest to but not less than one-third shall retire from office by rotation provided that every Director shall be subject to retirement at least once every three years or within such other period as the rules of the designed Stock Exchange may from time to time prescribe. A retiring Director shall be eligible for re-election at the annual general meeting at which the retiring Director retires. A Director retiring at a meeting shall retain office until the close of the meeting. *(Note 5)*
- 100.** The Company at any general meeting at which any Directors retire in manner aforesaid may fill the vacated office by electing a like number of persons to be Directors.

- 101.** If at any general meeting at which an election of Directors ought to take place, the places of the retiring Directors are not filled, the retiring Directors or such of them as have not had their places filled shall if willing, continue in office until the next annual general meeting and so on from year to year until their places are filled, unless:
- (i) it shall be determined at such meeting to reduce the number of Directors;
 - (ii) it is expressly resolved at such meeting not to fill up such vacated offices; or
 - (iii) in any such case the resolution for re-election of a Director is put to the meeting and lost.
- 102.** The Company may from time to time in general meeting by ordinary resolution fix, increase or reduce the maximum and minimum number of Directors but so that the number of Directors shall never be less than 2.
- 103.** The Company shall keep at its office a register of its Directors and officers.

POWERS AND DUTIES OF DIRECTORS

- 104.** (A) The business of the Company shall be managed by the Directors who, without limiting the generality of the foregoing, may pay all expenses incurred in setting up and registering the Company and may exercise all such powers of the Company as are not required, by the Statutes or Bye-Laws, to be exercised by the Company in general meeting subject, nevertheless, to such regulations as may be prescribed by the Company in general meeting being not inconsistent with any of the provisions of the Statutes or Bye-Laws; but no regulation made by the Company in general meeting shall invalidate any prior act of the Directors which would have been valid if that regulation 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 Directors by any other Bye-Law.
- (B) Without prejudice to the general powers conferred by the Bye-Laws, it is hereby expressly declared that the Directors shall have the following powers:
- (i) 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; and
 - (ii) 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.

- 105.** The Directors may from time to time and at any time by power of attorney or otherwise appoint any company, firm or person or any fluctuating body of persons, whether nominated directly or indirectly by the Directors, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under the Bye-Laws) and for such period and subject to such conditions as they may think fit and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Directors may think fit and may also authorise such attorney to sub-delegate all or any of the powers, authorities and discretions vested in him.
- 106.** The Directors may establish any local committees, boards or agencies for managing any of the affairs of the Company, either in Bermuda, Hong Kong or elsewhere, and may appoint any persons to be members of such committees, boards or agencies and may appoint any manager or agents (and in particular, but without limitation, may appoint any company, firm or person to be the Company's investment manager) and may in each case fix their remuneration and may delegate to any local committee, board or agency any of the powers, authorities and discretions vested in the Directors (other than their powers to make calls and forfeit shares) with power to sub-delegate and may authorise the members of any local committee, board or agency or any of them to fill any vacancies therein and to act notwithstanding vacancies and any such appointment or delegation may be upon such terms and subject to such conditions as the Directors may think fit and the Directors may remove any person so appointed and may annul or vary any such delegation but no person dealing in good faith and without notice of any such annulment or variation shall be affected thereby.
- 107.** The Directors shall as soon as possible after the statutory meeting and, subject to the Statutes, after each annual general meeting elect one of their number to be Chairman of the company and another of their number to be Vice-Chairman. In addition, the Directors may from time to time appoint one or more of their body to the office of Managing Director, Joint Managing Director, Deputy Managing Director or other Executive Director, General Manager, Joint General Manager and/or such other office in the management or business of the Company on such terms and for such period as they may determine and, without prejudice to the terms of any contract entered into in any particular case, may at any time revoke any such appointment.
- 108.** A Director appointed to an office under Bye-Law 107 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.
- 109.** The Directors may from time to time entrust to and confer upon a Managing Director, Joint Managing Director, Deputy Managing Director, Executive Director, General Manager or Joint General Manager or a Director appointed to any other office in the management or business of the Company any of the powers exercisable by them as Directors upon such terms and conditions and with such restrictions as they think fit and either collaterally with or to the exclusion of their own powers and may from time to time revoke, withdraw, alter or vary all or any of such powers but no person dealing in good faith and without notice of such revocation, withdrawal, alteration or variation shall be affected thereby.

- 110.** Notwithstanding Bye-Laws 93, 94, 95 and 96, the remuneration of a Managing Director, Joint Managing Director, Deputy Managing Director or other Executive Director or a Director appointed to any other office in the management of the business of the Company shall from time to time be fixed by the Directors and may be by way of salary, commission, participation in profits or otherwise or by all or any of those modes and with such other benefits (including pension and/or gratuity and/or other benefits on retirement) and allowances as the Directors may from time to time decide. Such remuneration shall be in addition to his remuneration as a Director.
- 111.** The Directors shall cause minutes to be duly entered in books provided for the purpose:-
- (i) of all appointments of officers made by the Directors;
 - (ii) of the names of the Directors present at each meeting of the Directors and of any committee of Directors;
 - (iii) of all declarations made or notices given by any Director (either generally or specially) of his interest in any contract or proposed contract or of his holding of any office or property whereby any conflict of duty or interest may arise; and
 - (iv) of all resolutions and proceedings of general meetings of the Company and of meetings of the Directors and any committee of Directors;

and any such minutes of any general meeting of the Company or any meeting of the Directors or of any committee of Directors shall be signed by the chairman of such meeting or by the chairman of the next succeeding meeting and if so signed shall be receivable as conclusive evidence of the matters stated therein.

DIRECTORS' INTERESTS

- 112.** (A) Subject to the provisions of the Act, a Director may be or become a director or other officer of, or otherwise interested in, any company promoted by the Company or in which the Company may be interested as vendor, shareholder or otherwise and, subject to the Act, no such Director shall be accountable to the Company for any remuneration or benefits received by him as a director or officer of, or from his interest in, such other company unless the Company otherwise directs. *(Note 3)*
- (B) A Director may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of Director for such period and on such terms as to remuneration (whether by way of salary, commission, participation in profits or otherwise) as the Directors may determine and no Director or intending Director shall be disqualified by his office from contracting with the Company either with regard to his tenure of any such office or place of profit or as vendor, purchaser or otherwise nor shall any such contract or any contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested (whether or not such contract or arrangement is with any person, company or

partnership of or in which any Director shall be a member) be liable to be avoided on that account nor shall any Director so contracting or being so interested be liable to account to the Company for any profit 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 forthwith disclose the nature of his interest in any contract or arrangement in which he is interested at the earliest meeting of the Directors at which it is practicable for him to do so notwithstanding that the question of entering into such contract or arrangement is not taken into consideration at that meeting as required by and subject to the provisions of the Act and the Bye-Laws. A Director shall not vote or be counted in the quorum in respect of any resolution concerning his own appointment as the holder of any office or place of profit with the Company (including the arrangement or variation of the terms thereof or the termination thereof).

- (C) A general notice to the Directors by a Director that he is to be regarded as interested in any contract or arrangement which may be made with a specified person, firm or corporation after the date of such notice shall be a sufficient declaration of interest in relation to any contract or arrangement so made, provided that no such notice shall be of effect unless either it is given at a meeting of the Directors or the Director takes reasonable steps to ensure that it is brought up and read at the next meeting of the Directors after it is given.
- (D) Any Director may act by himself or his firm in a professional capacity for the Company and he or his firm shall be entitled to remuneration for professional services as if he were not a Director; provided that a Director or his firm shall not act as auditors to the Company.
- (E) (i) 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 associates is materially interested, and if he shall do so his vote shall not be counted (nor is he to be counted in the quorum for the resolution) but this prohibition shall not apply to any of the following matters namely (*Note 3*):-
 - (a) any contract or arrangement for the giving by the Company or any of its subsidiaries of any security or indemnity to the Director or his associate(s) in respect of money lent by him or any of his associate(s) or obligations incurred or undertaken by him or any of them at the request of or for the benefit of the Company or any of its subsidiaries;
 - (b) any contract or arrangement for the giving by the Company or any of its subsidiaries 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 associate(s) has himself/themselves assumed responsibility in whole or in part whether alone or jointly under a guarantee or indemnity or by the giving of security;

- (c) any contract or arrangement by a Director of his associate(s) to subscribe for shares of debentures or other securities of the Company or any of its subsidiaries to be issued pursuant to any offer or invitation to the members or debenture holders or to the public which does not provide the Director or his associate(s) any privilege not accorded to any other members or debenture holders or to the public;
- (d) any 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 associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;
- (e) 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 or any of its subsidiaries by virtue only of his/their interest in shares or debentures or other securities of the Company or any of its subsidiaries;
- (f) any contract, arrangement or proposal concerning any other company in which a 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 or his associate(s) is/are beneficially interested in shares of that company, provided that the Director, and any of his associates are not in aggregate beneficially interested in 5% or more of the issued shares or of the voting rights of any class of shares of such company (or of any third company through which his interest or that of any of his associate(s) is derived); or
- (g) any proposal or arrangement for the benefit of employees of the Company or its subsidiaries or its associated companies including the adoption, modification or operation of a pension fund or retirement, death or disability benefit scheme which relates both to directors, his associates and employees of the Company or of any of its subsidiaries or its associated companies and does not give the Director, or his associate(s), as such any privilege or advantage not generally accorded to the employees to whom such scheme or fund relates; or
- (h) any proposal concerning the adoption, modification or operation of any share scheme or any share incentive or share option scheme involving the issue or grant of options over shares or other securities by the Company to, or for the benefit of the employees of the Company or its subsidiaries or its associated companies under which the Director or his associate(s) may benefit.

- (ii) A company shall be deemed to be a company in which a Director and/or his associate(s) has an interest of 5% or more if and so long as (but only if and so long as) he and /or his associate(s) (either directly or indirectly) is/are the holders of or beneficially interested in 5% or more of the issued shares 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 associate(s) 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 Director and/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 authorized unit trust scheme in which the Director and/or his associate(s) is/are interested only as a unit holder. *(Note 3)*
- (iii) Where a company in which a Director and/or his associate(s) has an interest of 5% or more is materially interested in a transaction, then that Director and/or his associate(s) shall also be deemed materially interested in such transaction. *(Note 3)*
- (iv) 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) as to the entitlement of any Director (other than such chairman) to vote or be counted in quorum and such question is not resolved by his voluntarily agreeing to abstain from voting or not to be counted in the quorum, such question shall be referred to the chairman 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. *(Note 3)*

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. *(Note 3)*

- (v) The Company may by ordinary resolution ratify any transaction not duly authorized by reason of a contravention of this Bye-Law provided that no Director and/or his associate(s) who is/are materially interested in such transaction shall vote upon such ordinary resolution in respect of any shares in the Company in which they are interested. *(Note 3)*

PROCEEDINGS OF DIRECTORS

- 113.** The Directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings and proceedings as they think fit. Questions arising at any meeting shall be decided by a majority of votes and in the case of an equality of votes the chairman shall have a second or casting vote. A Director may, and the Secretary on the requisition of a Director shall, at any time summon a meeting of the Directors. Notice thereof shall be given to each Director and alternate Director either in writing or by telephone or by telex or telegram at the address from time to time notified to the Company by such Director or alternate Director or in such other manner as the Directors may from time to time determine provided that notice need not be given to any Director or alternate Director for the time being absent from Hong Kong. A Director may waive notice of any meeting either prospectively or retrospectively. A meeting of the Directors or any Committee may be held by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting.
- 114.** A resolution in writing signed by all the Directors present in Hong Kong except such as are temporarily unable to act through ill-health or disability and all the alternate Directors present in Hong Kong whose appointors are absent from Hong Kong or temporarily unable to act as aforesaid and in either case who are entitled to receive notice of a meeting of the Directors shall (so long as they constitute a quorum as provided in Bye-Law 116 for the time being and provided 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 meeting) be as valid and effectual as if it had been passed at a meeting of the Directors duly convened and held. Any such resolution may consist of several documents in like form each signed by one or more of the Directors or alternate Directors.
- 115.** A meeting of the Directors for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under the Bye-Laws for the time being vested in or exercisable by the Directors generally.
- 116.** Unless otherwise determined by the Directors, the quorum of a Directors' Meeting shall be 2. Any Director who ceases to be a Director at a Directors' meeting may continue to be present and to act as a Director and be counted in the quorum until the termination of the Directors' meeting if no other Director objects and if otherwise a quorum of Directors would not be present. For the purpose of this Bye-Law an alternate Director shall be counted in a quorum but, notwithstanding that an alternate Director is an alternate for more than one Director, he shall for quorum purposes be counted only as one Director.
- 117.** The continuing Directors may act notwithstanding any vacancy in their body but, if and so long as their number is reduced below the number fixed by or pursuant to the Bye-Laws as the necessary quorum of Directors, the continuing Directors may act for the purpose of increasing the number of Directors to that number or of summoning a general meeting of the Company but for no other purpose.

- 118.** Subject to the Statutes, the Directors may from time to time elect or otherwise appoint a Director to be Chairman or Deputy Chairman and determine the period for which each of them is to hold office. The Chairman or, in his absence, the Deputy Chairman shall preside at meetings of the Directors; but if no such Chairman or Deputy Chairman is elected or appointed or if at any meeting the Chairman or Deputy Chairman is not present within 5 minutes after the time appointed for holding the same, the Directors present shall choose one of their number to be chairman of the meeting.
- 119.** The Directors may delegate, and impose regulations in respect of such delegation of, any of their powers, authorities and discretions to committees consisting of such member or members of their body and such other persons as they think fit provided that the majority of the members of any such committee are Directors of the Company and that no meeting of any such committee shall be qualified as a quorum for the purpose of exercising any of such powers, authorities or discretions unless a majority of those present are Directors of the Company. The Directors 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, and every committee so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by the Directors.
- 120.** All acts done by any such committee in conformity with such regulations and in fulfillment of the purposes for which it is appointed, but not otherwise, shall have the like force and effect as if done by the Directors and the Directors shall have power, with the consent of the Company in general meeting, to remunerate the members of any special committee and charge such remuneration to the current expenses of the Company.
- 121.** The meetings and proceedings of any such committee consisting of 2 or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors including Bye-Law 114 so far as the same are applicable thereto and are not replaced by any regulations imposed by the Directors pursuant to Bye-Law 119.
- 122.** All acts bona fide done by any meeting of the Directors or of a committee of Directors or by any person acting as a Director shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such Director or person acting as aforesaid or that they or any of them were or was disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Director or member of such committee.

ALTERNATE DIRECTORS

- 123.** (A) The Company may in general meeting elect or authorise the Directors to elect or appoint on its behalf a person or persons qualified to be Directors to act as Directors in the alternative to any of the Directors of the Company and subject to the Statutes, any Director may at any time by notice in writing delivered to the office or at a meeting of the Directors appoint any person (including another Director) to be an alternate Director in his place. Any

person so appointed shall (except when absent from Hong Kong) be entitled to receive notices of and to attend and vote at meetings of the Directors and be counted towards a quorum and generally at such meetings to perform all the functions of his appointor as a Director and shall automatically vacate his office on the expiration of the term for or the happening of the event until which he is by the terms of his appointment to hold office or which, were he a Director, would cause him to vacate such office or if the appointor in writing revokes the appointment or himself ceases for any reason to hold office as a Director provided that, if at any meeting any Director retires by rotation or otherwise but is re-elected at the same meeting, any appointment made by him pursuant to this Bye-Law which was in force immediately before his retirement shall remain in force as though he had not retired. Any alternate director may be removed by the Company in general meeting and, if appointed by the Directors, may be removed by the Directors. An appointment of an alternate Director under this Bye-Law shall not prejudice the right of the appointor to receive notices of and to attend and vote at meetings of the Directors and the powers of the alternate Director shall automatically be suspended during such time as the Director appointing him is himself present in person at a meeting of the Directors. An Alternate Director may also be a Director in his own right and may act as alternate to more than one Director.

- (B) For the purposes of the proceedings at Directors' meetings the provisions of the Bye-Laws shall apply as if an alternate Director (instead of his appointor) were a Director. If he shall be himself a Director or shall attend any such meeting as an alternate for more than one Director his voting rights shall be cumulative. If his appointor is for the time being absent from Hong Kong or otherwise not available or unable to act, his signature to any resolution in writing of the Directors shall be as effective as the signature of his appointor. To such extent as the Directors may from time to time determine in relation to any committee of the Directors, the foregoing provisions of this paragraph shall also apply mutatis mutandis to any meeting of any such committee of which his appointor is a member. An alternate Director shall not, save as aforesaid, have power to act as a Director nor shall he be deemed to be a Director for the purposes of the Bye-Laws.
- (C) An alternate Director shall be entitled to contract and be interested in and benefit from contracts or arrangements or transactions and to be repaid expenses and to be indemnified to the same extent mutatis mutandis as if he were a Director but he shall not be entitled to receive from the Company in respect of his appointment as alternate Director any remuneration except only such part (if any) of the remuneration otherwise payable to his appointor as such appointor may be notice in writing to the Company from time to time direct. An Alternate Director shall alone be responsible to the Company for his acts and defaults and shall not be deemed to be the agent of or for any Director for whom he is alternate.

MANAGERS

- 124.** The Directors may from time to time appoint a manager or managers of the business of the Company and may fix his or their remuneration either by way of salary or commission or by conferring the right to participation in the profits of the Company or by a combination of two or more of these modes and pay the working expenses of any of the staff of the manager or managers who may be employed by him or them in the business of the Company.
- 125.** The appointment of such manager or managers may be for such period as the Directors may decide and the Directors may confer upon him or them all or any of the powers of the Directors and such title or titles as they may think fit.
- 126.** The Directors may enter into such agreement or agreements with any such manager or managers upon such terms and conditions in all respects as the Directors may in their absolute discretion think fit, including a power for such 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.

SECRETARY

- 127.** The secretary shall be appointed by the Directors for such term, at such remuneration and upon such conditions as they may think fit; and any secretary so appointed may be removed by them. Anything by the Act or the Bye-Laws required or authorised to be done by or to the secretary, if the office is vacant or there is for any other reason no secretary capable of acting, may be done by or to any assistant, acting or deputy secretary or if there is no assistant, acting or deputy secretary capable of acting, by or to any officer of the Company authorised generally or specially in that behalf by the Directors.
- 128.** Any provision of the Act or the Bye-Laws requiring or authorising a thing to be done by or to a Director and the secretary shall not be satisfied by its being done by or to the same person acting both as Director and as, or in place of, the secretary.

BORROWING POWERS

- 129.** The Directors may exercise all the powers of the Company to borrow money, give guarantees and mortgage or charge its undertaking, property and uncalled capital, or any part thereof, and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.
- 130.** 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.

131. Debentures, debenture stock, 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.
132. Any debentures, debenture stock, bonds or other securities may be issued at a discount, 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, but so that no shares shall be issued at a discount.
133. The Directors shall cause a proper register to be kept, in accordance with the provisions of the Act, of all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of the Act in regard to the registration of mortgages and charges therein specified and otherwise.
134. If the Company issues a series of debentures or debenture stock not transferable by delivery, the Directors shall cause a proper register to be kept of the holders of such debentures or debenture stock in accordance with the provisions of the Act.

CHEQUES

135. All cheques, promissory notes, drafts, bills of exchange and other negotiable or transferable instruments 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 Directors shall from time to time by resolution determine. The Company's banking accounts shall be kept with such bankers as the Directors shall from time to time determine.

THE SEAL

136. (A) The Directors shall provide for safe custody of the seal which shall only be used with the authority of the Directors or of a committee authorised by the Directors in that behalf; and every instrument to which the seal shall be affixed shall be signed by one Director and the Secretary or some other person appointed by the Directors for the purpose or by two Directors Provided that the Directors may either generally or in any particular case resolve (subject to such restrictions as to the manner in which the seal may be affixed as the Directors may determine) that such signature may be affixed to certificates for shares or debentures or representing any other form of security by some mechanical means other than autographic to be specified in such resolution or that such certificates need not be signed by any person. Every instrument executed in the manner provided by this Bye-Law shall be deemed to be sealed and executed with the authority of the Directors previously given.

- (B) The Company may have a duplicate seal for use in such state, country or territory outside Bermuda as the Directors shall determine and the Company may by writing under the seal appoint any agent or committee outside Bermuda to be the duly authorized agent of the Company for the purpose of affixing and using such duplicate seal and the agent may impose such restrictions on the use thereof as may be thought fit. The Company may also have, for the purpose of sealing securities issued by the Company, and for the purpose of sealing documents representing or evidencing the securities so issued, a duplicate seal which is a facsimile of the seal with the addition on its face of the words "Securities Seal". Wherever in the Bye-Laws reference is made to the seal, the reference shall, so far as may be applicable, be deemed to include such duplicate seals as aforesaid.

DIVIDENDS AND RESERVES

- 137.** Subject to the Act and as hereinafter set out, the Company in general meeting may declare dividends, in any currency, to be paid to the members according to their rights and privileges in the profits available for distribution but no dividend shall exceed the amount recommended by the Directors. No dividend shall be declared or paid and no distribution of contributed surplus made otherwise than in accordance with the Statutes. No dividend shall be paid otherwise than out of profits available for distribution.
- 138.** (A) The Directors may from time to time pay to the members such interim dividends as appear to the Directors to be justified by the position of the Company and, in particular (but without prejudice to the generality of the foregoing), if at any time the capital of the Company is divided into different classes, the Directors may pay such interim dividends in respect of those shares in the capital of the Company which confer 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 but no interim dividend shall be paid on shares carrying deferred or non-preferential rights if, at the time of payment, any preferential dividend is in arrear provided that if the Directors act bona fide the Directors shall not incur any responsibility to the holders of shares conferring any preference for any damage that they may suffer by reason of the lawful payment of an interim dividend on any shares having deferred or non-preferential rights.
- (B) The Directors may also pay half-yearly or at other suitable intervals to be settled by them any dividend which may be payable at a fixed rate if the Directors are of the opinion that the position of the Company justifies the payment.
- 139.** No dividend or other moneys payable by the Company on or in respect of any share shall bear interest against the Company.

- 140.** Whenever the Directors or the Company in general meeting have resolved that a dividend be paid or declared, the Directors may further resolve that such dividend be satisfied wholly or in part by the distribution of specific assets of any kind and in particular of paid up shares, debentures or warrants to subscribe for securities of the Company or other company or in any one or more of such ways and where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient and in particular may issue fractional certificates, 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 Directors 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. The Directors may appoint any person to sign such contract on behalf of the persons entitled to the dividend and such appointment shall be effective.
- 141.** (A) Whenever the Directors or the Company in general meeting have resolved that a dividend be paid or declared, the Directors may further resolve:
- either (i) that such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid provided that the members entitled thereto will be entitled to elect to receive such dividend (or part thereof) in cash in lieu of such allotment. In such case, the following provisions shall apply:
- (a) the basis of any such allotment shall be determined by the Directors;
 - (b) the Directors, after determining the basis of allotment, shall give not less than 2 weeks' notice in writing to the members of the right of election accorded to them and shall send with such notice forms of election and specify the procedure to be followed and the place at which and the latest date and time by which duly completed forms of election must be lodged in order to be effective;
 - (c) the right of election may be exercised in respect of the whole or part of that portion of the dividend in respect of which the right of election has been accorded;
 - (d) the dividend (or that part of the dividend to be satisfied by the allotment of shares as aforesaid) shall not be payable in cash on shares in respect whereof the cash election has not been duly exercised ("the non-elected shares") and in lieu and in satisfaction thereof shares shall be allotted credited as fully paid to the members who have not duly exercised the said cash election on the basis of allotment determined as aforesaid and for such purpose the Directors shall capitalise and apply out of

any part of the profits of the Company available for distribution or any part of any of the Company's reserve accounts (including any special account, share premium account and capital redemption reserve fund) as the Directors may determine, a sum equal to the aggregate nominal amount of the shares to be allotted on such basis and apply the same in paying up in full the appropriate number of shares for allotment and distribution to and amongst the allottees of the non-elected shares on such basis;

- or (ii) that the members entitled to such dividend shall be entitled to elect to receive an allotment of shares credited as fully paid in lieu of the whole or such part of the dividend as the Directors may think fit. In such case, the following provisions shall apply :
- (a) the basis of any such allotment shall be determined by the Directors;
 - (b) the Directors after determining the basis of allotment, shall give not less than 2 weeks' notice in writing to the members of the right of election accorded to them and shall send with such notice forms of election and specify the procedure to be followed and the place at which and the latest date and time by which duly completed forms of election must be lodged in order to be effective;
 - (c) the right of election may be exercised in respect of the whole or part of that portion of the dividend in respect of which the right of election has been accorded;
 - (d) the dividend (or that part of the dividend in respect of which a right of election has been accorded) shall not be payable on shares in respect whereof the share election has been duly exercised ("the elected shares") and in lieu and in satisfaction thereof shares shall be allotted credited as fully paid to the members who have duly exercised the said share election on the basis of allotment determined as aforesaid and for such purpose the Directors shall capitalise and apply out of any part of the profits of the Company available for distribution or any part of any of the Company's reserve accounts (including any special account, share premium account and capital redemption reserve fund) as the Directors may determine, a sum equal to the aggregate nominal amount of the shares to be allotted on such basis and apply the same in paying up in full the appropriate number of shares for allotment and distribution to and amongst the allottees of the elected shares on such basis.

(B) The shares allotted pursuant to the provisions of paragraph (A) of this Bye-Law shall rank pari passu in all respects with the shares then in issue save only as regards participation:

- (i) in the relevant dividend (or the right to receive or to elect to receive an allotment of shares in lieu and in satisfaction thereof as aforesaid); or
- (ii) In any other distributions, bonuses or rights paid, made, declared or announced prior to or contemporaneously with the payment or declaration of the relevant dividend.

unless, contemporaneously with the announcement by the Directors of their proposal to apply the provisions of sub-paragraph (i) or (ii) of paragraph (A) of this Bye-Law in relation to the relevant dividend or contemporaneously with their announcement of the distribution, bonus or rights in question, the Directors shall specify that the shares to be allotted pursuant to the provisions of paragraph (A) of this Bye-Law shall rank for participation in such dividend, distribution, bonus or rights.

(C) The Directors may do all acts and things considered necessary or expedient to give effect to any capitalization pursuant to the provisions of paragraph (A) of this Bye-Law with full power to the Directors to make such provisions as they think fit in the case of shares becoming distributable in fractions (including provisions whereby, in whole or in part, fractional entitlements are aggregated and sold and the net proceeds distributed to those entitled or are disregarded or rounded up or down or whereby the benefit of fractional entitlements accrues to the Company rather than to the members concerned). The Directors may authorize 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.

(D) The Company may, upon the recommendation of the Directors, by special resolution resolve in respect of any one particular dividend of the Company that notwithstanding the provisions of paragraph (A) of this Bye-Law a dividend may be satisfied wholly in the form of an allotment of shares credited as fully paid without offering any right to members to elect to receive such dividend in cash in lieu of such allotment.

(E) The Directors may on any occasion determine that rights of election and the allotment of shares under paragraph (A) of this Bye-Law shall not be made available or made to any members with registered addresses in any territory where in the absence of a registration statement or other special formalities the circulation of an offer of such rights of election or the allotment of shares would or might be unlawful and in such event the provisions aforesaid shall be read and construed subject to such determination.

- 142.** Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid but no amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this Bye-Law as paid on the share. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly. The Directors may deduct from any dividend, bonus or distribution payable to any member all sums of money (if any) presently payable by him to the Company on account of calls, instalments or otherwise in relation to the shares of the Company.
- 143.** The Directors may retain any dividends or other moneys payable on or in respect of a share upon which the Company has a lien and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.
- 144.** The Directors may, before recommending any dividend, set aside out of the profits of the Company such sums as they think proper as a reserve or reserves which shall, at the discretion of the Directors, be applicable for meeting claims on or liabilities of the Company or contingencies or for paying off any loan capital or for equalising dividends or for any other purpose to which the profits of the Company may be lawfully applied and pending such application may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares or warrants of the Company) as the Directors may from time to time think fit and so that it shall not be necessary to keep any investments constituting the reserve or reserves separate or distinct from any other investments of the Company. The Directors may also without placing the same to reserve carry forward any profits which they may think prudent not to distribute by way of dividend.
- 145.** Any general meeting sanctioning a dividend may make a call on the members of such amount as the meeting fixes but so that the call on each member shall not exceed the dividend payable to him and so that the call shall be made payable at the same time as the dividend and the dividend may, if so arranged between the Company and the member, be set off against the call.
- 146.** A transfer of shares shall not pass the right to any dividend or bonus declared thereon before the registration of the transfer.
- 147.** Notwithstanding anything herein contained, if two or more persons are registered as joint holders of any share, any one of them may give an effectual receipt for any dividends, interim dividends or bonuses or other moneys payable on or in respect of such shares.
- 148.** Unless otherwise directed by the Directors, any dividend, interest, bonus or other sum payable in cash to the members may be paid by cheque or warrant sent through the post to the registered address of the member or person entitled thereto or to such person at such address as the member or person entitled (as the case may be) may direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or to the order of such other person as the member or

person entitled (as the case may be) may direct and shall be sent at his own risk and the payment of any such cheque or warrant shall operate as a good discharge to the Company in respect of the dividend, interest, bonus or other sum represented thereby, notwithstanding that it may subsequently appear that the same has been stolen or that any endorsement thereon has been forged.

- 149.** All dividends or bonuses unclaimed for one year after having been declared may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof or any profit or benefit derived therefrom. All dividends or bonuses unclaimed for 6 years after having been declared shall be forfeited by the Directors and shall revert to the Company.
- 150.** (A) The Directors may, with the sanction of an ordinary resolution of the Company, capitalize any sum standing to the credit of any of the Company's reserve accounts (including share premium account and capital redemption reserve fund) or any sum standing to the credit of any profit and loss account or otherwise available for distribution (and not required for the payment or provisions of the dividend on any shares with a preferential right to dividend) by appropriating such sum to the holders of shares in the proportions which such sum would have been divisible amongst them had the same been a distribution of profits by way of dividend and applying such sum on their behalf in or towards paying up any amounts for the time being unpaid on any shares held by them respectively or in paying up in full unissued shares (or, subject to any special rights previously conferred on any shares or class of shares or class of shares for the time being issued, unissued shares of any other class not being redeemable shares), debentures or other obligations of the Company for allotment and distribution credited as fully paid up to and amongst them in the proportion aforesaid, or partly in the one way and partly in the other: Provided that a share premium account and a capital redemption reserve fund and any reserve or fund representing unrealised profits may, for the purposes of this Bye-Law, only be applied in paying up unissued shares to be allotted to members as fully paid bonus shares.
- (B) Whenever such a resolution as aforesaid shall have been passed the Directors shall make all appropriations and applications of the undivided profits resolved to be capitalised thereby and all allotments and issues of fully paid up shares or debentures, if any, and generally shall do all acts and things considered necessary or expedient to give effect to any such capitalisation. In particular where any difficulty arises in regard to any distribution under paragraph (A) of this Bye-Law the Directors may settle the same as they think expedient and in particular may issue fractional certificates 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 Directors. The Directors may authorise any person to enter on behalf of all the members entitled thereto into an agreement with the Company providing for any such capitalisation and matters incidental thereto including the allotment to them respectively, credited as fully paid up, of any further shares or debentures to

which they may be entitled upon such capitalisation or, as the case may require, the payment up by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised, of the amounts or any part of the amounts remaining unpaid on their existing shares and any agreement made under such authority shall be effective and binding on all concerned.

151. The following provisions shall have effect at any time and from time to time in so far as they are not prohibited by or inconsistent with the Statutes:

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

- (b) the nominal amount of shares in respect of which such subscription rights would have been exercisable having regard to the provisions of the conditions of the warrants, had it been possible for such subscription rights to represent the right to subscribe for shares at less than par.

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

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

- (B) Shares allotted pursuant to the provisions of this Bye-Law shall rank *pari passu* in all respects with the other shares allotted on the relevant exercise of the subscription rights represented by the warrant concerned.
- (C) Notwithstanding anything contained in paragraph (A) of this Bye-Law no fraction of a share shall be allotted on exercise of the subscription rights.
- (D) The provisions of this Bye-Law as to the establishment and maintenance of the Subscription Right Reserve shall not be altered or added to in any way which would vary or abrogate, or which would have the effect of varying or abrogating, the provisions for, the benefit of any warrant holder or class of warrant holders under this Bye-Law without the sanction of a special resolution of such warrant holders or class of warrant holders.

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

RECORD DATES

- 152.** Notwithstanding any other provision of these presents the Company or the Directors may fix any date as the record date for any dividend, distribution allotment or issue and such record date may be on or at any time before or after any date on which such dividend, distribution, allotment or issue is declared, paid or made.

ANNUAL RETURNS

- 153.** The Directors shall file the requisite annual declaration and pay the annual government fee in Bermuda in accordance with the Statutes.

ACCOUNTS

- 154.** The Directors shall cause proper books of account to be kept with respect to:
- (i) all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure took place;
 - (ii) all sales and purchases of goods by the Company; and
 - (iii) the properties, assets, credits and liabilities of the Company and of all other matters required by the Act.

Proper books shall not be deemed to be kept if there are not kept such books of account as are necessary to give a true and fair view of the state of the Company's affairs and to explain its transactions.

- 155.** The books of account shall be kept at the Company's principal place of business in Hong Kong or at such other place as the Directors think fit and shall always be open to inspection by the Directors, provided that if the books of account shall be kept outside Bermuda, there shall be kept at the office such records as will enable the Directors to ascertain with reasonable accuracy the financial position of the Company at the end of each 3 month period.

- 156.** The Directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the account and books of the Company or any of them shall be open to the inspection of members not being Directors and no member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorised by the Directors or by the Company in general meeting.
- 157.** The Directors shall from time to time, in accordance with the relevant provisions of the Act, cause to be prepared and audited by the auditors for the time being of the Company such profit and loss accounts, balance sheets and group accounts (if any) as are referred to in those provisions. Such profit and loss accounts, balance sheets and group accounts (if any) as shall have been audited by the auditors for the time being of the Company and such other reports as are referred to in the relevant provisions of the Act shall be laid before the Company at the annual general meeting which must be held in accordance with the provisions of Bye-Law 56.
- 158.** Every balance sheet of the Company shall be signed pursuant to the relevant provisions of the Act and, subject to those provisions, a copy of every balance sheet (including every document required by law to be annexed thereto) and profit and loss account which is to be laid before the Company at the annual general meeting, together with a copy of the Directors' report and a copy of the auditors' report, shall be sent to every member of, and every holder of debentures of, the Company and every person registered under Bye-Law 49 and to all persons other than members or holders of debentures of the Company, being persons entitled to receive notices of general meetings of the Company, at the same time as notice of the meeting is being sent: Provided that this Bye-Law shall not require a copy of those documents to be sent to any person of whose address the Company is not aware or to more than one of the joint holders of any shares or debentures. Copies of each of the said documents shall also be forwarded in appropriate number to the Designated Stock Exchange on which the shares of the Company shall be listed or the relevant committee thereof in accordance with the terms of any listing agreement for the time being binding on the Company or with the continuing obligation binding on the Company by virtue of any listing.

BRANCH REGISTERS

- 159.** Subject to the provisions of the Act, if the Directors consider it necessary or appropriate, the Company may establish and maintain a branch register of members at such location within or outside Bermuda as the Directors think fit. The Directors may, subject to the Act, make or vary from time to time such provisions as they think fit in respect of the keeping of any such branch register and the transfer of shares to, on or from any such branch register and may comply with the requirements of any local law.

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

AUDIT

- 160.** Auditors shall be appointed and their duties regulated in accordance with the Bye-Laws and the provisions of the Act.
- 161.** Subject as otherwise provided by the Act, the remuneration of the auditors shall be fixed by the Company in general meeting Provided always that in respect of any particular year the Company in general meeting may delegate the fixing of such remuneration to the Directors.
- 162.** Every statement of account audited by the Company's auditors and presented by the Directors at a general meeting shall after approval at such meeting be conclusive as to the contents thereof except as regards any error discovered therein within 3 months of the approval thereof. Whenever any such error is discovered within that period, it shall forthwith be corrected and the statement of account amended in respect of the error shall be conclusive as aforesaid.

NOTICES

- 163.** (A) Except where otherwise expressly stated, any notice to be given to or by any person pursuant to these Bye-laws shall be in writing or, to the extent permitted by the Statutes and any applicable rules prescribed by the Designated Stock Exchange from time to time and subject to this Bye-law, contained in an electronic communication. A notice calling a meeting of the Directors need not be in writing. (*Note 5*)
- (B) A notice or document (including a share certificate) may be served on or delivered to any member of the Company either personally or by sending it through the post in a prepaid envelope or wrapper addressed to such member at his registered address as appearing in the register or by leaving it at that address addressed to the member or by any other means authorised in writing by the member concerned or by publishing it by way of advertisement in at least one English language newspaper and one Chinese language newspaper circulating generally in Hong Kong. Without limiting the generality of the foregoing but subject to the Statutes and any rules prescribed by the Designated Stock Exchange from time to time, a notice or document may be

served or delivered by the Company to any member by electronic means to such address as may from time to time be authorised by the member concerned or by publishing it on a computer network and notifying the member concerned, in such manner as he may from time to time authorise, that it has been so published. *(Note 5)*

- (C) Any such notice or document may be served or delivered by the Company by reference to the register as it stands at any time not more than fifteen days before the date of service or delivery. No change in the register after that time shall invalidate that service or delivery. Where any notice or document is served or delivered to any person in respect of a share in accordance with these Bye-laws, no person deriving any title or interest in that share shall be entitled to any further service or delivery of that notice or document. *(Note 5)*
- (D) Any notice or document required to be sent to or served upon the Company, or upon any officer of the Company may be sent or served by leaving the same or sending it through the post in a prepaid envelope or wrapper addressed to the Company or to such officer at the Company's head office or registered office. *(Note 5)*
- (E) The Directors may from time to time specify the form and manner in which a notice may be given to the Company by electronic means, including one or more addresses for the receipt of an electronic communication, and may prescribe such procedures as they fit for verifying the authenticity or integrity of any such electronic communication. Any notice may be given to the Company by electronic means only if it is given in accordance with the requirements specified by the Directors. *(Note 5)*

164. Any notice or other document, if sent by mail, postage prepaid, shall be deemed to have been served or delivered on the day following that on which the letter, envelope, or wrapper containing the same is put into the post. In proving such service it shall be sufficient to prove that the letter, envelope, or wrapper containing the notice or document was properly addressed and put into the post as prepaid mail. Any notice or document not sent by post but left by the Company at a registered address shall be deemed to have been served or delivered on the day it was so left. Any notice or document, if sent by electronic means (including through any relevant system), shall be deemed to have been given on the day following that on which the electronic communication was sent by or on behalf of the Company. Any notice or document served or delivered by the Company by any other means authorised in writing by the member concerned shall be deemed to have been served when the Company has carried out the action it has been authorised to take for that purpose. Any notice or other document published by way of advertisement or on a computer network shall be deemed to have been served or delivered on the day it was so published. *(Note 5)*

165. A notice may be given by the Company to the joint holders of a share by giving the notice to the joint holder named first in the register in respect of the share and notice so given shall be sufficient notice to all the joint holders.

- 166.** A notice may be given by the Company to the persons 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 envelope or wrapper addressed to them by name or by the title of representatives of the deceased or trustee of the bankrupt or committee, receiver, curator bonis or other person in the nature of a committee, receiver or curator bonis appointed by the court or by any like description at the address, if any, within Bermuda or Hong Kong supplied for the purpose by the persons claiming to be so entitled or, until such an address has been so supplied, by giving the notice in any manner in which the same might have been given if the death, mental disorder or bankruptcy had not occurred.
- 167.** Any person who, by operation of law, transfer or other means whatsoever, becomes entitled to any share shall be bound by every notice in respect of such share which, prior to his name and address being entered in the register, shall have been duly given under the Bye-Laws to the person from whom he derived his title to such share.
- 168.** Notice of every general meeting shall be given in any manner hereinbefore authorized to (a) every member, (b) every person entitled to a share in consequence of the death, mental disorder or bankruptcy of a member who, but for his death, mental disorder or bankruptcy, would be entitled to receive notice of the meeting, and (c) the auditors for the time being of the Company. No other persons shall be entitled to receive notices of general meetings.
- 169.** Any notice or document delivered or sent by post or left at the registered address or the address supplied by him for the sending of notices or documents to him of any member in pursuance of the Bye-Laws shall, notwithstanding that such member be then deceased or bankrupt or that any other event has occurred and whether or not the Company has notice of his death, bankruptcy or such other event, be deemed to have been duly served in respect of any registered shares whether held solely or jointly with other persons by such member until some other person be registered in his stead as the holder or joint holder thereof and such service shall for all purposes of the Bye-Laws be deemed a sufficient service of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in the share.
- 170.** The signature to any notice to be given by the Company may be written or printed.

INFORMATION

- 171.** No member shall be entitled to require discovery of or any information respecting any detail of the Company's trading or any matter which is or may relate to the conduct of the business of the Company and which in the opinion of the Directors will be inexpedient in the interests of the members of the Company to communicate to the public.

DESTRUCTION OF DOCUMENTS

172. The Company may destroy:

- (i) any share certificate which has been cancelled at any time after the expiry of one year from the date of such cancellation;
- (ii) 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 2 years from the date such mandate, variation, cancellation or notification was recorded by the Company;
- (iii) any instrument of transfer of shares which has been registered at any time after the expiry of 6 years from the date of registration; and
- (iv) any other document on the basis of which any entry in the register is made at any time after the expiry of 6 years from the date an entry in the register was first made in respect of it;

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

- (a) 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;
- (b) 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 (a) above are not fulfilled; and
- (c) references in this Bye-Law to the destruction of any document include references to its disposal in any manner.

WINDING-UP

173. If the Company is wound up and the assets available for distribution among the members as such are insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that as nearly as may be the losses shall be borne by the members in proportion to the capital paid up or which ought to have been paid up at the commencement of the winding-up on the shares held by them respectively. If in a winding-up the assets available for distribution among the members are more than sufficient to repay the whole of the capital paid up at the commencement of the winding-up, the excess shall be distributed amongst the members in proportion to the capital at the commencement of the winding-up paid up by them respectively. This Bye-Law shall not add to or detract from the rights of the holders of shares issued upon special terms and conditions.

- 174.** No fee or commission shall be paid by the Company to any Director or liquidator upon any sale or realization of the Company's undertaking or assets or any part thereof except with the sanction of a general meeting convened by notice specifying the fee or commission proposed to be paid.
- 175.** If the Company shall be wound up (whether voluntarily or under supervision of or by the court), the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members in specie or kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may, for such purpose, set such value as he deems fair upon any property to be divided as aforesaid 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 sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction, shall think fit and the liquidation of the Company may be closed and the Company dissolved, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.
- 176.** In the event of a winding-up of the Company, every member of the Company who is not for the time being in Hong Kong shall be bound, within 14 days after the passing of an effective resolution to wind up the Company voluntarily or the making of an order for the winding-up of the Company, to serve notice in writing on the Company appointing some person resident in Hong Kong and stating that person's full name, address and occupation upon whom all summonses, notices, process, order and judgments in relation to or under the winding-up of the Company may be served and in default of such nomination the liquidator of the Company shall be at liberty on behalf of such member to appoint some such person and service upon any such appointee, whether appointed by the member or the liquidator, shall be deemed to be good personal service on such member for all purposes and, where the liquidator makes any such appointment, he shall with all convenient speed give notice thereof to such member by advertisement to be published in the newspapers or by a registered letter sent through the post and addressed to such member at his address as mentioned in the register and such notice shall be deemed to be served on the day following that on which the advertisement appears or the letter is posted.

INDEMNITY

177. (A) Subject to the provisions of and so far as may be permitted by the Act, every Director, auditor, secretary or other officer of the Company and every agent or employee of the Company shall be entitled to be indemnified by the Company out of the assets of the Company against all costs, charges, losses, expenses and liabilities which he may sustain or incur in or about the execution and discharge of his duties or in relation thereto including any liability incurred by him in defending any proceeding, civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as officer or employee of the Company and in which judgment is given in his favour (or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part) or in which he is acquitted or in connection with any application under any law for relief from liability in respect of any such act or omission in which relief is granted to him by any court of competent jurisdiction.
- (B) Subject to the provisions of the Act, if any Director and/or other person shall become personally liable for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge, or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Director and/or person so becoming liable as aforesaid from any loss in respect of such liability.

Remarks:

- (Note 1) Resolution passed on 13 January 1995
(Note 2) Resolution passed on 26 June 1997
(Note 3) Resolution passed on 10 June 2004
(Note 4) Resolution passed on 23 May 2006
(Note 5) Resolution passed on 25 May 2007
(Note 6) Resolution passed on 3 June 2009
(Note 7) Resolution passed on 27 May 2011